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December 15, 2014

Ms. Susan M. Cospers
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

File Reference No. 2014-260

Re: Proposed Accounting Standards Update, *Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets*

Dear Ms. Cospers:

Deloitte & Touche LLP appreciates the opportunity to comment on the FASB's proposed Accounting Standards Update (ASU) *Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets*.

We support the Board's efforts to quickly make improvements to aspects of U.S. GAAP that are unnecessarily complex and costly as part of its simplification initiative. We support the proposed practical expedient that would allow an employer whose fiscal year-end does not fall on a calendar month-end (e.g., an entity that has a 52- or 53-week fiscal year) to measure retirement benefit obligations and related plan assets as of the month-end that is closest to the employer's fiscal year-end. The practical expedient would reduce the complexity and costs associated with measuring retirement benefit obligations and plan assets as of the entity's fiscal year-end as required under current U.S. GAAP.

The appendix contains our responses to the proposed ASU's questions for respondents.

We appreciate the opportunity to comment on the proposed ASU. If you have any questions concerning our comments, please feel free to contact Karen Wiltsie at (203) 761-3607.

Yours truly,

Deloitte & Touche LLP

cc: Robert Uhl

Appendix
Deloitte & Touche LLP
Responses to Questions for Respondents

Question 1: *Should entities with fiscal year-ends that do not fall on a month-end be permitted as a practical expedient to measure their defined benefit plan assets and obligations as of the month-end that is closest to their fiscal year-end? If not, why?*

We believe that entities should be permitted as a practical expedient to measure their defined benefit plan assets and obligations as of the month-end that is closest to their fiscal year-end for the reasons described in our cover letter.

Question 2: *Should the practical expedient be applied consistently to all plans if an employer has more than one plan?*

We believe that the proposed practical expedient should be applied consistently to all plans if an employer has more than one plan. The option to use different measurement dates for different plans could confuse financial statement users, create opportunity for management bias, and warrant additional disclosure requirements that might contradict the goal of simplification.

Question 3: *The amendments in this proposed Update would require an entity to adjust the funded status recognized in its statement of financial position to reflect contributions made between the date used to measure defined benefit plan assets and obligations and the entity's fiscal year-end. Should the funded status be adjusted for other transactions (for example, benefit payments or plan amendments) that could occur between the date used to measure defined benefit plan assets and obligations and an entity's fiscal year-end?*

We do not believe that the funded status needs to be adjusted for benefit payments when they are paid out of plan assets. This is because benefit payments reduce both defined benefit plan assets and obligations and, therefore, would not have a material effect on the funded status. However, when a transaction involves using an entity's assets other than plan assets to pay benefits or otherwise settle the obligation, the funded status should be adjusted for the transaction. Using the entity's assets (e.g., cash) in such a manner is similar to making contributions to the plan. For other transactions occurring between the measurement date and the fiscal year-end that do not involve the use of an entity's assets (e.g., curtailments, plan amendments, or settlements using plan assets), we do not believe that the funded status should be adjusted. However, if those transactions are material and occur after a measurement date that precedes the fiscal year-end, we believe that they should be disclosed.

Question 4: *Should an employer be required to disclose the accounting policy election and the alternative date used for measuring defined benefit plan assets and obligations?*

We believe that entities should be required to disclose their accounting policy election in a manner similar to how they are required to disclose such information under other U.S. GAAP guidance that permits a policy election. In addition, we believe that the alternative measurement date should be disclosed as well, for the reason stated in paragraph BC9 of the proposed ASU.

Question 5: *The Board's goal is for the final Update to be adopted as soon as practicable. When should the proposed amendments be effective and should early adoption be permitted?*

We support the Board's goal for the final ASU to be adopted as soon as practicable. We do not believe that the time and effort required to adopt the ASU would be significant. Therefore, we suggest that the proposed

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amendments be effective for the calendar year beginning approximately a year (or slightly less) from when the final ASU is issued (e.g., if the final ASU is issued in the first quarter of 2015, requiring the proposed amendments to be effective for fiscal years beginning after December 15, 2015, would be appropriate). Such an effective date would give entities time to understand the provisions of the ASU and decide whether to elect to adopt the practical expedient as an accounting policy. Early adoption should be permitted.