

MINUTES



MEMORANDUM

To: Board Members
From: Floyd, x384
Subject: Minutes of the June 29, 2015, Board Meeting
Date: July 9, 2015
cc: Stacey 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: Disclosure Framework: Disclosure Review, Defined Benefit Plans

Basis for Discussion: FASB Memo No. 71B

Length of Discussion: 1:00 p.m. to 2:45 p.m. (EST)

Attendance:

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

Board members absent: None

Staff in charge of topic: Pollock

Other staff at Board table: Proestakes, Cheng, Floyd

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board discussed potential changes to the disclosure requirements for defined benefit plans in employers' financial statements.

The Board has not yet determined the timing of the release of the Exposure Draft.

Tentative Board Decisions:

The Board made the following decisions:

1. Add language related to the application of materiality to defined benefit plan disclosures and include an overall objective for the disclosures to promote the use of discretion by reporting entities. **(Vote: 7 to 0)**
2. Add the following new disclosure requirements for all entities:
 - a. The nature of the benefits provided, the employee groups covered, and a description of the type of plan formula **(Vote: 7 to 0)**
 - b. The weighted-average interest crediting rate of cash balance pension plans **(Vote: 7 to 0)**
 - c. The aggregate projected benefit obligation and aggregate fair value of plan assets for pension plans with benefit obligations in excess of plan assets **(Vote: 7 to 0)**
 - d. Quantitative and qualitative disclosures from Topic 820 on fair value measurement about plan assets measured at net asset value using the practical expedient **(Vote: 7 to 0)**
 - e. A narrative description of the reasons for significant gains and losses affecting the benefit obligation or plan assets **(Vote: 7 to 0)**
 - f. Separate disclosures about U.S. plans and plans outside the United States **(Vote: 6 to 1)**.
3. Remove the following disclosure requirements for all entities:
 - a. The amount of the accumulated benefit obligation **(Vote: 6 to 1)**
 - b. The aggregate pension accumulated benefit obligation and aggregate fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets **(Vote: 6 to 1)**
 - c. The amount and timing of plan assets expected to be returned to the entity **(Vote: 7 to 0)**
 - d. Disclosures related to the June 2001 Japanese Welfare Pension Insurance Law **(Vote: 7 to 0)**
 - e. Related party disclosures about the amount of future annual benefits covered by insurance and annuity contracts, and significant transactions between the employer or related parties and the plan **(Vote: 7 to 0)**

- f. The amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the next fiscal year **(Vote: 7 to 0)**.

The Board decided the changes would be applied retrospectively to all periods presented with one exception; the qualitative disclosures about plan assets measured at net asset value would apply be applied prospectively **(Vote: 7 to 0)**.

General Announcements: The Board will continue its discussion about potential changes to the disclosure requirements for defined benefit plans at an upcoming meeting.