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Technical Director
Financial Accounting Standards Board
P.O. Box 5116
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File Reference No. 2016-210

Dear Director,

I appreciate the opportunity to comment on the proposed Accounting Standards Update on Subtopic 715-20, "Changes to the Disclosure Requirements for Defined Benefit Plans," (File Reference No. 2016-210).

While the proposal may improve the disclosures related to such plans, I encourage the Board to consider more extensive ways to improve benefit plan reporting. I believe the Board could achieve the greatest improvements by first, limiting the number of accounting choices available to plan sponsors. For example, plan sponsors currently may choose from an expected return applied to a calculated, market-related plan asset value or they apply an expected return to the fair value of plan assets; they can choose to defer gains or losses on plan revaluations over the service lives of covered employees, or they can recognize them immediately. The choices built into the accounting standards do not improve the display of economic activity occurring within benefit plans, and only hamper investors' comparisons between companies. The second way to improve benefit plan reporting would be to incorporate the reporting of defined benefit plans into a cohesive financial performance reporting project. Addressing these matters would result in more decision-useful information for investors than the simple nips and tucks of the disclosure requirements contained in this proposal.

**Question 1:** Would the proposed amendments result in more effective, decision-useful Information about defined benefit pension and other postretirement plans? If not, please explain why. Would the proposed amendments result in the elimination of decision-useful information about defined benefit pension and other postretirement plans? If yes, please explain why.

In general, I think the proposal will improve disclosures related to defined benefit plans, where it *adds* disclosures; I think it will decrease decision-useful information where it *removes* disclosures. I disagree with the removal of the following disclosures, regardless of whether they are consistent with guidance in a proposed Concepts Statement that has yet to be adopted by the Board:

1. The amount of the pension accumulated benefit obligation.
2. 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.
3. The amount and timing of plan assets expected to be returned to the entity.
4. 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.

This information is not obtainable by investors outside of the financial statements, and can be valuable in analyzing the effect of defined benefit plan on a company's financial condition. In evaluating a firm's immediate financial condition, perhaps in contemplation of a liquidation, or contemplation of replacing a defined benefit plan with annuity contracts, knowing the amount of pension accumulated benefit obligation would be critical, as would be the size and level unfunded accumulated benefit obligations.

Investors cannot derive such information from the projected benefit obligation disclosures. The accumulated benefit obligation is an intermediate step in the calculation of the projected benefit obligation; it seems unlikely that the presentation of information about the accumulated benefit obligation requires firms to expend great resources to make the disclosure. It's reasonable to expect they have this information already.

Likewise, knowing the amount and timing of plan assets expected to be returned to an entity would help investors assess the plan effects on firm liquidity in a positive way – and investors would not have any alternative means to develop such information. Related party disclosures are always of interest to investors in that they may expose self-dealing managers. Theoretically, the kinds of disclosures being removed here would be required by the general related party disclosures of ASU 850. Without specific requirements for benefit plans, those disclosure requirements may not be consistently applied.

I believe that the additional proposed disclosures – including the disaggregation of foreign and domestic plan assets and obligations - would provide investors with decision-useful information. I do not believe that they would require extensive new production costs; I expect that most of the incremental disclosures relate to information that a firm with such plans would already have at their disposal.

**Question 2:** Are the proposed disclosure requirements operable and auditable? If not, which aspects pose operability or auditability issues and why?

I believe that the disclosure requirements are both operable and auditable; none of them appear to be information that requires massive upgrading of new accounting systems, or are in a language that auditors could not understand.

**Question 3:** Would any of the proposed disclosures impose significant incremental costs? If so, please describe the nature and extent of the additional costs.

See answer in Question 1.

**Question 6:** How much time would be needed to implement the proposed amendments? Should the amount of time needed to implement the proposed amendments by nonpublic entities be different from the amount of time needed by public entities? Should early adoption be permitted? If yes to either question, please explain why.

As indicated above, I do not see the incremental disclosures requiring extensive - or expensive – preparation for a firm that has an adequate reporting system for a public company. I also believe that this information would not be onerous for a nonpublic firm to produce, and that an extensive period of time until implementation would be unnecessary. In any event, I would favor early adoption: this represents improvements to disclosure, and if firms want to improve those disclosures, they shouldn't be restricted from doing so. (If these were modifications to accounting principles that changed the recognition of expenses, for instance, my answer would likely be different; comparability of earnings metrics would be impaired and it would be better for all companies to simultaneously implement such a change.)

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I have no other comments, but if you need clarification or amplification, please do not hesitate to contact me. Best regards.

Sincerely,

Jack T. Ciesielski