

1630 DES PERES ROAD  
SUITE 305  
ST. LOUIS, MO 63131  
(314) 835-4400 • FAX (314) 835-4499  
www.wnnp.com

October 1, 2010

Technical Director  
File Reference No. 1860-100  
FASB  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

Via electronic mail:  
director@fasb.org

To Whom It May Concern:

Wolfe Nilges Nahorski, PC appreciates the opportunity to comment on the FASB's proposed Accounting Standards Update on Compensation – Retirement Benefits – Multi-employer Plans (Subtopic 715-80): Disclosure about an Employer's Participation in a Multi-employer Plan.

After reviewing the Exposure Draft, we would like to make comments specifically relating to the impact on multi-employer pension funds, and the impact it has to the thousands of employers that contribute to these pension funds. In particular, the impact it would have on the construction industry plans. As a firm that provides auditing services to a large number of multi-employer pension funds and a large number of construction contractors that contribute to these funds, we feel we are in a relatively unique position to provide comments on this proposal.

While we understand the efforts of the Board to address concerns raised by constituents relating to these liabilities, we are not supportive of the proposed changes for a variety of reasons, as enumerated below.

1. We feel that the current standards relating to the disclosure of contingent liabilities provides adequate information to the users of financial statements. It is our opinion that if financial statements were required to provide disclosures of contingent liabilities, **even in situations where the likelihood is remote**, these added disclosures would be confusing to the users of the financial statements. This confusion would create potential issues for the contributing employers as they attempt to obtain bonding or additional capital. When the likelihood of the liability occurring is improbable or remote, even if it could have a "severe impact" on the entity, it does not seem to be appropriate to add these financial disclosures when it is not likely that the liability will ever come to fruition.

2. Many of these multi-employer pension funds have thousands of contributing employers. Currently, Plans provide a withdrawal liability calculation only when a request is submitted by a contributing employer that is considering withdrawing from the Plan. The financial burden on these Plans to provide withdrawal liability calculations annually to every participating employer would be prohibitive. At a time when these Plans are trying to cut administrative costs and maintain benefits for the Plan's participants, it does not seem logical to force additional expenses for liability calculations that, in most cases, will be remote and improbable of occurring.
3. Contributing employers will have a difficult time obtaining these calculations in a timely manner from the Plans, which could delay the timing of the issuance of their financial statements. While many of the employers may have their audits completed within 60 days after their year end, most benefit plan audits are not completed until five or six months after their plan year ends. Plan administrators may be uncomfortable providing these withdrawal liability calculations across the board until their annual audit is performed. This could ultimately delay the issuance of the financial statements for the contributing employers.
4. In some situations, the Plan only provides basic template data to the contributing employer, and the employer will be required to estimate their own withdrawal liability. We feel that these calculations would be subject to employer interpretations and judgment, and there will be inconsistencies from employer to employer on how these amounts are calculated. This will create additional confusion for the users of financial statements and additional time and effort by the auditors of the financial statements to develop audit procedures and expertise relating to the amounts to be disclosed.
5. The proposed disclosure requirements related to disclosing the number of employees covered under each Plan and the percentage that those employees represent of each Plan's total participants is an onerous requirement that provides little, if any, pertinent information to the users of a financial statement.

If the FASB is intent on creating a disclosure requirement, it seems that a simple disclosure of the existence of a withdrawal liability, along with details of the chain of events that would need to occur in order for that withdrawal liability to be assessed, would be sufficient to provide transparency to financial statement users.

In conclusion, we do not support the proposed changes that would require the disclosure of liabilities that are considered to have a remote chance of occurrence, and that would add unnecessary layers of costs to the participants of multi-employer pension funds and for the employers that contribute to these plans.

Sincerely,

A handwritten signature in cursive script that reads "Chris Madison".

R. Christopher Madison, CPA, CFF