

MINUTES



MEMORANDUM

To: Board Members
From: Roberts, x384
Subject: Minutes of February 14 Board Meeting
Date: February 21, 2018
cc: Tosches

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 Nos. 123 and 100R

Length of Discussion: 1 p.m. to 2:35 p.m. (EDT)

Attendance:

Board members present: Golden, Kroeker, Schroeder, Siegel, Monk, Hunt, and Botosan

Board members absent: None

Staff in charge of topic: Cheng

Other staff at Board table: Cospers, Proestakes, Cappiello, Coyne, and Roberts

Outside participants: None

Type of Document and Timing Based on the Technical Plan:

The Board met to discuss issues relating to the proposed FASB Accounting Standards Update, *Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20): Changes to the Disclosure Requirements for Defined Benefit Plans*.

Tentative Board Decisions:

The Board decided to confirm the proposed amendments to remove the following disclosures:

1. The amount and timing of plan assets expected to be returned to the employer
(Vote: 7-0)
2. The disclosures related to the June 2001 amendments to the Japanese Welfare Pension Insurance Law
(Vote: 7-0)
3. The related party disclosures about the amount of future annual benefits covered by insurance and annuity contracts and significant transactions between the employers or related parties and the plan
(Vote: 7-0)
4. The amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the next fiscal year
(Vote: 7-0)
5. For nonpublic entities, the reconciliation of the opening balances to the closing balances of plan assets measured on a recurring basis in Level 3 of the fair value hierarchy.
(Vote: 7-0)

The Board also decided to remove the disclosure of the effect of a one-percentage-point increase and the effect of a one-percentage-point decrease in the assumed health care cost trend rate for public entities **(Vote: 4-3)**. The Board requested that the staff conduct further user outreach on the removal of that disclosure.

The Board decided to:

1. Add a disclosure of the weighted-average interest crediting rate for cash balance plans and other plans with a promised interest crediting rate, as proposed
(Vote: 7-0)
2. Revise the proposed disclosure about the reasons for significant gains and losses by requiring only a narrative description of the reasons for significant gains and losses affecting the benefit obligation.
(Vote: 5-2)

The Board decided to retain the current disclosure requirements for:

1. The amount of the accumulated benefit obligation (ABO) for pension plans.
(Vote: 7-0)
2. The aggregate ABO and the aggregate fair value of plan assets with ABOs in excess of plan assets **(Vote: 7-0)**. The Board requested further research on the ways to disclose the aggregate information for underfunded (including unfunded) pension plans based on both the projected benefit obligation (PBO) and ABO benchmarks.
3. The organization of disclosures under the current guidance in Subtopic 715-20.
(Vote: 7-0)

The Board decided not to add the following disclosures (as proposed):

1. For plan assets, quantitative and qualitative disclosures from Topic 820 on fair value measurement about assets measured at net asset value (NAV) using a practical expedient
(Vote: 7-0)
2. A description of the nature of the benefits provided, the employee groups covered, and the type of benefit plan formula.
(Vote: 7-0)

The Board also decided not to add a mandatory disaggregated disclosure about pension plans or other postretirement benefit plans between domestic and foreign plans. The Board decided to retain the current disclosure requirement in paragraphs 715-20-50-2 and 715-20-50-4. That guidance allows aggregated disclosure unless (1) disaggregating in groups provides useful information or (2) the benefit obligations of the plans outside the United States for a U.S reporting entity or of foreign plans for a foreign reporting entity are significant relative to the total benefit obligation and those plans use significantly different assumptions.
(Vote: 7-0)

The Board decided not to consider removing, adding, or amending other disclosure requirements.
(Vote: 7-0)

The Board also decided to require a retrospective transition method for these disclosure amendments.
(Vote: 7-0)

General Announcements: The Board will complete redeliberations at a future meeting.