



American Institute of CPAs
220 Leigh Farm Road
Durham, NC 27707-8110

May 20, 2015

Susan M. Cosper, CPA
Technical Director
FASB
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: April 23, 2015 Exposure Draft of Three Proposed Accounting Standards Updates (ASUs): Plan Accounting [part of FASB Simplification Initiative]

- **Defined Benefit Pension Plans (Topic 960)**
- **Defined Contribution Pension Plans (Topic 962)**
- **Health and Welfare Benefit Plans (Topic 965)**
 - I. **Fully Benefit-Responsive Investment Contracts [File Reference No. EITF-15C – I]**
 - II. **Plan Investment Disclosures [File Reference No. EITF-15C – II]**
 - III. **Measurement Date Practical Expedient [File Reference No. EITF-15C – III]**

Dear Ms. Cosper:

One of the objectives that the Council of the American Institute of Certified Public Accountants (AICPA) established for the PCPS Executive Committee is to speak on behalf of local and regional firms and represent those firms' interests on professional issues in keeping with the public interest, primarily through the Technical Issues Committee (TIC). This communication is in accordance with that objective. These comments, however, do not necessarily reflect the positions of the AICPA.

TIC has reviewed the EDs and is providing the following comments for your consideration.

GENERAL COMMENTS

TIC believes these are meaningful simplifications and supports the issuance of the EDs as final standards.

SPECIFIC COMMENTS

I – Fully Benefit-Responsive Investment Contracts

Question 1: *Should the requirements to present and disclose fully benefit-responsive investment contracts at fair value be eliminated? If not, please explain why.*

Yes.

Question 2: *Should the disclosure requirements for fully benefit-responsive investment contracts included in paragraphs 962-325-50-3 and 965-325-50-2 be reduced to eliminate disclosures relating to fair value measurements? If not, please explain why.*

Yes.

Question 3: *Should any other disclosures be required for fully benefit-responsive investment contracts?*

Yes.

Question 4: *Should the proposed amendments be applied retrospectively to all periods presented? If not, please explain why.*

Yes.

Question 5: *How much time would be needed to implement the proposed amendments? Should early adoption be permitted?*

A one-year transition period should be sufficient. TIC believes early adoption should be permitted.

II – Plan Investment Disclosures

Question 1: *Should investments be disaggregated only by general type, as required under Topics 960, 962, and 965 (that is, not by both general type and nature, characteristics, and risks)? If not, please explain why.*

Yes.

Question 2: *Should self-directed brokerage accounts be classified as one general type of investment? If not, please explain why.*

Yes.

Question 3: *Should the requirements in Topics 960, 962, and 965 to disclose investments that represent 5 percent or more of net assets available for benefits be eliminated? If not, please explain why.*

Yes.

Question 4: *If an investment is measured using the net asset value per share (or its equivalent) practical expedient in paragraph 820-10-35-59 and that investment is in a fund that files a Form 5500 as a direct filing entity, should the disclosure of that investment's significant investment strategies be required? If so, please explain why.*

No.

Question 5: *Should the requirements in Topics 960, 962, and 965 to disclose the net appreciation or depreciation for investments by general type be eliminated? If not, please explain why.*

Yes.

Question 6: *Should the proposed amendments be applied retrospectively? If not, please explain why.*

Yes.

Question 7: *How much time would be needed to implement the proposed amendments? Should early adoption be permitted?*

A one-year transition period should be sufficient. TIC believes early adoption should be permitted.

Question 8: *Are there any other improvements applicable to employee benefit plan accounting that should be considered for purposes of further simplifying financial reporting for employee benefit plans (for example, are there other disclosures that should be eliminated, amended, or added)?*

TIC did not identify any other potential improvements to employee benefit plan accounting.

III – Measurement Date Practical Expedient

Question 1: *Should employee benefit plans be allowed to apply a measurement date practical expedient to measure investments and investment-related accounts using the month-end that is closest to the plan's fiscal year-end when the fiscal period does not coincide with a month-end? If not, please explain why.*

Yes.

Question 2: *Should plans only disclose (rather than recognize) contributions, distributions, and significant events that occur between the alternative measurement date and the plan's fiscal year-end? If not, please explain why.*

Yes.

Question 3: *Should any other disclosures be required for plans that elect the practical expedient?*

No.

Question 4: *Should the proposed amendments be applied prospectively? If not, please explain why, and what transition method you would propose.*

Yes.

Question 5: *How much time would be needed to implement the proposed amendments? Should early adoption be permitted?*

A one-year transition period should be sufficient. TIC believes early adoption should be permitted.

TIC appreciates the opportunity to present these comments on behalf of PCPS member firms. We would be pleased to discuss our comments with you at your convenience.

Sincerely,



Scot Phillips, Chair
PCPS Technical Issues Committee

cc: PCPS Executive and Technical Issues Committees