

Notice for Recipients of This Proposed FASB Staff Position

This proposed FASB Staff Position (FSP) would make conforming amendments to the illustrations contained in the following appendixes to reflect the provisions of FASB Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*:

- Appendix B of FASB Statements No. 87, *Employers' Accounting for Pensions*,
- Appendix B of FASB Statement No. 88, *Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits*, and
- Appendix C of FASB Statement No. 106, *Employers' Accounting for Postretirement Benefits Other Than Pensions*.

This proposed FSP also would make conforming changes to the questions and answers contained in the following FASB Special Reports and incorporate that guidance as new appendixes to Statements 87, 88, and 106, respectively:

- *A Guide to Implementation of Statement 87 on Employers' Accounting for Pensions*,
- *A Guide to Implementation of Statement 88 on Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits*, and
- *A Guide to Implementation of Statement 106 on Employers' Accounting for Postretirement Benefits Other Than Pensions*.

Those FASB Special Reports would be superseded. The Board notes that incorporating the implementation guidance into appendixes of Statements 87, 88, and 106 would elevate that guidance from Level D to Level A in the GAAP hierarchy.¹ That change would be beneficial to preparers, auditors, and users of financial statements because it would consolidate most of the guidance on accounting for postretirement benefits. Users of subsequent versions of the *Original Pronouncements* (as amended) would find Statements 87, 88, and 106 along with updated versions of their illustrations and related guidance together in a single volume. That approach is consistent with the objectives of the Board's current codification project.

This proposed FSP would not amend the standard sections of Statements 87, 88, or 106. This proposed FSP also would not provide any additional implementation guidance for

¹ The GAAP hierarchy is currently contained in the AICPA Statement on Auditing Standards No. 69, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles in the Independent Auditor's Report*.

Statement 158 or change any of its provisions. Most of the conforming changes that this FSP would make involve the following:

1. Changing references to unrecognized gains and losses, unrecognized prior service costs and credits, and unrecognized transition assets and obligations to refer to amounts included in accumulated other comprehensive income
2. Eliminating reconciliations of the funded status of a defined benefit postretirement plan to amounts recognized in the employer's statement of financial position
3. Eliminating illustrations and guidance on the additional minimum pension liability
4. Eliminating illustrations and guidance on the measurement date.

The Board invites individuals and organizations to send written comments on all matters in this proposed FSP. Specifically, the Board invites individuals and organizations to comment on whether the amendments in the proposed FSP make the illustrations and related guidance conform to the provisions of Statement 158. If not, what additional amendments or changes should be made?

Comments are requested from those who agree with the provisions of this proposed FSP as well as from those who do not. Comments are most helpful if they identify the issues or specific paragraph or group of paragraphs to which they relate and clearly explain the issue or question. Those who disagree with provisions of this proposed FSP are asked to describe their suggested alternatives, supported by specific reasoning.