October 28, 2010

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

In re: Disclosure about Employer’s Participation in a Multi-Employer Plan

Dear Sir/Madam:

I am the Chairman Trustee of the Sheet Metal Workers’ Local No. 20 Indianapolis Area Pension Fund. I am writing this letter on behalf of the other five trustees on the plan to express our concerns about your exposure draft of a proposed accounting standards update for employers who participate in multi-employer plans. We speak not only for ourselves, but for the scores of employers who participate in this plan and the thousands of employees who benefit from it. Thank you for allowing us the opportunity to comment on this proposal.

We believe that the draft proposes a solution to a problem that does not exist. That being, the allegedly insufficient information provided to interested parties about an employer’s participation in a multi-employer plan. Ours is not only a multi-employer plan, it is a construction industry plan. As such, it is defined in the Multi-employer Pension Plan Amendments Act of 1980, which amended ERISA.

Because our plan is a construction industry plan, participating employers have very limited liability for any payments to the plan beyond those which are called for in their collective bargaining agreement. The only time an employer is exposed to so-called “employer withdrawal liability” is in the event it withdraws from its collective bargaining agreement and it continues to operate as a non-union employer. This very rarely happens in our industry. An employer who simply ceases operation does not incur such liability.
The potential liability of our employers for withdrawal liability, then, is beyond contingent; it is nearly non-existent. Nonetheless, your draft would impose significant costs on the plan to provide required information to its employers. In turn, significant additional costs to our employers to have auditors analyze and incorporate this information into annual audits. This cost would be multiplied by the number of multi-employer plans in which some of our employers participate.

Whatever small benefit this information could provide to interested parties would be far outweighed by the potential harm which could be caused to our employers from the mendacious use of this information and by the confusion it could cause their customers, bonding companies and bankers. Bonding companies are important to our employers due to public works projects which require bonding. Our employers who engage in these public jobs are overwhelmingly strong, well-financed entities with good credit ratings. Their likelihood of incurring withdrawal liability is almost non-existent. Yet this withdrawal liability information would be noted in the financial statements which they must provide to banks and bonding companies, thereby sowing confusion and questions.

Let us emphasize again, the cost to the plan of providing the required information to the scores of employers who would be required to request it under your draft. This cost, contrary to our mandate under ERISA, would be of no benefit to participants and beneficiaries, as all expenses paid by such plans should be. It would be an unproductive overhead cost to the operation of this plan.

In summary, we firmly believe the draft proposes disclosures that would do far more harm than good to our participating employers, who are the clients of your members. While requiring information of dubious value, it would also give opportunity to non-union competitors to misuse this information. Because of the remote possibility of withdrawal liability becoming an obligation to our employers, it would be of no value to their banks and bonding companies in evaluating the risk of dealing with our employers.

Thank you for your attention to this matter.

Very truly yours,

BOARD OF TRUSTEES

[Signature]

Phillip E. Gillespie, Chairman