

May 11, 2016

Technical Director  
File Reference No. 2016-210  
FASB  
401 Merritt 7  
Norwalk, CT 06856-5116

Re: Proposed Changes to the Disclosure Requirements for Defined Benefit Plans under Subtopic 715-20

The ASPPA College of Pension Actuaries (ACOPA) appreciates this opportunity to comment on the proposed Changes to the Disclosure Requirements for Defined Benefit Plans under Subtopic 715-20 of the FASB Accounting Standards Codification®. Our comments are limited to the proposed elimination of reporting the Accumulated Benefit Obligation (ABO).

ACOPA represents the actuarial membership of the American Retirement Association (ARA). The ARA is a national organization of more than 20,000 members who provide consulting and administrative services to retirement plans covering millions of American workers. ARA members are a diverse group of retirement plan professionals of all disciplines including financial advisers, consultants, administrators, actuaries, accountants, and attorneys. The ARA is the coordinating entity for its four underlying affiliate organizations, the American Society of Pension Professionals and Actuaries (“ASPPA”), the National Association of Plan Advisors (“NAPA”), the National Tax-deferred Savings Association (“NTSA”) and ACOPA. ARA members are diverse but united in a common dedication to America’s private retirement system.

ACOPA recommends that disclosure of the ABO be retained. The difference between the Projected Benefit Obligation (PBO) and ABO is the impact of expected future salary increases on the benefits to be paid under the plan. This is the only place in the financial statements where this information is available. Without this information, the reader cannot:

- identify the part of the balance sheet liability due solely to expected future salary increases,
- estimate the impact on the liability of the sensitivity of the salary growth rate assumption, and
- identify the potential reduction of liability in the event the plan sponsor (or a potential acquirer of the plan sponsor) chooses to reduce or eliminate the future accrual of benefits.

According to Paragraph BC8 in Chapter 8 of the March 2014 proposed FASB Concepts Statement, Conceptual Framework for Financial Reporting, "The Board decided that alternative measures were useful and appropriate in certain circumstances for the notes. Users have different needs ... Furthermore, alternative measures can provide additional information that complements reported amounts." We suggest that the ABO is one such alternative measure that should be included.

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This letter was prepared by a task force of ACOPA members formed for this purpose.

Thank you for your consideration of these comments. If you have questions or require additional information please contact Judy Miller at (703) 516-9300 extension 152, or by email at [jmiller@usaretirement.org](mailto:jmiller@usaretirement.org).

Sincerely,

/s/  
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ASPPA College of Pension Actuaries

/s/  
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/s/  
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