



May 18, 2015

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

File Reference No. EITF-15C – I  
File Reference No. EITF-15C – II  
File Reference No. EITF-15C – III

The Employee Benefits Committee and Accounting Principles Committee of the Illinois CPA Society (“Committees”) appreciate the opportunity to provide their perspective on the Invitation to Comment, *Three Proposed Accounting Standards Updates: Plan Accounting - Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962) and Health and Welfare Benefit Plans (Topic 965)*. Our comments represent the collective views of the Committees and not the individual views of the members or the organizations with which they are affiliated. The organization and operating procedures of the Committees are outlined in Appendix A to this letter.

We welcome the Board’s efforts to reduce complexity in employee benefit plan accounting consistent with the FASB’s Simplification Initiative. We believe each of the Three Proposed Accounting Standards Updates upon which the Board is soliciting input will reduce the complexity in employee benefit plan accounting as intended.

Our comments to the questions posed for each of the Proposed Accounting Standards Updates are as follows:

**File Reference No. EITF-15-C – I: Fully Benefit-Responsive Investment Contracts**

We agree with the elimination of the requirement to present and disclose fully benefit-responsive investment contracts at fair value. We also agree that the related disclosure requirements in paragraphs 962-325-50-3 and 965-325-50-2 should be reduced to eliminate the disclosures related to fair value investments.

However, we believe that the requirement to disclose a description of the nature of those investment contracts, including how they operate, be further defined to specifically include disclosure of the terms of the contracts such as: the minimum guaranteed interest rates, the range of the actual interest rates during the year, and how the actual interest rate is determined.

We also agree that this Proposed Accounting Standards Update should be applied retrospectively to all periods presented. We believe the amount of time needed to implement this proposed update would not be significant and, therefore, early adoption should be permitted.



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## **File Reference No. EITF-15-C – II: Plan Investment Disclosures**

We agree with the recommendations to only disaggregate investments by general type and that self-directed brokerage accounts be classified as one general type of investment. We also agree with the elimination of the requirement in Topics 960, 962 and 965 to disclose the net appreciation or depreciation for investments by general type. However, we believe that if self-directed brokerage accounts are classified as one general type of investment, a description of the types of investments allowed within the self-directed brokerage accounts should be required to provide information as to the nature of this general type of investment within the plan.

We also agree with the recommendation to eliminate the disclosure of the investments that represent five percent or more of net assets available for benefits. We believe disclosure of investments representing five percent or more of net assets available for benefits can be identified by looking at the supplemental schedule of assets held. However, if self-directed brokerage accounts are reported separately, the supplemental schedule of assets held can be quite voluminous and the ability to identify those investments representing five percent or more of net assets available for benefits can be difficult.

We disagree with the elimination of the disclosure of an investment's significant investment strategies for investments measured using the net asset value per share (or its equivalent) practical expedient in paragraph 820-10-35-59 when that investment is in a fund that files a Form 5500 as a direct filing entity. Although similar information can be obtained by looking at the underlying assets within the fund, it requires the financial statement user to look outside the plan's financial statements to obtain that information. Disclosure of this information for all investments measured using the net asset value per share (or its equivalent) practical expedient in paragraph 820-10-35-59 provides more complete disclosures within the plan's financial statements and would not involve significant effort by the financial statement preparer.

We also agree that this Proposed Accounting Standards Update should be applied retrospectively. We believe the amount of time needed to implement this proposed update would not be significant and, therefore, early adoption should be permitted.

## **File Reference No. EITF-15-C – III: Measurement Date Practical Expedient**

We agree with the recommendation to allow employee benefit plans 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 plan's fiscal period does not coincide with a month-end. However, we only partially agree with the recommendation that these 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 the plan's fiscal year-end is after the alternative measurement date, disclosure (rather than recognition) of contributions, distributions and significant events that occur between the alternative measurement date and the plan's fiscal year-end is appropriate. If the plan's fiscal year-end is before the alternative measurement date, and the contributions, distributions and significant events that occur between the alternative measurement date and the plan's fiscal year-



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end are only disclosed (rather than recognized), a reconciliation between the alternative date investment and investment-related accounts and contributions, distributions and significant events that occur between the alternative measurement date and the plan's fiscal year-end will be necessary. This reconciliation could be time consuming and would increase (rather than reduce) the complexity of the financial statement disclosures.

We also agree that this Proposed Accounting Standards Update should be applied prospectively. We believe the amount of time needed to implement this proposed update would not be significant and, therefore, early adoption should be permitted.

We appreciate the opportunity to offer our comments.

Sincerely,

**Kathleen A. Musial, CPA**  
Chair, Employee Benefits Committee

**Scott G. Lehman, CPA**  
Chair, Accounting Principles Committee



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APPENDIX A  
EMPLOYEE BENEFITS COMMITTEE  
ORGANIZATION AND OPERATING PROCEDURES  
2015 – 2016

The Employee Benefits Committee of the Illinois CPA Society (Committee) is composed of the following technically qualified, experienced members appointed from industry and public practice. The Committee usually operates by assigning Subcommittees of its members to study and discuss fully exposure documents proposing additions to or revisions of accounting, audit and attestation standards. The Subcommittee develops a proposed response that is considered, discussed and voted on by the full Committee, which is then submitted to the appropriate senior level committee of the Illinois CPA Society for its review and approval. Support by the two Committees results in the issuance of a formal response, which at times includes a minority viewpoint. Current members of the Employee Benefits Committee and their business affiliations are as follows:

**Public Accounting Firms:**

**Large:** (national & regional)

Rose Ann Abraham, CPA  
Janice L. Forgue, CPA  
David M. Kot, CPA

Baker Tilly Virchow Krause LLP  
McGladrey LLP  
BKD, LLP

**Medium:** (more than 40 professionals)

Brent P. DeMay, CPA  
Joseph C. Klapka, CPA  
Kenneth J. Kobiernicki, CPA  
Eric J. Wallin, CPA  
William P. Zorc, CPA

Sikich LLP  
Legacy Professionals LLP  
Ostrow Reisen Berk & Abrams Ltd  
Legacy Professionals LLP  
Frost Ruttenberg & Rothblatt, P.C.

**Small:** (less than 40 professionals)

Kenny K. Adegoke, CPA  
JoAnn E. Cassell, CPA  
Nicholas Cheronis, CPA  
Jodi L. Dizenzo, CPA  
Kathleen A. Musial, CPA  
Matthew A. Mauer, CPA  
Douglas A. Taylor, CPA  
Aimee V. Urnikis, CPA

Washington Pittman & McKeever, LLC  
Cassell, Inc.  
Nicholas Cheronis, CPA  
JLD Consulting LLC  
BIK & Co, LLP  
HDB, LLC  
Mann, Weitz & Associates, LLC  
Sassetti, LLC

**Industry:**

G. David Nolan, CPA  
Daniel V. Schober, CPA  
Andrew K. Strimaitis, JD  
Mark D. Wachholz, CPA  
Mark A. Yahoudy, CPA

National Life Insurance Company  
GKIC LLC  
Barack Ferrazzano Kirschbaum & Nagelberg LLP  
Property Casualty Insurers Association of America  
Verisight Group

**Staff Representative:**

Paul E. Pierson, CPA

Illinois CPA Society



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APPENDIX A  
ACCOUNTING PRINCIPLES COMMITTEE  
ORGANIZATION AND OPERATING PROCEDURES  
2015-2016

The Accounting Principles Committee of the Illinois CPA Society (Committee) is composed of the following technically qualified, experienced members appointed from industry, education and public accounting. These members have Committee service ranging from newly appointed to more than 20 years. The Committee is an appointed senior technical committee of the Society and has been delegated the authority to issue written positions representing the Society on matters regarding the setting of accounting standards. The Committee's comments reflect solely the views of the Committee and do not purport to represent the views of their business affiliations. The Committee usually operates by assigning Subcommittees of its members to fully study and discuss exposure documents proposing additions to or revisions of accounting standards. The Subcommittee ordinarily develops a proposed response that is considered, discussed and voted on by the full Committee. Support by the full Committee then results in the issuance of a formal response, which at times includes a minority viewpoint. Current members of the Committee and their business affiliations are as follows:

**Public Accounting Firms:**

**Large:** (national & regional)

Ryan Brady, CPA (Vice Chair)	Grant Thornton LLP
John Hepp, CPA	Grant Thornton LLP
David Jamiolkowski, CPA	Baker Tilly Virchow Krause, LLP
William Keirse, CPA	Ernst & Young LLP
Scott Lehman, CPA (Chair)	Crowe Horwath LLP
Reid Mitchell, CPA	Wipfli LLP
Elizabeth Prossnitz, CPA	BDO USA LLP

**Medium:** (more than 40 professionals)

Timothy Bellazzini, CPA	Sikich LLP
Christopher Cameron, CPA	Kutchins Robbins & Diamond Ltd
Michael Kidd, CPA	Mowery & Schoenfeld LLC
Matthew G. Mitzen, CPA	Frost Rittenberg & Rothlatt PC
Krunal Shah, CPA	Mitchell & Titus LLP
Jeffery Watson, CPA	Miller Cooper & Company Ltd

**Small:** (less than 40 professionals)

Peggy Brady, CPA	Selden Fox, Ltd.
Marvin Hoffman, CPA	Bronswick, Reicin, Pollack, Ltd.
Brian Kot, CPA	Cray Kaiser Ltd CPAs
Joshua Lance, CPA	Joshua Lance CPA, LLC

**Industry:**

Rose Cammarata, CPA	CME Group Inc.
Anand Dalal, CPA	Toji Trading Group LLC
Ashlee Earl, CPA	Seaway Bank and Trust Company
Jeffrey Ellis, CPA	FTI Consulting, Inc.
Farah Hollenbeck, CPA	Abbvie
Marianne Lorenz, CPA	AGL Resources Inc.
Michael Maffei, CPA	GATX Corporation
Ying McEwen, CPA	CNH Industrial N.V.
Anthony Peters, CPA	McDonald's Corporation
Martin Ross, CPA	Riveron Consulting LP
Amanda Rzepka, CPA	Jet Support Services, Inc.
Richard Tarapchak, CPA	National Material

**Staff Representative:**

Gayle Floresca, CPA	Illinois CPA Society
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