





*4.497 Q—If the alternative measurement method is used to measure the (collective) total OPEB liability, over what period should changes in proportion (paragraph 64, 174 paragraph 102, paragraph 121, paragraph 178, paragraph 196, or paragraph 208 of Statement 75) and differences between (a) contributions or amounts that are paid for OPEB as the benefits come due during the measurement period and (b) the proportionate share of contributions or amounts that are paid for OPEB as the benefits come due (paragraph 65, paragraph 103, paragraph 122, paragraph 179, paragraph 197, or paragraph 209 of Statement 75) be recognized in expense?*

*4.497 A—In accordance with paragraph 17 of Statement 85, if the alternative measurement method is used to measure the (collective) total OPEB liability, changes in proportion and differences between (a) contributions or amounts that are paid for OPEB as the benefits come due during the measurement period and (b) the proportionate share of contributions or amounts that are paid for OPEB as the benefits come due should be recognized in expense for the measurement period in which the changes occur.*

TIC was a bit confused by the answer to this question. TIC believes it sounds like the Board is saying that the changes should be recognized over the period which was used to calculate the OPEB liability. But TIC believes you could interpret this answer to mean that the changes should be recognized in the current year. The measurement period is defined as “the period between the prior and current measurement dates.” TIC understands that GASB tried to mirror the language in Statement No. 85. However, TIC thinks perhaps the Board intended to say “recognized in expense in the current reporting period in which the change occurs.” TIC believes that this language could be clarified to prevent misinterpretation.

TIC appreciates the opportunity to present these comments on behalf of PCPS member firms. We would be pleased to discuss our comments with you at your convenience.

Sincerely,



Michael A. Westervelt, Chair  
PCPS Technical Issues Committee  
cc: PCPS Executive and Technical Issues Committees