October 26, 2010

Technical Director
File Reference No. 1860-100
Financial Accounting Standards Board
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Norwalk, CT 06856-5116

E-mail: director@fasb.org

## Dear Sir or Madam:

Towers Watson is a leading global professional services company that helps organizations improve performance through effective people, risk and financial management. We combine expertise in retirement and investment consulting to support organizations worldwide in designing, valuing, managing, administering, communicating and reporting on all types of benefit plans. Each year we perform actuarial valuations and/or prepare disclosure information for more than 10,000 retirement plans around the world in more than 100 jurisdictions. Towers Watson serves as the global actuary to over 225 multinational companies, headquartered in 16 countries, and as local actuary to hundreds more.

We appreciate the opportunity to comment on the FASB's Proposed Accounting Standards Update, *Disclosure about an Employer's Participation in a Multiemployer Plan.* Due to our limited direct involvement with multiemployer plans, we have provided comments in only the two areas in which we have relevant observations.

## **Applicability**

The ED proposes modifying ASC 715-30-55-63 which addresses the accounting and financial reporting by local chapters of a not-for-profit entity that participate in a pension plan sponsored by the national organization. The guidance requires that in each chapter's separate financial statements, the chapter account for its participation in the national plan similar to participation in a multiemployer plan. The chapters also must provide the disclosures required by employers participating in a multiemployer plan. The ED proposes amending ASC 715-30-55-63 to cover the proposed additional disclosures.

ASC 715-30-55-64 addresses the accounting by subsidiaries participating in a plan sponsored by their parent and states that the conclusions in ASC 715-30-55-63 apply if the subsidiary prepares separate company financial statements. Consequently, based on the proposed amendment to ASC 715-30, a subsidiary preparing separate company financial statements would be required to provide the additional disclosures proposed by the Exposure Draft. We question the relevance and cost of providing the additional disclosure, particularly in light of the related party nature of the arrangement and parent's ultimate responsibility for the benefit obligation.

We propose the disclosures by a subsidiary participating in a plan sponsored by its parent be limited to the disclosures currently required by ASC 715-80-50-1 (description of the plan and the cost recognized during the current period) and any related party disclosures required by ASC 850-10.

## **Effective Date**

The proposed effective date for the new disclosures for many organizations is less than two months after the comment letter deadline, and a substantially shorter period after a final Accounting Standards Update could realistically be issued by the Board. In light of the time required to gather the disclosure information,

we strongly encourage delaying the effective date by a year and advising constituents of the delay as soon as possible.

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We would be happy to discuss our views with you further or answer any questions you may have.

Sincerely yours,

Diona J. Scott

Diana J. Scott, CPA