

MINUTES



To: Board Members
From: Maladtsova x384
Subject: Minutes of July 27, 2011 Board Meeting on Multiemployer Plans
Date: July 28, 2011
cc: Sutay

The Board meeting minutes are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions become final only after a formal written ballot to issue an Accounting Standards Update or a Statement of Financial Accounting Concepts.

Topic: Qualitative Disclosures, Effective Date, and Sweep Issues

Basis for Discussion: FASB Memos No. 11 and 12

Length of Discussion: 10:00 a.m. to 11:20 a.m. EDT

Attendance:

Board members present: Seidman, Buck, Linsmeier, Golden, Siegel, Smith, Schroeder

Board members absent: None

Staff in charge of topic: Hildebrand

Other staff at Board table: Cospers, Proestakes, Glotzer, Bossio, Maladtsova

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the development of a final Accounting Standards Update. The Board's technical plan calls for that document to be issued in the second half of 2011.

Summary of Decisions Reached:

The Board continued its redeliberations of its September 2010 Exposure Draft of proposed Accounting Standards Update, *Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80): Disclosure about an Employer's Participation in a Multiemployer Plan*, and made the following tentative decisions that apply only to multiemployer pension plans:

1. Based on the results of the staff's outreach with respect to the auditability of plan assets, liabilities, and contributions, the Board decided not to expand the disclosures beyond the following previous tentative decisions for individually material plans:
 - a. As of the date of each annual balance sheet presented, the most recent certified zone status, as required by the Pension Protection Act of 2006, if available. If zone status is not available, an employer should disclose whether the plan was:
 - i. Less than 65 percent funded;
 - ii. Between 65 percent and 80 percent funded; or
 - iii. Greater than 80 percent funded.
 - b. An Indication of whether the employer's contributions represent 5 percent or more of the total contributions to the plan.
2. For individually material plans that do not have plan level information that is publically available comparable to the plan level information included in an U.S. Form 5500, an employer would provide:
 - a. The employer's contribution to the plan
 - b. Information about the plan, including:
 - i. A description of the nature of the plan benefits
 - ii. The extent to which the employer could be responsible for the underfunded status of the plan
 - iii. The information required by 1(a) and 1(b) above
 - iv. Other quantitative information that the employer believes would help users to understand the financial information

about the plan, such as plan assets, plan liabilities, and total contributions to the plan.

- c. To the extent that quantitative information in 2(b)(iii) and 2(b)(iv) is not available without undue cost, that quantitative information may be omitted and the employer would describe what information has been omitted and why. In that circumstance, the employer also would be required to provide any available qualitative information that it believes would help users to understand the financial information about the plan.

Additionally, these plans, which the Board expects to be primarily foreign plans, should be included in a separate section in the tabular disclosure for ease of understanding the different kinds of plans.

3. The Board decided to require the following:
 - a. A narrative disclosure of the general nature of the plans and the employer's participation in the plans that would indicate how the multiemployer pension plans are different from single employer plans
 - b. A disclosure of any minimum contributions to the plan required by the agreement, if applicable
 - c. A disaggregation of information only for individually material plans
 - d. For plans with multiple collective-bargaining agreements, disclosure of the range of the expiration dates of those agreements, supplemented with a qualitative disclosure identifying the significant collective-bargaining agreements within that range.
4. The Board decided not to require the following proposed disclosures:
 - a. The consequences the employer may face if it ceases contributing to the plan
 - b. Whether the employer is represented on the board of trustees of the plan(s).
5. The Board decided to require the disclosures to be adopted retrospectively. The effective date for public entities will be for annual periods ending after December 15, 2011. The effective date for nonpublic entities will be deferred for one year and will be effective for annual periods ending after December 15, 2012. Early adoption will be permitted.
6. The Board directed the staff to prepare a draft of the final Update for vote by written ballot.

General Announcements: None