SUMMARY OF BOARD DECISIONS

Summary of Board decisions are provided for the information and convenience of constituents who want to follow the Board's deliberations. All of the conclusions reported are tentative and may be changed at future Board meetings. Decisions are included in an Exposure Draft for formal comment only after a formal written ballot. Decisions in an Exposure Draft may be (and often are) changed in redeliberations based on information provided to the Board in comment letters, at public roundtable discussions, and through other communication channels. Decisions become final only after a formal written ballot to issue an Accounting Standards Update.

May 31, 2011 FASB Board Meeting

Disclosures about an employer's participation in a multiemployer plan. The Board continued its redeliberations of its September 2010 Exposure Draft of proposed Accounting Standards Update, *Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80): Disclosure about an Employer's Participation in a Multiemployer Plan,* making the following tentative decisions that apply only to multiemployer pension plans:

1. An employer would not be required to disclose the estimated withdrawal liability as proposed. Instead, an employer would disclose the following for each multiemployer plan for which contributions are individually material in relation to the employer's participation in such plans:
    a. Legal name of the plan
    b. Employer Identification Number of the plan
    c. As of the date of each annual balance sheet presented, the most recent certified zone status, as required by the Pension Protection Act of 2006, if available. If zone status is not available, an employer should disclose whether the plan was:
        i. Less than 65 percent funded
        ii. Between 65 percent and 80 percent funded, or
        iii. Greater than 80 percent funded.
    d. Whether a funding improvement plan or rehabilitation plan had been implemented or was pending
    e. For each annual period that an income statement is presented, contributions made to the plan
    f. Whether the entity paid a surcharge to the plan
    g. The expiration date of the plan's associated collective-bargaining arrangement, if any
    h. Whether the employer's contributions represent more than 5 percent of total contributions to the plan.
2. For each annual period for which an income statement is presented, an employer would disclose the total contributions made to all multiemployer plans and:
    a. The contributions made to each individually material plan (see item 1 above)
    b. The total contributions made to all other plans in the aggregate.

3. An entity would not be required to provide the following disclosures proposed in the Exposure Draft:

    a. The number of multiemployer plans in which the employer participates

    b. The total assets and the accumulated benefit obligation of multiemployer plans

    c. The contributions to a plan as a percentage of total contributions

    d. The percentage of employer's employees that are covered by multiemployer plans

    e. Supplemental information about the plans in which the information about the withdrawal liability is not available.

The Board directed the staff to conduct outreach with users about these tentative decisions. The results of that outreach will be discussed at a future meeting.

Accounting for financial instruments: classification and measurement. The Board discussed how an entity would classify and measure financial liabilities, including whether a requirement to apply the business strategy criterion developed for financial assets to financial liabilities would be unnecessarily complex.

The Board decided that an entity would apply a cash flow characteristics criterion similar to that developed for financial assets in determining how it would classify and measure a financial asset. The Board decided, however, that a different business strategy principle and criterion should be used for financial liabilities. That is, an entity would measure at amortized cost financial liabilities meeting the characteristics of the instrument criterion except when *either* of the following conditions is met:

1. The financial liability is held for transfer at acquisition, issuance, or inception, and the entity has the ability and means to transact at the financial liability's fair value.

2. The financial liability is a short sale.

Financial liabilities that meet either of those conditions should be classified as fair value through net income (FV-NI).