Director of Research and Technical Activities,

Project No. 34-E

Comments

I agree that an employer should recognize in its financial statements a net pension liability.

I disagree with the use of deferred inflows and deferred outflows for reporting pensions. I think these deferred items should be reported in the current year as some type of special item in the operating statement.

I agree with most of the disclosure requirements and RSI, even though there are numerous tables. The pension obligations are just as important to the financial condition as investment risks and bonded debt; but the pension disclosure requirements were minimal compared to investment risks and bonded debt.

Paragraph 100 Special Funding Situation
There doesn’t appear to be any note disclosure requirements for a governmental nonemployer contributing entity that has a legal responsibility for on-behalf contributions to a defined contribution plan that is conditional on one or more events or circumstances unrelated to the pensions. I recommend note disclosures for the nonemployer if the liability is substantial. The amount outstanding, significant terms, and information about what gave rise to the liability should be disclosed.

Paragraph 31 Notes – Single or agent pension plans
Should the note disclosures for single or agent pension plans separately identify amounts associated with fiduciary funds in which employees’ salaries and pension benefits are reported as administrative expense?

Paragraph 64 Notes – Cost sharing pension plans
Can the amounts for discretely present component units be disclosed in the aggregate for cost-sharing pension plans?

Thank you for the opportunity to comment.

Sincerely,
Serena McMurtrey, CPA