



The McKeogh Company

November 1, 2010

Technical Director
File Reference No. 1860-100
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Dear Sir or Madam:

I am an Enrolled Actuary who consults with both single and multiemployer pension plans and I wish to comment on the proposed changes in accounting standards contained in Subtopic 715-80, Disclosure about an Employer's Participation in a Multiemployer Plan, in particular as they pertain to employers in the building and construction industry.

I believe there are many issues raised in the exposure draft issued by FASB on September 1, 2010 dealing with the cost to obtain, and availability of, the information necessary, to comply with the proposed changes and I am sure these issues will be addressed by other commentators [Author's disclosure: I am a member of the Multiemployer Subcommittee of the American Academy of Actuaries that is issuing its own comment letter on the Exposure Draft but this letter represents my own opinions and not necessarily those of the Academy].

In this letter, I will comment on only one question: "Will the proposed quantitative and qualitative disclosures result in more useful and transparent disclosure of an employer's obligations arising from its participation in a multiemployer plan?" I believe the answer to that question is "No" as it pertains to an employer in the building and construction industry (which I will refer to herein as Construction Employer) for the following reasons:

1. First and foremost, a Construction Employer incurs no withdrawal liability from a multiemployer pension plan if it ceases all operations or leaves the area covered by the plan. So, for example, if a New York contractor bids and wins a job in Philadelphia, contributes to six different multiemployer pension plans during the course of the project, and returns to New York, then there is no withdrawal liability. In this example, the provisions in the exposure draft would require a substantial amount of work even though (and, regardless of the financial condition of the plans to which it contributed), the Construction Employer incurs no withdrawal liability. In fact, there is no liability whatsoever, and to record any on a financial statement would be, at best, misleading.





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2. Sometimes, a recorded liability is used by readers to estimate future cash flows but a Construction Employer makes contributions to a multiemployer pension plan based on its work in employment covered by the plan, not by the size of the liability.
3. In the case of benefits other than pensions, the proposed disclosure is even more misleading, since, at least in all of the cases with which I am familiar, there are no legal obligations to maintain the benefits by the plan itself, let alone by any contributing employer.

If there are any questions or if you would like to discuss any of the above, please feel free to contact me.

Respectfully submitted,

A handwritten signature in black ink that reads "James J. McKeogh". The signature is written in a cursive, flowing style.

James J. McKeogh, F.S.A.

JJM:cc