

VIA EMAIL: director@fasb.org

November 1, 2010

Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

**Re: File Reference No. 1860-100
Proposed Accounting Standards Update—Compensation—Retirement Benefits—
Multiemployer Plans (Subtopic 715-80): *Disclosure about an Employer’s
Participation in a Multiemployer Plan.***

Dear Technical Director:

We appreciate the opportunity to provide comments on the proposed Exposure Draft issued September 1, 2010 on “Disclosure about an Employer’s Participation in a Multiemployer Plan.”

The Associated General Contractors of St. Louis (AGC of St. Louis) is a local chapter affiliate of the Associated General Contractors of America (AGC), and we strongly align our chapter and its 400 member companies with the comments included in AGC’s letter regarding the Exposure Draft, *Disclosure about an Employer’s Participation in a Multiemployer Plan*. We strongly urge the Board to withdraw the current proposal for reconsideration due to the many potentially negative impacts on employers and the improbability that those liabilities are either accurate or will ever be realized by employers who participate in multiemployer plans.

We share AGC’s concerns that the Exposure Draft includes extensive miscalculations and oversimplifications. Our concerns are many, and include some the following:

- Financial Statements only recognize a liability when the amount is both probable and quantifiable. We agree that Employers who have elected to withdraw from a Pension Plan will meet this threshold; however, those Employers who continue in perpetuity have not and should not be required to disclose an amount, which is not probable and thus never will be an actual liability. Furthermore, the Exposure Draft underestimates the complexity of the relationship between Employers and multiemployer plans and specifically, the importance of the construction exemption that makes any liability merely theoretical rather than material. Thus, we view the disclosure of a withdrawal liability estimate as extremely misleading since under the statutory scheme set forth in Title IV of ERISA, it is contingent liability that seldom matures into an actual liability. Any increased transparency gained by this disclosure would be significantly outweighed by the confusion and misinterpretation this disclosed information would create.

- The most critical concern is the potential negative financial impact for employers disclosing this information and the time frame to accumulate the information. It will take many months to accumulate the information, thus rendering the financial statements out of date by time they are completed. In addition, Pension Plans do not have the individual Employer withdrawal liabilities calculated, and would be forced to compute countless withdrawal liability calculations on an annual basis to comply with this Exposure Draft. These calculations are time consuming, put undue burden on the Pension Plans and in most cases put undue expenses on the Employer, who may be charged for each annual calculation for each plan they happen to participate that could result in thousands of dollars of expenses for an employer to provide dated and theoretical information. For example, a Construction Employer who works only one project in a city and signs three union agreements would be required to disclose liability information annually for a liability that is completely theoretical.
- Employers that participate in multiemployer pension plans have voluntarily assumed the burden of providing a significant benefit for their employees. At a time when retirement security is becoming much more difficult for most individuals to achieve, we should be encouraging greater participation by Employers in the retirement system, and not creating additional unnecessary burdens for those Employers who are currently contributing to greater retirement security for their employees. Imposing this theoretical burden on multiemployer plans could well be the final death knell for multiemployer defined benefit plans, which would leave millions of workers without this important retirement benefit.

Given the burdens that would be applied, and the potential for unnecessary financial distress, we, like AGC of America, strongly urge the Board to withdraw the current proposal. If the Board believes that additional disclosures are needed, the Board should tailor it more narrowly to achieve the intended purpose without creating the unintended consequences of the disclosure of misleading information and overly burdensome requirements. In addition, we encourage the Board to coordinate with the Department of Labor and Internal Revenue Service that have jurisdiction over the financial disclosures for ERISA-covered retirement plans, including multiemployer defined benefit plans.

Thank you in advance for your consideration of our comments.

Sincerely,

Associated General Contractors of St. Louis



Bill Kroeger
Vice President of Labor Relations