



Board Meeting Handout

Disclosures about an Employer's Participation in a Multiemployer Plan

March 9, 2011

Purpose of This Meeting

1. The purpose of this meeting is to discuss the comment letters received in response to the September 2010 Exposure Draft of the proposed Accounting Standards Update, *Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80): Disclosure about an Employer's Participation in a Multiemployer Plan*, and to discuss the plan for redeliberations on the proposed Update.

Overall Views on the Proposed Update

2. While many of the respondents to the proposed Update stated that greater transparency is needed into multiemployer plan participation, most respondents explained that the proposed disclosures were too expansive in their reach.

Issues for Redeliberation

3. Concerns raised by constituents about the proposed Update include the following:
 - (a) Auditability
 - (b) Volume of new disclosures
 - (c) Timeliness of information
 - (d) Cost concerns
 - (e) Potential harm in bargaining process
 - (f) A subsidiary's participation in its parent's single-employer plan

The staff prepares Board meeting handouts to facilitate the audience's understanding of the issues to be addressed at the Board meeting. This material is presented for discussion purposes only; it is not intended to reflect the views of the FASB or its staff. Official positions of the FASB are determined only after extensive due process and deliberations.

- (g) Employer's representation on the plan's board of trustees
 - (h) Number of current and former employee participants
 - (i) How benefit levels are determined
 - (j) Effective date
 - (k) Proxy for unfunded liability (withdrawal liability).
4. The staff believes the objective of the project should not change. The objective is to enhance the transparency about the following:
- (a) The plans in which an employer participates, including the financial status of those plans
 - (b) The degree of an employer's participation
 - (c) The potential effect of an employer's participation in the plans on its cash flows.
5. In order to further develop the staff's analyses and recommendations for the matters identified in paragraph 4, and especially for the proxy for an employer's share of a plan's unfunded liability, the staff plans to:
- (a) Continue outreach to users and preparers in order to understand the costs and benefits of the proposed disclosures.
 - (b) Analyze the results of a targeted field test of the proposed disclosures from the proposed Update.
6. The staff envisions that redeliberations will be divided between two Board meetings.
- (a) The first meeting will focus on the quantitative aspects of the proposed disclosures, including the proxy for an employer's share of a plan's unfunded liability.
 - (b) The second will focus on the proposed other disclosures and disclosure package as a whole.

7. Depending on the results of the above activities, the staff believes that a final Update will be ready for issuance in the second quarter of 2011.
8. The comment letter summary is included as an appendix to this handout.