

IRON WORKERS'

1860-100
Comment Letter No. 300

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Mid-America Pension Fund

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Mid-America Supplemental Monthly Annuity (SMA)



October 27, 2010

JOSEPH J. BURKE, *Administrator*
BARBARA CHAPIN, *Assistant Administrator*

Technical Director, FASB
401 Merritt 7
P. O. Box 5116
Norwalk, CT 06856-5166

RE: FASB Multi-Employer Pension Disclosure

Dear Technical Director:

On behalf of the Board of Trustees of the Iron Workers Mid-America Pension Fund, I am responding to the proposed requirement to disclose unfunded multi-employer pension plan withdrawal liabilities for organizations that have no intent or desire to withdraw from such plan. Our Trustees believe that the repercussions of such and disclosure will cause economic harm to the sponsoring organizations, employees and overall economic recovery. We have outlined support for our position as follows:

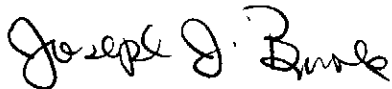
- 1.) Misleading financial information - The unfunded withdrawal liability of a sponsoring organization that does not intend to withdrawal from a plan is an actuarial projected amount and projected amount does not represent a tangible liability. Given the wide swings in the investment performance, and given that the liability is an actuarial calculated amount (with numerous assumptions: discount rate, morality, investment performance, man-hours funding) the measurement amount becomes misleading.
- 2.) Economic harm - Because the reporting a large withdrawal liability amount may be misunderstood by users or the financial statements, as it does not represent an actual liability until an organization withdrawals, the participating organization will face an uphill battle in trying to obtain financing for construction projects and cash flow needs. The lending institutions will unfairly punish the multi-employer participating employer for their involvement in the Plan that was set up for the welfare and benefit of their employees.
- 3.) Costs - The additional costs incurred by plans and sponsoring organizations to gather and produce the required disclosure is a non-productive use of Plan assets.

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- 4.) Disclosure Theory - In most accounting theory the financial statements do not recognize a liability until the amount is probable and estimatable. We agree that sponsors who have elected to withdrawal from the Plan have met this threshold; however, those that are continuing in perpetuity have not and should not be required to disclose an amount, which will be misleading.
- 5.) Social Costs - The additional requirements and costs associated will have the effect of having sponsoring organizations leave the multi-employer plans, which has a far reaching social economic impact. The retirement burden will be shifted to the employee, and ultimately social security and government subsidy programs as an aging community will no longer be able to support themselves.

Our Trustees appreciate the opportunity to respond and share with you some of the real world impact that these additional disclosures will have. Should you require additional information please feel free to contact me.

Respectfully submitted,



Joseph J. Burke, CEBS, SPHR
Administrator

cc: Mid-America Pension Board
Bernard Baum, Esq.
Paul Flasch
Renee Berg-Speck
Barbara Chapin

JJB/mb