



Proposed Accounting Standards Update

Issued: September 1, 2010
Comments Due: November 1, 2010

**Compensation—Retirement Benefits—
Multiemployer Plans (Subtopic 715-80)**

**Disclosure about an Employer's Participation in a
Multiemployer Plan**

This Exposure Draft of a proposed Accounting Standards Update of Topic 715-80 is issued by the Board for public comment. Written comments should be addressed to:

Technical Director
File Reference No. 1860-100

The *FASB Accounting Standards Codification™* is the source of authoritative generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities. An Accounting Standards Update is not authoritative; rather, it is a document that communicates how the Accounting Standards Codification is being amended. It also provides other information to help a user of GAAP understand how and why GAAP is changing and when the changes will be effective.

Notice to Recipients of This Exposure Draft of a Proposed Accounting Standards Update

The Board invites individuals and organizations to send written comments on all matters in this Exposure Draft of a proposed Accounting Standards Update. Responses from those wishing to comment on the Exposure Draft must be received in writing by November 1, 2010. Interested parties should submit their comments by email to director@fasb.org, File Reference No. 1860-100. Those without email should send their comments to "Technical Director, File Reference No. 1860-100, FASB, 401 Merritt 7, PO Box 5116, Norwalk, CT 06856-5116." Do not send responses by fax.

All comments received constitute part of the FASB's public file. The FASB will make all comments publicly available by posting them to its website and by making them available in its public reference room in Norwalk, Connecticut.

An electronic copy of this Exposure Draft is available on the FASB's website.

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Proposed Accounting Standards Update

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Disclosure about an Employer’s Participation in a Multiemployer Plan

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Summary and Questions for Respondents

Why Is the FASB Issuing This Proposed Accounting Standards Update (Update)?

The FASB is issuing this proposed Update to obtain feedback from stakeholders on its proposed amendments for disclosing additional information about an employer's participation in a multiemployer plan (for example, for pension or retiree healthcare). The FASB has received comments from various constituents on the perceived lack of transparency about an employer's participation in a multiemployer plan. The amendments in this proposed Update would require additional disclosures of an employer's participation in a multiemployer postretirement plan (for example, pension or retiree healthcare).

Who Would Be Affected by the Amendments in This Proposed Update?

The amendments in this proposed Update would apply to all nongovernmental entities that participate in multiemployer plans. The proposed amendments would not apply to plans that do not meet the definition of a *multiemployer plan* as defined in the Master Glossary, including multiple-employer plans that are, in substance, aggregations of single-employer plans combined to allow participating employers to pool plan assets for investment purposes or to reduce the costs of plan administration. Those plans ordinarily do not involve collective-bargaining agreements.

What Are the Main Provisions?

Under the amendments in this proposed Update, an employer would be required to provide, separately for multiemployer pension and multiemployer other postretirement benefit plans, additional quantitative and qualitative disclosures about its participation in a multiemployer plan as defined in the Master Glossary. One aspect of a multiemployer plan, among many others, is that assets contributed by one participating employer may be used to provide benefits to employees of other participating employers because assets contributed by an employer are not segregated in a separate account or restricted to provide benefits only to employees of that employer. The proposed amendments on disclosure are intended to provide information about the following:

1. The multiemployer plans with which the employer is involved
2. The employer's participation in the multiemployer plan(s)

3. Any effects on the employer's cash flows from its participation in the multiemployer plan(s).

The proposed amendments would not change the current recognition and measurement guidance for an employer's participation in a multiemployer plan, which requires that an employer recognize as pension or other postretirement benefit cost its required contribution to the plan for the period and recognize a liability for any unpaid contributions. The proposed amendments would not change the requirement that an employer apply the provisions for contingencies in Topic 450 if an obligation due to withdrawal from a multiemployer plan is either probable or reasonably possible.

How Would the Main Provisions Differ from Current U.S. Generally Accepted Accounting Principles (GAAP) and Why Would They Be an Improvement?

The proposed amendments would create greater transparency in financial reporting by requiring additional disclosures about an employer's participation in a multiemployer plan. Investors have requested more information about the commitments an employer has made to a multiemployer plan and the potential effects of participation on an employer that is involved in a multiemployer plan, including the potential effects of withdrawals from the plan.

How Do the Proposed Provisions Compare with International Financial Reporting Standards (IFRS)?

Currently, U.S. GAAP requirements for the accounting for an employer's participation in a multiemployer plan are not the same as the IFRS requirements. Under IFRS, an employer should account for a multiemployer plan as a defined benefit plan. An employer may account for a multiemployer plan as a defined contribution plan only if there is insufficient information to apply defined benefit accounting. The International Accounting Standards Board (IASB) issued an Exposure Draft, *Defined Benefit Plans*, in April 2010, which would, among other provisions, enhance the disclosures about an employer's participation in a multiemployer plan. In that regard, the FASB's proposed amendments are similar, but not identical, to the IASB's proposed guidance.

Questions for Respondents

The Board invites individuals and organizations to comment on all matters in this proposed Update, particularly on the issues and questions below. Comments are requested from those who agree with the proposed guidance as well as from those who do not agree. Comments are most helpful if they identify and clearly

explain the issue or question to which they relate. Those who disagree with the proposed guidance are asked to describe their suggested alternatives, supported by specific reasoning. Respondents must submit comments in writing by November 1, 2010.

Question 1: Do you agree that the proposed quantitative and qualitative disclosures will result in a more useful and transparent disclosure of an employer's obligations arising from its participation in a multiemployer plan? Why or why not? If not, what changes would you suggest to the proposed amendments?

Question 2: Do you believe that disclosing the estimated amount of the withdrawal liability, even when withdrawal is not at least reasonably possible, will provide users of financial statements with decision-useful information? Why or why not?

Question 3: What implementation costs, if any, will an employer face in applying the proposed disclosures? Are these costs significantly different when applying the proposed disclosure requirements to foreign plans?

Question 4: The Board plans to require that the amendments in the final Update be effective for public entities for fiscal years ending after December 15, 2010. Are there any significant operational issues that the Board should consider in determining the appropriate effective date for the final amendments?

Question 5: The Board intends to defer the effective date for nonpublic entities, as defined in transition paragraph 715-80-65-1, for one year. Do you agree with the proposed deferral? If not, please explain why.

Question 6: In addition to the deferral for nonpublic entities, should any of the provisions in this proposed Update be different for nonpublic entities (private companies and not-for-profit organizations)? If so, which provision(s) and why?

Question 7: Do you believe that the proposed and existing XBRL elements are sufficient to meet the Securities and Exchange Commission's (SEC) requirements to provide financial statement information in the XBRL interactive data format? If not, please explain why.

Amendments to the *FASB Accounting Standards Codification*TM

Introduction

1. This proposed Update addresses the disclosure of an employer's participation in a multiemployer plan. The paragraphs listed below represent the primary changes to the Accounting Standards Codification as a result of the amendments in this proposed Update.

2. The following paragraphs would be amended:

Codification Paragraphs	Action	Description of Changes
715-80-50-1 Compensation— Retirement Benefits— Multiemployer Plans—Disclosure	Amended	The proposed amendments would amend the disclosures on multiemployer plans.
715-80-55-6 through 55-12 Compensation— Retirement Benefits— Multiemployer Plans— Implementation Guidance and Illustrations	Added	The proposed amendments would facilitate application of the proposed disclosures.
715-80-65-1 Compensation— Retirement Benefits— Multiemployer Plans—Transition and Open Effective Date Information	Added	The proposed amendments would provide information about the transition and effective date.

Codification Paragraphs	Action	Description of Changes
715-30-55-63 Compensation— Retirement Benefits—Defined Benefit Plans— Pension— Implementation Guidance and Illustrations	Amended	The proposed amendments would include reference to the proposed disclosures in paragraphs 715-80-50-1 through 50-2.

3. The Accounting Standards Codification is amended as described in paragraphs 4–7. In some cases, not only are the amended paragraphs shown but the preceding and following paragraphs also are shown to put the change in context. Terms from the Master Glossary are in **bold** type. Added text is underlined, and deleted text is ~~struck out~~.

Amendments to Subtopic 715-80

4. Amend paragraph 715-80-50-1 and add paragraphs 715-80-50-1A through 50-1B and paragraph 715-80-50-3, with a link to transition paragraph 715-80-65-1, as follows:

Compensation—Retirement Benefits—Multiemployer Plans

Disclosure

General

715-80-50-1 An employer shall disclose the information required by paragraph 715-80-50-1B separately for pension and other postretirement benefit **multiemployer plans** and within each of those plan types separately for multiemployer plans for which the fair value of the assets at the reporting date is more than the liabilities and multiemployer plans for which the fair value of the assets at the reporting date is less than the liabilities.~~the amount of contributions to **multiemployer plans** for each annual period for which a statement of income is presented. An employer may disclose total contributions to multiemployer plans without disaggregating the amounts attributable to pension plans and other postretirement benefit plans. The disclosures shall include a description of the nature and effect of any changes affecting comparability, such as a change in the rate of employer contributions, a business combination, or a divestiture.~~

715-80-50-1A Narrative information required by the following paragraph shall be disaggregated for plans or groups of plans with significantly different risk characteristics or contractual commitments. For example, it may be appropriate to describe plans that are required to adopt funding improvement plans separately from plans without funding improvement plans. The basis for disaggregation shall be disclosed. To determine the appropriate level of disaggregation, an employer needs to exercise judgment and strike a balance between obscuring important information as a result of too little disaggregation and overburdening financial statement users with excessive detail that may not assist them in understanding the risks and commitments associated with participating in the plans or groups of plans. Quantitative information required by the following paragraph shall be provided for each annual period for which a statement of income or statement of financial position is presented. Quantitative information shall be provided separately for individually material plans. For immaterial plans that are material when presented in the aggregate, it may be appropriate to describe a range that spans the population that is aggregated.

715-80-50-1B An employer shall disclose the following. If any information is not obtainable, an employer shall provide an explanation of why it is not obtainable.

- a. The number of plans in which the employer participates.
- b. For individually material plans, the name of the plan(s).
- c. Narrative descriptions of all of the following:
 1. The employer's exposure to significant risks and uncertainties arising from its participation in the plan(s). That narrative description shall include the extent to which, under the terms and conditions of the plan(s), the employer can be liable to the plan(s) for other participating employer's obligations.
 2. How benefit levels for plan participants are determined.
 3. Whether the employer is or is not represented on the board of trustees of the plan(s) or a similar body.
 4. The consequences the employer may face if it ceases contributing to the plan(s).
 5. Any funding improvement plan(s) or rehabilitation plan(s), including the expected effects on the employer. For plans in regulatory warning zones, the warning status and remedies being considered by the plan(s) should be described, if known.
- d. A description of the nature and effect of any changes affecting comparability from period to period, including both of the following:
 1. A business combination or a divestiture.
 2. The rate of employer contributions for each period for which a statement of income is presented.
- e. Total assets and the accumulated benefit obligation of the plan(s), if obtainable, as of the most recent financial statement plan year-end and, for comparability, those amounts for the corresponding prior periods.

- f. Employer's contributions as a percentage of total contribution to the plan(s), if obtainable, for the year ended as of the employer's latest statement of financial position date or most recent date available before the statement of financial position date and, for comparability, that percentage for the corresponding prior periods.
- g. A description of the contractual arrangement(s), including all of the following:
 - 1. The term of the current arrangement(s).
 - 2. For each future year covered by a contract, the agreed-upon basis for determining contribution(s).
 - 3. Any minimum contribution(s) required by the agreement(s).
- h. Percentage of the employer's employees covered by such plan(s).
- i. Quantitative information about the employer's participation in the plan(s), for example, the number of its employee participants as a percentage of total plan participants disaggregated between active and retired participants, if obtainable, as of the most recent date available.
- j. Amount of contributions for the current reporting period.
- k. Expected contributions for the next annual period.
- l. Known trends in contributions, including the extent to which a surplus or deficit in the plan may affect future contributions.
- m. For plans for which an amount is required to be paid on withdrawal from the plan or windup of the plan:
 - 1. Details of any agreed deficit or surplus allocation to participating employers on windup.
 - 2. The amount that is required to be paid on withdrawal from the plan as of the most recent date available, if that information is obtainable.
 - 3. If the amount required to be paid on withdrawal is not obtainable, information about the employer's relative participation in those plans (such as percentage of total contributions to such plans or percentage of participants covered by such plan(s)).

715-80-50-2 An employer shall apply the provisions of Topic 450 if it is either probable or reasonably possible that either of the following would occur:

- a. An employer would withdraw from the plan under circumstances that would give rise to an obligation.
- b. An employer's contribution to the fund would be increased during the remainder of the contract period to make up a shortfall in the funds necessary to maintain the negotiated level of benefit coverage (a maintenance of benefits clause).

715-80-50-3 Example 1 (see paragraph 715-80-55-6) illustrates the application of the disclosure requirements in paragraph 715-80-50-1.

5. Add paragraphs 715-80-55-6 through 55-12 and their related headings, with a link to transition paragraph 715-80-65-1, as follows:

Implementation Guidance and Illustrations

General

> Illustration

> > Example 1: Multiemployer Plan Disclosures

715-80-55-6 This Example illustrates certain of the disclosure guidance in paragraph 715-80-50-1B.

715-80-55-7 Paragraphs 715-80-55-8 through 55-12 illustrate Entity A's disclosure of its participation in a multiemployer pension plan for the annual period ended December 31, 20X9.

715-80-55-8 Entity A contributes to a multiemployer defined benefit pension plan (Plan X) under the terms of its collective-bargaining agreement covering its union-represented employees. Plan X is overseen by a board of trustees, consisting of members appointed by the Union and employers contributing to the plan. Entity A's chief financial officer is currently serving as a trustee on the board of Plan X. The plan's trustees' responsibilities include determining the level of benefits provided to participants, the investment of plan assets, and the administration of the plan. The benefits provided by Plan X to the participating employees are determined on the basis of a participant's compensation in the final year before retirement. Entity A's three-year contract covering the union-represented employees will expire in 20Y1. The agreement specifies that contributions to Plan X should be determined on the basis of the number of hours worked by the covered employees at \$5 per hour. Approximately 63 percent of Entity A's current employees are participants in Plan X. As of June 30, 20X9, Entity A's active employee participants represent approximately 14 percent of the total active participants in Plan X. Active participants make up approximately 55 percent of the total participants in Plan X. Entity A is unable to obtain the percentage of its retired participants in Plan X because participants typically work for more than one participating employer during their active years.

715-80-55-9 As of June 30, 20X9 (the most recent date for which information is available), Plan X was underfunded, which was determined in accordance with Employer Retirement Income Security Act of 1974 calculations, with total assets of \$40,000,000 and accumulated benefit obligations of \$150,000,000. On August 27, 20X9, Entity A received a notice from the trustees of Plan X stating that the plan is considered to be in critical status (as defined by the Pension Protection Act of 2006). Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, adjustable benefits as part of a rehabilitation plan. If the trustees of the plan determine that benefit reductions are necessary, Entity A will receive a separate notice in the future identifying and

explaining the effect of those reductions. As of December 31, 20X9, Entity A has not yet received a rehabilitation plan from the trustees of Plan X.

715-80-55-10 Entity A faces several risks and uncertainties by participating in Plan X. All assets contributed to the plan are pooled and available for benefits for all participating employees. As a result, Entity A's contributions may benefit employees of other employers. If Plan X fails to meet the Employer Retirement Income Security Act's minimum funding requirements or fails to meet a required funding improvement or rehabilitation plan, a nondeductible excise tax of 5 percent of the accumulated funding deficiency may be imposed on employers contributing to Plan X. At the end of 20X9, a material contributing employer to Plan X went bankrupt and no longer contributes to Plan X. The combination of Plan X's critical status and the loss of a material contributing employer may result in the Union seeking a higher rate of contribution to Plan X from Entity A when its agreement with Plan X expires in 20X1.

715-80-55-11 In 20X9, Entity A's contribution to Plan X was approximately 13 percent of total contributions to Plan X. For the years ended December 31, 20X8, and December 31, 20X9, total contributions to Plan X by Entity A were approximately \$1,200,000 and \$1,800,000, respectively. In 20X9, Entity A acquired Division M. Contributions associated with Division M's active employees account for 85 percent of the increase in the 20X9 contribution over the 20X8 contribution. As of December 31, 20X9, Entity A expects its contributions to Plan X for the year ending December 31, 20X0, to be approximately \$2,000,000.

715-80-55-12 Under current law on multiemployer defined benefit plans, Entity A's voluntary withdrawal from any underfunded multiemployer defined benefit plan would require Entity A to make payments to the plan, which would approximate Entity A's proportionate share of the multiemployer plan's unfunded vested liabilities. The trustees of Plan X estimate that Entity A's share of withdrawal liability is approximately \$18,000,000 as of June 30, 20X9. Entity A does not currently intend to withdraw from Plan X.

6. Add paragraph 715-80-65-1 and its related heading as follows:

> Transition Related to Accounting Standards Update No. 2010-XX, Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80): Disclosures about an Employer's Participation in a Multiemployer Plan

715-80-65-1 The following represents the transition and effective date information related to Accounting Standards Update No. 2010-XX, **Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80): Disclosures about an Employer's Participation in a Multiemployer Plan:**

- a. The pending content that links to this paragraph shall be applied for fiscal periods ending after December 15, 2010, except for a {add glossary link to the fifth definition} nonpublic entity {add glossary

- link to the fifth definition}, which shall apply the pending content for fiscal periods ending after December 15, 2011.
- b. In the period of initial adoption, the reporting entity shall not be required to provide the disclosures otherwise required by the pending content that links to this paragraph for any previous periods presented for comparative purposes.
 - c. In periods after initial adoption, comparative disclosures of the pending content that links to this paragraph shall be required only for annual comparative periods ending after initial adoption.

Amendment to Subtopic 715-30

7. Amend paragraph 715-30-55-63, with a link to transition paragraph 715-80-65-1, as follows:

Compensation—Retirement Benefits—Defined Benefit Plans—Pension

Implementation Guidance and Illustrations

> > Multiemployer, Multiple-Employer, and Single-Employer Plans

715-30-55-62 Subtopic 715-80 provides guidance on multiemployer plans. Paragraph 715-30-35-70 provides guidance on **multiple-employer plans** that distinguishes multiemployer from multiple-employer plans and requires that multiple-employer plans be viewed as in-substance aggregations of **single-employer plans**. The following example illustrates the guidance in that paragraph

715-30-55-63 Assume a not-for-profit entity (NFP) has a defined benefit pension plan that covers employees at the national and all local chapters and each chapter is required to contribute to the pension plan based on a predetermined formula (for example, on a percentage-of-salary basis), plan assets are not segregated or restricted on a chapter-by-chapter basis, and if a chapter withdraws from the pension plan, the pension obligations for its employees are retained by the pension plan as opposed to being allocated to the withdrawing chapter. This arrangement should be accounted for as a single-employer pension plan in the NFP's consolidated financial statements. However, in each chapter's separate financial statements the arrangement should be accounted for as a multiemployer pension plan. It is unclear how an allocation of net periodic pension cost or the overfunded or underfunded status of the defined benefit pension plan would be made if each chapter were to view its respective participation as a single-employer pension plan because the assets are not segregated or restricted by chapter and obligations are not assumed by a withdrawing chapter. Accounting for the pension plan as a multiemployer pension plan requires that a chapter's contribution for the period (in this example, the

amount required to be contributed to the pension plan based on a percentage of its employees' salaries) be recognized as net periodic pension cost. A liability would be recognized for any contributions due and unpaid. Each chapter should provide the disclosures required by ~~paragraph~~paragraphs 715-80-50-1 through 50-2, as well as any related-party disclosures required by Subtopic 850-10.

The amendments in this proposed Update were approved for publication by the unanimous vote of the five members of the Financial Accounting Standards Board:

Robert H. Herz, *Chairman*
Thomas J. Linsmeier
Leslie F. Seidman
Marc A. Siegel
Lawrence W. Smith

Background Information and Basis for Conclusions

BC1. The following summarizes the Board's considerations in reaching the conclusions in this proposed Update. It includes reasons for accepting certain approaches and rejecting others. Individual Board members gave greater weight to some factors than to others.

Background Information

BC2. A number of stakeholders, primarily users of financial statements, have recommended that the Board require additional disclosures about an employer's participation in multiemployer pension and other postretirement benefit plans (multiemployer plan) to increase awareness of the commitments and risks involved with participating in these plans. The recent economic crisis has exposed participating employers in multiemployer plans to increased risks due to increased levels of underfunding. Multiemployer plans have unique characteristics that contributed to the Board's consideration of a disclosure standard rather than a recognition or measurement standard at this time, including that multiemployer plans are cost-sharing plans, employers may have difficulty obtaining timely information from the plan, and the regulatory requirements for multiemployer plans vary across different industries and regulatory zones.

Disclosure about an Employer's Participation in a Multiemployer Plan

BC3. The objective of the proposed amendments is to enhance the transparency about an employer's risks and commitments arising from its participation in a multiemployer plan.

BC4. On the basis of feedback from users of financial statements, the Board focused on three areas to enhance transparency about an employer's participation in a multiemployer plan:

- a. Information about the multiemployer plan
- b. Information about the employer's participation in the plan
- c. Information about cash flow implications arising from the employer's participation in a multiemployer plan.

BC5. The Board believes that the proposed amendments should be provided separately for multiemployer pension and multiemployer other postretirement benefit plans because of the types of benefits offered and the risks posed by

such plans and because, in some jurisdictions, the regulatory requirements are sufficiently different that disaggregated information is necessary to inform the user of the financial statements.

BC6. The Board is aware that some employers may participate in a number of plans. The proposed amendments would require that separate narrative descriptions be provided for plans or groups of plans with significantly different risk characteristics or contractual commitments. The basis for disaggregation would be disclosed. Quantitative information would be provided separately for individually material plans, and a range would be provided for plans that are presented in the aggregate. The Board believes that to be meaningful, the disclosures should be disaggregated if plans are sufficiently different to warrant disaggregation.

BC7. The Board believes that the following proposed disclosures will provide a user with context about the plans and the risks an employer may face from participating in the plans:

- a. The number of plans in which the employer participates.
- b. For individually material plans, the name of the plan(s).
- c. Narrative descriptions of all of the following:
 1. The employer's exposure to significant risks and uncertainties arising from its participation in the plan(s). That narrative description should include the extent to which, under the terms and conditions of the plan(s), the employer can be liable to the plan(s) for other participating employer's obligations.
 2. How benefit levels for plan participants are determined.
 3. Whether the employer is or is not represented on the board of trustees of the plan(s) or a similar body.
 4. The consequences the employer may face if it ceases contributing to the plan(s).
 5. Any funding improvement plan(s) or rehabilitation plan(s), including the expected effects on the employer. For plans in regulatory warning zones, the warning status and remedies being considered by the plan(s) should be described, if known.
- d. A description of the nature and effect of any changes affecting comparability from period to period, including both of the following:
 1. A business combination or a divestiture.
 2. The rate of employer contributions for each period for which a statement of income is presented.
- e. Total assets and the accumulated benefit obligation of the plan(s), if obtainable, as of the most recent financial statement plan year-end and, for comparability, those amounts for the corresponding prior periods.

BC8. The Board believes that the following proposed disclosures would provide a user with information about an employer's relative size among other

participating employers to the plan, the employer's commitments to the plan, and the extent to which the employer uses these types of plans:

- a. Employer's contributions as a percentage of total contribution to the plan(s), if obtainable, for the year ended as of the employer's latest statement of financial position date or most recent date available before the statement of financial position date and, for comparability, that percentage for the corresponding prior periods.
- b. A description of the contractual arrangement(s), including all of the following:
 1. The term of the current arrangement(s).
 2. For each future year covered by a contract, the agreed-upon basis for determining contribution(s).
 3. Any minimum contribution(s) required by the agreement(s).
- c. Percentage of the employer's employees covered by such plan(s).
- d. Quantitative information about the employer's participation in the plan(s), for example, the number of its employee participants as a percentage of total plan participants disaggregated between active and retired participants, if obtainable, as of the most recent date available.
- e. Amount of contributions for the current reporting period.

BC9. The Board believes that the following proposed disclosures would provide a user with information about the future cash flows arising from an employer's participation in a multiemployer plan:

- a. Expected contributions for the next reporting period
- b. Known trends in contributions, including the extent to which a surplus or deficit in the plan may affect future contributions
- c. For plans for which an amount is required to be paid on withdrawal from the plan or windup of the plan:
 1. Details of any agreed deficit or surplus allocation to participating employers on windup
 2. The amount that is required to be paid on withdrawal from the plan as of the most recent date available, if that information is obtainable
 3. If the amount required to be paid on withdrawal is not obtainable, information about the employer's relative participation in those plans (such as percentage of total contributions to such plans or percentage of participants covered by such plan(s)).

BC10. The Board decided that the details of any agreed deficit or surplus allocation on windup and the withdrawal liability should be provided as a proxy for an employer's share of the funded status of the plan (although often those details will be available only for the prior period). In the United States, certain plans legally require an employer to pay a withdrawal liability when it exits a multiemployer pension plan. This legal liability is evidence of an employer's commitment to fund unfunded obligations. Stakeholders have stated that a withdrawal liability is only imposed upon an employer that ceases operations or

exits the plan. Some view this disclosure as not providing representationally faithful information to users because it assumes a business failure or other change that is inconsistent with a going-concern assumption. Others have argued that plan sponsors may address unfunded obligations through other methods such as increasing contributions from participating employers or reducing benefits. The Board, however, believes that the withdrawal liability is the best available information to allow users to ascertain the employer's relative share of the funded status. Also, the Board decided that, as is done for single-employer plans, changes in benefit levels should be reflected and disclosed in the period they are effective.

BC11. The Board acknowledges that sometimes only limited information may be available to the participating employer. Also, the Board acknowledges that some information is only available on a delayed basis. The Board considered the timeliness and unavailability of information in drafting the proposed disclosure requirements. Additionally, the proposed amendments are largely based on information that would be available to the employer from its contractual arrangement with the plan or that the employer would be able to obtain from the plan with reasonable effort and at reasonable costs. The Board also considered information that U.S. plans are currently required to provide to participating employers if the employer requests such information under the Pension Protection Act of 2006 or other regulations. The Board believes a participating employer would be able to comply with the proposed requirements.

BC12. The Board decided that an employer should continue to apply the provisions for contingencies in Topic 450 if it is either probable or reasonably possible that either of the following would occur:

- a. An employer would withdraw from the plan under circumstances that would give rise to an obligation.
- b. An employer's contribution to the fund would be increased during the remainder of the contract period to make up a shortfall in the funds necessary to maintain the negotiated level of benefit coverage (a maintenance of benefits clause).

The Board believes that in these circumstances, an employer would apply the recognition provisions of Topic 450. In addition, the Board believes that the proposed contingency disclosure requirements in proposed Accounting Standards Update, *Contingencies (Topic 450): Disclosure of Certain Loss Contingencies*, which are incremental to the amendments in this proposed Update, may include amounts recognized in the financial statements and information about uncertainties related to the amount of the liability and the potential timing of the resolution of the contingency.

BC13. The proposed amendments are similar, but not identical, to the proposed guidance included in the Exposure Draft, *Defined Benefit Plans*, issued by the IASB in April 2010. The Board decided that the differences, which primarily relate

to the level of specificity in the proposed disclosures, would enhance the quality and consistency of the information provided in the disclosures.

Effective Date and Transition

BC14. The Board decided that the proposed amendments should not be required for earlier periods that are presented for comparative purposes because of concerns that it may be impracticable for entities to gather the necessary information.

BC15. The Board plans to require that the final Update be effective for certain entities for fiscal years ending after December 15, 2010. The Board intends to defer the effective date for nonpublic entities, as defined in paragraph 715-80-65-1, for one year. The Board believes it is important that the enhanced disclosures be made as soon as possible and that it is feasible for public entities to begin providing the information for fiscal years ending after December 15, 2010.

Benefits and Costs

BC16. The objective of financial reporting is to provide information that is useful to users of financial statements in making investment, credit, and other resource allocation decisions. However, the benefits in providing financial statement users with information should justify the related costs to preparers, auditors, and other constituents. The Board's assessment of the costs and benefits of issuing an accounting standard is unavoidably more qualitative than quantitative because there is no method to objectively measure the costs to implement an accounting standard or to quantify the value of improved information in financial statements.

BC17. The Board believes that the proposed amendments will provide users of financial statements with enhanced information about an employer's participation in a multiemployer plan, for which minimal disclosures currently exist. The Board tried to limit the requirements to information that is readily available to minimize the cost of compliance. The Board believes that this information will make financial statements more transparent and comparable. Users will be provided with information that allows for improved comparability between entities that participate in single-employer, multiple-employer, or multiemployer plans. This enhanced information also will assist users in evaluating potential future cash flows.

Amendments to the XBRL Taxonomy

The following elements are proposed additions to the XBRL U.S. GAAP Financial Reporting Taxonomy. They reflect the amendments to the disclosure and presentation requirements of the Accounting Standards Codification and would be used in association (tagged) with the appropriate reported values in the SEC filer XBRL exhibit.

Individuals and organizations commenting on the amendments in this proposed Update should consider the usefulness, appropriateness, and completeness of these elements for entities required to include an XBRL exhibit with their SEC filings. Respondents also should consider the context of the elements in the current XBRL U.S. GAAP Financial Reporting Taxonomy.

Element Label	Definition	Codification Reference
ScheduleOfPeriod ContributionsMulti employerPlanTableTextBlock	This element encompasses disclosures related to the quantitative and qualitative information concerning the multiemployer pension and postretirement plans that the employer is a part of.	715-80-50-1A 715-80-50-1B
ScheduleOfMulti employerPlansTable	Schedule detailing the quantitative and qualitative information concerning the multiemployer pension and postretirement plans that the employer is a part of by plan or groups of plans. Aggregation of plans or groups of plans is based on the terms, conditions, and characteristics of the plans. Includes separate disclosure for multiemployer plans that are adequately funded and multiemployer plans for which the fair value of the assets at the reporting date is less than the level required by law.	715-80-50-1A 715-80-50-1B

Element Label	Definition	Codification Reference
MultiemployerPlan sAxis	Quantitative and qualitative information for the multiemployer pension and postretirement plans by plan or group of plans.	715-80-50-1A 715-80-50-1B
MultiemployerPlan sDomain	Represents a multiemployer retirement plan or group of plans. Aggregation of plans or groups of plans is based on the terms, conditions, and characteristics of the plans.	715-80-50-1A 715-80-50-1B
MultiemployerPlan Member	A multiemployer plan is a plan to which two or more unrelated employers contribute, usually pursuant to one or more collective-bargaining agreements. A characteristic of multiemployer plans is that assets contributed by one participating employer may be used to provide benefits to employees of other participating employers because assets contributed by one employer are not segregated in a separate account or restricted to provide benefits only to employees of that employer. A multiemployer plan is usually administered by a board of trustees comprising management and labor representatives and also may be referred to as a "joint trust" or "union" plan. Generally, many employers participate in a multiemployer plan, and an employer may participate in more than one plan. The employers participating in multiemployer plans usually have a common industry bond, but for some plans the employers are in different industries and the labor union may be their only common bond.	Multiemployer Plan

Element Label	Definition	Codification Reference
MultiemployerPlan sPensionMember	A pension multiemployer plan or group of plans.	715-80-50-1A 715-80-50-1B
MultiemployerPlan sOtherPostretirem entBenefitMember	Other postretirement benefit multiemployer plan or group of plans.	715-80-50-1A 715-80-50-1B
Individually Material PlanMember	Individually material plan.	715-80-50-1A 715-80-50-1B
GroupOfPlansMe mber	Plans aggregated on the basis of similar terms, conditions, and characteristics.	715-80-50-1
MultiemployerPlan sAdequatelyFunde dAndLessThanLev elRequiredByLaw Axis	Quantitative and qualitative information for multiemployer plans by plan or group of plans that are adequately funded and plans for which the fair value of the assets at the reporting date is less than the level required by law.	715-80-50-1 715-80-50-1B
MultiemployerPlan sFundedStatusDo main	Represents the funded status of multiemployer plan(s).	715-80-50-1 715-80-50-1B
MultiemployerPlan sAdequatelyFunde dMember	Multiemployer plans that are adequately funded.	715-80-50-1 715-80-50-1B
MultiemployerPlan sFairValueLessTh anLevelRequiredB yLawMember	Multiemployer plans for which the fair value of assets at the reporting date is less than the level required by law.	715-80-50-1 715-80-50-1B
MultiemployerPlan sLineItems	Line items represent financial concepts included in a table. These concepts are used to disclose reportable information associated with domain members defined in one or many axes to the table.	
MultiemployerPlan sExposureToSigni ficantRisk	A narrative description of the entity's exposure to significant risks and uncertainties arising from	715-80-50-1 B(c)(1)

Element Label	Definition	Codification Reference
	participation in the plan(s), for example, the extent to which the entity can be liable to the plan(s) for other participating employer's obligations under the terms and conditions of the plan(s).	
MultiemployerPlan sDeterminationOf BenefitLevels	A narrative description of how benefit levels are determined.	715-80-50-1B(c)(2)
MultiemployerPlan sRepresentationO nBoardOfTrustees	A statement indicating whether or not the employer is represented on the board of trustees of the plan(s) or a similar body.	715-80-50-1B(c)(3)
MultiemployerPlan sCessationOfCont ributions	A narrative description of the consequences the entity may face if it ceases contributing to the plan(s).	715-80-50-1B(c)(4)
MultiemployerPlan sFundingImprove mentPlansAndReh abilitationPlans	A narrative description, including the expected effect, of any funding improvement plan(s) or rehabilitation plan(s). This description includes the warning status and possible remedies being considered by the plan(s), if known, for plans in regulatory warning zones.	715-80-50-1B(c)(5)
MultiemployerPlan sNameOfPlan	The name of the plan for individually material plans.	715-80-50-1B(b)
MultiemployerPlan sNumberOfPlans	The number of separate multiemployer plans aggregated together for disclosures purposes.	715-80-50-1B(a)
MultiemployerPlan SignificantChange sImpactingCompa rability	Description of the nature and effect of any significant changes affecting comparability, such as a change in the rate of employer contributions, a business combination, or a divestiture to an employer's multiemployer plans.	715-80-50-1B(d)

Element Label	Definition	Codification Reference
MultiemployerPlansPlanAssetsAbstract		
MultiemployerPlansPlanAssets	Total assets of the plan(s), if obtainable, as of the most recent date available.	715-80-50-1B(e)
MultiemployerPlansPlanAssetsLowEndOfRange	For plans that have been aggregated together, total assets of the plan, if obtainable, as of the most recent date available for the smallest plan in terms of total assets.	715-80-50-1B(e)
MultiemployerPlansPlanAssetsHighEndOfRange	For plans that have been aggregated together, total assets of the plan, if obtainable, as of the most recent date available for the largest plan in terms of total assets.	715-80-50-1B(e)
MultiemployerPlansAccumulatedBenefitObligationAbstract		
MultiemployerPlansAccumulatedBenefitObligation	The total accumulated benefit obligation of the plan(s), if obtainable, as of the most recent date available.	715-80-50-1B(e)
MultiemployerPlansAccumulatedBenefitObligationLowEndOfRange	For plans that have been aggregated together, the total accumulated benefit obligation of the plan, if obtainable, as of the most recent date available for the smallest plan in terms of the accumulated benefit obligation.	715-80-50-1B(e)

Element Label	Definition	Codification Reference
MultiemployerPlansAccumulatedBenefitObligationHighEndOfRange	For plans that have been aggregated together, the total accumulated benefit obligation of the plan, if obtainable, as of the most recent date available for the largest plan in terms of the accumulated benefit obligation.	715-80-50-1B(e)
MultiemployerPlansReportDate	A description of the date(s) on which the multiemployer plan information was taken.	
MultiemployerPlansPercentageOfTotalContributionAbstract		
MultiemployerPlansPercentageOfTotalContribution	Percentage of employer's contribution to total contribution to the plan(s), if obtainable, as of the most recent date available.	715-80-50-1B(f)
MultiemployerPlansPercentageOfTotalContributionLowEndOfRange	For plans that have been aggregated together, the smallest percentage related to employer's contributions as a percentage of total contribution to a plan, if obtainable, as of the most recent date available.	715-80-50-1B(f)
MultiemployerPlansPercentageOfTotalContributionHighEndOfRange	For plans that have been aggregated together, the largest percentage related to employer's contributions as a percentage of total contribution to a plan, if obtainable, as of the most recent date available.	715-80-50-1B(f)

Element Label	Definition	Codification Reference
MultiemployerPlansContractualArrangements	A description of the contractual arrangement(s), including the term of the current arrangement(s) and for each year covered by the current agreement(s), the agree rate of contribution(s) and any minimum contribution(s) required by the agreement(s).	715-80-50-1B(g)
MultiemployerPlansTermOfCurrentArrangement	Term of the current multiemployer plan arrangement.	715-80-50-1B(g)(1)
MultiemployerPlansMinimumContributionAbstract		
MultiemployerPlansMinimumContribution	Amount of minimum contribution(s) required by the multiemployer plan agreement(s).	715-80-50-1B(g)(3)
MultiemployerPlansMinimumContributionLowEndOfRange	For plans that have been aggregated together, the smallest amount of minimum contribution(s) required by a multiemployer plan agreement(s).	715-80-50-1B(g)(3)
MultiemployerPlansMinimumContributionHighEndOfRange	For plans that have been aggregated together, the largest amount of minimum contribution(s) required by a multiemployer plan agreement(s).	715-80-50-1B(g)(3)
MultiemployerPlansPercentageOfEmployeesCoveredAbstract		
MultiemployerPlansPercentageOfEmployeesCovered	Percentage of the employer's employees covered by the plan(s).	715-80-50-1B(h)
MultiemployerPlansPercentageOfEmployeesCoveredLowEndOfRange	For plans that have been aggregated together, the smallest percentage of the employer's employees covered by a plan.	715-80-50-1B(h)

Element Label	Definition	Codification Reference
MultiemployerPlansPercentageOfEmployeesCoveredHighEndOfRange	For plans that have been aggregated together, the largest percentage of the employer's employees covered by a plan.	715-80-50-1B(h)
MultiemployerPlansPercentageOfTotalEmployeesActiveAbstract		
MultiemployerPlansPercentageOfTotalEmployeesActive	The number of the employer's active employee participants as a percentage of the total active plan participants.	715-80-50-1B(i)
MultiemployerPlansPercentageOfTotalEmployeesActiveLowEndOfRange	For plans that have been aggregated together, the smallest percentage of the number of the employer's active employee participants to the total active plan participants for a plan.	715-80-50-1B(i)
MultiemployerPlansPercentageOfTotalEmployeesActiveHighEndOfRange	For plans that have been aggregated together, the largest percentage of the number of the employer's active employee participants to the total active plan participants for a plan.	715-80-50-1B(i)
MultiemployerPlansPercentageOfTotalEmployeesRetiredAbstract		
MultiemployerPlansPercentageOfTotalEmployeesRetired	The number of the employer's retired employee participants as a percentage of the total retired plan participants.	715-80-50-1B(i)
MultiemployerPlansPercentageOfTotalEmployeesRetiredLowEndOfRange	For plans that have been aggregated together, the smallest percentage of the number of the employer's retired employee participants to the total retired plan participants for a plan.	715-80-50-1B(i)

Element Label	Definition	Codification Reference
MultiemployerPlansPercentageOfTotalEmployeesRetiredHighEndOfRange	For plans that have been aggregated together, the largest percentage of the number of the employer's retired employee participants to the total retired plan participants for a plan.	715-80-50-1B(i)
MultiemployerPlansPeriodContributionsAbstract		
MultiemployerPlansPeriodContributions	Amount of contributions made to multiemployer plan(s) in the reporting period.	715-80-50-1B(j)
MultiemployerPlansPeriodContributionsLowEndOfRange	For plans that have been aggregated together, the smallest amount of contributions made to a multiemployer plan.	715-80-50-1B(j)
MultiemployerPlansPeriodContributionsHighEndOfRange	For plans that have been aggregated together, the largest amount of contributions made to a multiemployer plan.	715-80-50-1B(j)
MultiemployerPlansExpectedContributionsAbstract		
MultiemployerPlansExpectedContributions	Expected amount of contributions to the plan(s) for the next reporting period.	715-80-50-1B(k)
MultiemployerPlansExpectedContributionsLowEndOfRange	For plans that have been aggregated together, the smallest amount of contributions expected to be made to a multiemployer plan for the next annual period.	715-80-50-1B(k)
MultiemployerPlansExpectedContributionsHighEndOfRange	For plans that have been aggregated together, the largest amount of contributions expected to be made to a multiemployer plan for the next annual period.	715-80-50-1B(k)
MultiemployerPlansFutureTrends	Description of future trends in contributions, if known, including the	715-80-50-1B(l)

Element Label	Definition	Codification Reference
	extent to which a surplus or a deficit in the plan may affect future contributions.	
MultiemployerPlan WithdrawalDescription	Description of the details of any agreed deficit or surplus allocation on wind-up. For plans for which the amount required to be paid on withdrawal is applicable, but not available, a description of the entity's relative participation in the plan(s).	715-80-50-1B(m)(1)
MultiemployerPlansWithdrawalObligationsAbstract		
MultiemployerPlan WithdrawalObligation	Amount of a recognized obligation to a multiemployer plan in the event that the employer withdraws from the plan. In some situations, withdrawal from a multiemployer plan may result in an employer having an obligation to the plan for a portion of the unfunded benefit obligation of the pension plans and other postretirement benefit plans.	715-80-50-1B(m)(1), 715-80-50-2(a), and 715-80-35-2
MultiemployerPlansWithdrawalObligationsLowEndOfRange	For plans that have been aggregated together, the smallest amount of a recognized obligation to a multiemployer plan in the event that the employer withdraws from the plan.	715-80-50-1B(m)(2)
MultiemployerPlansWithdrawalObligationsHighEndOfRange	For plans that have been aggregated together, the largest amount of a recognized obligation to a multiemployer plan in the event that the employer withdraws from the plan.	715-80-50-1B(m)(2)

Element Label	Definition	Codification Reference
MultiemployerPlansWithdrawalPercentageOfContributionsAbstract		
MultiemployerPlanWithdrawalPercentageOfContributions	Percentage of employer's contribution to total contribution to the plan(s) for plan(s) for which it is reasonably possible or probable that the employer will withdraw from the plan(s) and for which the amount to be paid on withdrawal is applicable, but not available.	715-80-50-1B(m)(3)
MultiemployerPlansWithdrawalPercentageOfContributionsLowEndOfRange	For plans that have been aggregated together, the smallest percentage of employer's contribution to total contribution to a plan for a plan where it is reasonably possible or probable that the employer will withdraw from the plan and where the amount to be paid on withdrawal is applicable, but not available.	715-80-50-1B(m)(3)
MultiemployerPlansWithdrawalPercentageOfContributionsHighEndOfRange	For plans that have been aggregated together, the largest percentage of employer's contribution to total contribution to a plan for a plan where it is reasonably possible or probable that the employer will withdraw from the plan and where the amount to be paid on withdrawal is applicable, but not available.	715-80-50-1B(m)(3)
MultiemployerPlansWithdrawalPercentageOfParticipantsAbstract		

Element Label	Definition	Codification Reference
MultiemployerPlan WithdrawalPercentageOfParticipants	Percentage of employer's participants to the total participants to the plan(s) for the plan(s) for which it is reasonable possible or probable that the employer will withdraw from the plan(s) and for which the amount to be paid on withdrawal is applicable, but not available.	715-80-50-1B(m)(3)
MultiemployerPlan sWithdrawalPercentageOfParticipantsLowEndOfRange	For plans that have been aggregated together, the smallest percentage of employer's participants to the total participants to a plan for a plan where it is reasonable possible or probable that the employer will withdraw from the plan and where the amount to be paid on withdrawal is applicable, but not available.	715-80-50-1B(m)(3)
MultiemployerPlan sWithdrawalPercentageOfParticipantsHighEndOfRange	For plans that have been aggregated together, the largest percentage of employer's participants to the total participants to a plan for a plan where it is reasonable possible or probable that the employer will withdraw from the plan and where the amount to be paid on withdrawal is applicable, but not available.	715-80-50-1B(m)(3)
MultiemployerPlan DisaggregationBasis	The employer's method of disaggregating the multiemployer pension and postretirement plan information using the plans' terms, conditions, and characteristics.	715-80-50-1A
MultiemployerPlan sInformationNotObtainableDescription	Explanation of why information is not obtainable for multiemployer plan(s).	715-80-50-1B
DescriptionOfMultiemployerPlan	General descriptive information regarding an employer's	Multiemployer

Element Label	Definition	Codification Reference
	<p>multiemployer plans. A multiemployer plan is a plan to which two or more unrelated employers contribute, usually pursuant to one or more collective-bargaining agreements. A characteristic of multiemployer plans is that assets contributed by one participating employer may be used to provide benefits to employees of other participating employers since assets contributed by one employer are not segregated in a separate account or restricted to provide benefits only to employees of that employer. A multiemployer plan is usually administered by a board of trustees composed of management and labor representatives and may also be referred to as a "joint trust" or "union" plan. Generally, many employers participate in a multiemployer plan, and an employer may participate in more than one plan. The employers participating in multiemployer plans usually have a common industry bond, but for some plans the employers are in different industries and the labor union may be their only common bond.</p>	
MultiemployerPlan DateOfContractEx piration	<p>The expiration date of a contract signed between the entity and union representatives related to an entity's involvement in multiemployer plans.</p>	
MultiemployerPlan ContributionAmou ntPerHourAbstract		

Element Label	Definition	Codification Reference
MultiemployerPlanContributionAmountPerHour	The amount the entity contributes to the multiemployer plan per hour per employee covered by the multiemployer plan.	
MultiemployerPlanContributionAmountPerHourLowEndOfRange	For plans that have been aggregated together, the smallest amount the entity contributes to a multiemployer plan per hour per employee covered by the multiemployer plan.	
MultiemployerPlanContributionAmountPerHourHighEndOfRange	For plans that have been aggregated together, the largest amount the entity contributes to a multiemployer plan per hour per employee covered by the multiemployer plan.	
MultiemployerPlanEstimatedWithdrawalLiabilityAbstract		
MultiemployerPlanEstimatedWithdrawalLiability	The estimated withdrawal liability if the employer decides to withdraw from a multiemployer plan.	
MultiemployerPlanEstimatedWithdrawalLiabilityLowEndOfRange	For plans that have been aggregated together, the smallest estimated withdrawal liability if the employer decides to withdraw from a multiemployer plan.	
MultiemployerPlanEstimatedWithdrawalLiabilityHighEndOfRange	For plans that have been aggregated together, the largest estimated withdrawal liability if the employer decides to withdraw from a multiemployer plan.	