

Three Proposed Accounting Standards Updates, Plan Accounting: Defined Benefit Pension Plans (Topic 360), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965) I. Fully Benefit-Responsive Investment Contracts, II. Plan Investment Disclosures, and III. Measurement Date Practical Expedient

Question Text	Response
* Please select the type of entity or individual responding to this feedback form.	Accounting Firm/Auditor
Other, please specify (Specified)	
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)
Organization *	Rea & Associates, Inc.
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Phone number	
1. Should the requirements to present and disclose fully benefit-responsive investment contracts at fair value be eliminated? If not, please explain why.	Yes. Reporting at fair value is appropriate for most investments because that is the value at which a transaction would occur at a specified date. For FBR contracts, contract value is the value at which the transaction would occur at a specified date. Therefore, to properly reflect the "value" of the investments, reporting FBR contracts at contract value is appropriate.

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<p>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</p>	<p>Yes. Since FBR investments would be recorded at contract value, attempting to apply fair value disclosures when not reporting at fair value (regardless of whether contract value equals or approximates fair value) does not seem appropriate.</p>
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<p>why.</p>	
<p>3. Should any other disclosures be required for fully benefit-responsive investment contracts?</p>	<p>None identified at this time.</p>
<p>4. Should the proposed amendments be applied retrospectively to all periods presented? If not, please explain why.</p>	<p>Yes. This would be most appropriate to conform to the proposed reporting requirements, allowing the presentation to be consistent on a comparative basis.</p>
<p>5. How much time would be needed to implement the proposed amendments? Should early adoption be permitted?</p>	<p>Provided the change is as proposed, the time needed to implement would be minimal. Because the proposed amendment does not require additional information or disclosures from what is currently required, which would obviously require additional efforts and time, there should be no reason that early adoption should not be permitted.</p>
<p>Please provide any additional comments related to I. Fully Benefit- Responsive Investment Contracts</p>	<p>No additional comments at this time.</p>
<p>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.</p>	<p>Yes, investments should be disaggregated only by general type. Because disclosure by nature, characteristics and risks were not necessarily provided consistently to management/plan sponsors from respective service providers, the presentation could appear disjointed, whether on a plan to plan perspective or within a single plan in which assets are held by various service providers. Also, the nature, characteristics and risks of the investments can be found in investment-related materials, such as prospectuses and contracts; therefore, since this information can be derived from such sources, excluding this level of detail from the plan financial statement disclosures seems reasonable.</p>

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<p>2. Should self- directed brokerage accounts be classified as one general type of investment? If not, please explain why.</p>	<p>Yes, SDBAs should be classified as one general type of investment. Individuals utilizing such type of option are generally aware of which underlying investments make up their accounts. With the proposed disaggregation of investments by general type only, disclosing SDBAs as one general type of investment follows a similar logic. Also, this would be likened to the manner of presentation resembling an investment such as a PSA, where underlying investments exist, but the investment is disclosed as a single investment, not detailing out each underlying investment.</p>
<p>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.</p>	<p>Yes. While some may argue that this provides disclosure towards a concentration within certain investments, the percentage utilized (5% or more) does not necessarily indicate whether there is actually a concentration. Instead of utilizing the data derived from preparing this disclosure, it would be more telling for management to be reviewing all investments of the plan, determining the allocation amongst the investments for potential concentrations.</p>
<p>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.</p>	<p>No. Based on the premise the the information related to such investments is available through the Form 5500 of the DFE, another channel from which to derive the information, then requiring the information to be disclosed in a plan's financial statements is a duplication of effort. To this end, a process in place/manner through which to easily identify DFE type investments would be most helpful.</p>
<p>5. Should the requirements in Topics 960, 962, and 965 to disclose the net appreciation or depreciation for investments by general type be</p>	<p>Yes. At the financial statement level, this disclosure provides little value. Management or those charged with oversight are already aware of performance by investment and general type when performing analysis/review of investment performance.</p>

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<p>eliminated? If not, please explain why.</p>	
<p>6. Should the proposed amendments be applied retrospectively? If not, please explain why.</p>	<p>Yes. This would be most appropriate to conform to the proposed reporting requirements, allowing the presentation to be consistent on a comparative basis.</p>
<p>7. How much time would be needed to implement the proposed amendments? Should early adoption be permitted?</p>	<p>Provided the change is as proposed, the time needed to implement would be minimal. Additional time needed to determine which investments are funds that file a Form 5500 as a DFE until/unless a process is in place for identifying, would be required.</p>
<p>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)?</p>	<p>The proposed amendment includes disaggregating investments only by general type (see question 1.) In addition, investments using NAV as a practical expedient and the investment is a fund that files as a DFE, the disclosure of the investment's significant investment strategy would not be required under the proposed amendment (see question 4.) This would leave investments where NAV is used as the practical expedient and does not file as a DFE, to continue with the narrative disclosure of the significant investment strategies. Because the strategy can vary based on the nature, characteristics and risks, but the the investments are being disclosed only by general type under the proposed amendment, this creates the question of how the significant investment strategy(ies) should be disclosed. In order to remain consistent in respect to the detail in which investments are disclosed and because such investment strategy information is available through other sources as described in the answer to question 1 above, consideration should be given regarding the requirement of disclosures of significant investment strategy(ies)</p>
<p>Please provide any additional comments related to II. Plan Investment Disclosures:</p>	<p>None at this time.</p>
<p>1. Should employee benefit plans be allowed to</p>	<p>Employee benefit plans should be allowed to apply a measurement date practical expedient to measure investments and investment-related accounts where a plan's fiscal year-end does not coincide with a month-</p>

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<p>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.</p>	<p>However, instead of utilizing the month-end that is closest to the plan's fiscal year-end, utilizing the month-end in which the plan's fiscal year-end occurs seems more feasible. The reason for utilizing the month-end in which the plan's fiscal year-end occurs would be to coincide with the Form 5500 filing due date (last day of the seventh month after plan year-end.) For example, if the plan year end was December 14, the Form 5500 filing would be due July 31. Under the proposed amendment, a measurement date of November 30 would be utilized, creating the potential for confusion as to whether the Form 5500 should actually be filed by June 30, whereas if December 31, the month in which the plan year-end occurs, were used, the due date of the Form 5500 would be July 31, the same as it would be if December</p>
<p>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.</p>	<p>If presentation is made using a measurement date practical expedient as outlined in the answer question 1 above, events occurring between the plan's fiscal year-end and the alternative measurement date would be recognized because this alternative measurement date as noted in the answer to question 1 would always fall after the plan's fiscal year-end. If this approach is used and disclosure of significant events is required for the period between the plan's fiscal year-end and the alternative measurement date, the question begs the reason for allowing the practical expedient measurement date, as no reporting requirements have been simplified.</p>
<p>3. Should any other disclosures be required for plans that elect the practical expedient?</p>	<p>Obviously, there should be general language included that indicates the use of the measurement date practical expedient. If the proposed change is implemented as presented and plans are required to simply disclose (rather than recognize) certain items that occur between the alternative measurement date and the plan's fiscal year-end, this can all be disclosed collectively.</p>
<p>4. Should the proposed amendments be applied prospectively? If not, please explain why, and what transition method you would propose.</p>	<p>Based on the nature of the proposed amendment, it seems adequate to apply the change prospectively without the possibility of causing the prior year financial statement data to be misleading or to require any restatement or reclassifications to be comparative with the proposed presentation.</p>

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<p>5. How much time would be needed to implement the proposed amendments? Should early adoption be permitted?</p>	<p>Provided the change is as proposed (or as identified in the answer to question 1), the time needed to implement would be minimal. Also, if the information is available in a necessary format at the measurement date practical expedient, there should not be any reason why early adoption should not be permitted.</p>
<p>Please provide any additional comments related to III. Measurement Date Practical Expedient:</p>	<p>None at this time.</p>
<p>Please provide any comments on the electronic feedback process:</p>	<p>No comments at this time.</p>
<p>Below is a printable summary of your responses to the questions in this feedback form.</p> <p>You can revise your responses by clicking the "Back" button.</p> <p>All comments received constitute part of the FASB's public file. The FASB will make all comments publicly available by posting them to the Online Comment Letters portion of its website.</p> <p>If you are finished providing comments, click the 'Submit' button at the bottom of this page.</p>	<p>Not Answered</p>