



WASHINGTON SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

August 29, 2014

David R. Bean, Director of Research and Technical Activities
Governmental Accounting Standards Board
Project No. 26 5E
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: Exposure Drafts-Accounting and Financial Reporting for Postemployment Benefits
Other than Pensions, Project No. 34-1E and Financial Reporting for Postemployment
Benefit Plans Other than Pensions Plans, Project No. 34-1P

Dear Mr. Bean:

The following is the response of the Government Accounting and Auditing Committee of the Washington Society of Certified Public Accountants (WSCPA). The views expressed are the views of the Committee and not necessarily the views of the individual members or the WSCPA as a whole. We are pleased to have the opportunity to respond to the Governmental Accounting Standards Board's (GASB) Exposure Drafts (ED) -Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, Project No. 34-1E and Financial Reporting for Postemployment Benefit Plans Other than Pensions Plans, Project No. 34-1P.

We support the mission of GASB, to establish and improve standards of state and local governmental accounting and financial reporting. We are combining our response to both Project 34-1E and 34-1P in this reply.

Overview of Our Response:

We support the concept of recognizing post employment benefits in pension plans that provide this benefit and the employers that have committed to provide these benefits.

General ED Comments:

We don't think that the form of providing these benefits, whether from a trust or from employer general funds, makes much of a difference. The important accounting recognition and financial reporting for both plans and employers is to recognize the costs of providing post employment benefits to their employees when the service is provided.

Project 34-1E and 34-1P
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Employers should recognize the cost of providing post employment benefits in the annual report (revenues versus expenses) on a full accrual basis to recognize the full cost of employment of its staff regardless of the form of the “insurance” provision. This includes any liability recognition in the Statement of Net Assets. Any change that a legislative body might make to increase or decrease future benefits should be reported to the public as to the present value of the benefit increase or decrease.

Summary of Specific ED Comments:

We agree with this ED and believe it improves accounting and financial reporting for state and local governments.

Thank you for the opportunity to respond. If you have any questions or need additional information regarding this response, please contact Olga Darlington at (425) 551-5712.

Sincerely,

SENT VIA E-MAIL to director@gasb.org

Olga Darlington, CPA
Chair, Government Accounting and Auditing Committee
Washington Society of Certified Public Accountants