

September 16, 2016

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

By e-mail: director@fasb.org

Re: Proposed Accounting Standards Update—*Plan Accounting—Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting*
(a consensus of the Emerging Issues Task Force)

(File Reference No. EITF-16B)

Dear Ms. Cospers:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 26,000 CPAs in public practice, business, government and education, welcomes the opportunity to comment on the above-captioned exposure draft.

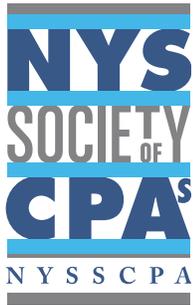
The NYSSCPA's Financial Accounting Standards Committee deliberated the proposed accounting standards update and prepared the attached comments. If you would like additional discussion with us, please contact Craig T. Goodman, Chair of the Financial Accounting Standards Committee, at (212) 324-7048, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

A handwritten signature in blue ink that reads "F. Michael Zovistoski". The signature is written over a faint, semi-transparent watermark of the NYSSCPA logo.

F. Michael Zovistoski
President

Attachment



**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

COMMENTS ON

***PROPOSED ACCOUNTING STANDARDS UPDATE—PLAN ACCOUNTING—
DEFINED BENEFIT PENSION PLANS (TOPIC 960), DEFINED CONTRIBUTION
PENSION PLANS (TOPIC 962), HEALTH AND WELFARE BENEFIT PLANS (TOPIC
965): EMPLOYEE BENEFIT PLAN MASTER TRUST REPORTING***

(A CONSENSUS OF THE EMERGING ISSUES TASK FORCE)

(File Reference No. EITF-16B)

September 16, 2016

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Margaret A. Wood**

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New York State Society of Certified Public Accountants

Comments on

Proposed Accounting Standards Update—*Plan Accounting—Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting*

(a consensus of the Emerging Issues Task Force)

(File Reference No. EITF-16B)

General Comments

We welcome the opportunity to respond to the Financial Accounting Standards Board's (FASB or the Board) invitation to comment on the Proposed Accounting Standards Update—*Plan Accounting—Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting*, a consensus of the Emerging Issues Task Force (Proposed Update).

We do not agree with the Board's decision as discussed in BC15 to not require disclosure of the fair value hierarchy leveling of the master trust's investments, either in dollars or as percentages. We recommend that the final ASU include fair value hierarchy disclosure of master trust investments such as that presented in the AICPA Employee Benefit Plan Audit and Accounting Guide (page 730 of the January 2016 edition). We understand that the master trust Form 5500 is readily available on the Department of Labor's Employee Benefits Security Administration EFAST2 website; however, we believe that transparency of disclosure regarding the master trust's assets is important to the reader of the financial statements.

Specific Comments

We have the following responses to the questions posed in the Proposed Update.

Question 1: Should a plan's interest in a master trust and the change in its interest in the master trust be presented in single line items in the plan's statement of net assets available for benefits, respectively? Why or why not?

Response: We agree with presenting a plan's interest in a master trust and the change in its interest in the master trust in single line items in the plan's statement of net assets available for benefits. We agree with disclosure of more detailed information in the footnotes.

Question 2: Should a plan with a divided interest in a master trust be required to disclose the dollar amount of its interest in each general type of investment held by the master trust as well as the total investments held by the master trust presented by general type? Why or why not?

Response: We agree that a plan with divided interest in a master trust should disclose the dollar amount of its interest in each general type of investment held by the master trust. If this information is not provided, the users of the financial statements will assume that the plan owns each general type of investment held in the master trust in the same percentage as the plan's percentage interests in the master trust, which is required to be disclosed in the notes to the financial statements. We believe this is information the user of the plan's financial statement will want.

Question 3: Should a plan be required to disclose a master trust's other assets and liabilities (for example, amounts due from brokers for securities sold, amounts due to brokers for securities purchased, accrued interest and dividends, and other accrued expenses) and the dollar amount of the plan's interest in each of those assets and liabilities? Why or why not?

Response: We agree that disclosure of individual other asset and liability accounts and the dollar amount of the plan's interest in each of those assets and liabilities, if material, will provide financial statement users with useful decision making information. If the plan's interest in the individual other asset or liability account is not individually material, we believe the plan's interest in those other assets accounts can be combined and presented as a single line item, for example other assets. We believe the same for other liability accounts.

Question 4: Should a health and welfare benefit plan not be required to include the 401(h) account investment disclosures? If so, should the health and welfare benefit plan be required to disclose the name of the defined benefit pension plan in which those 401(h) account investments are legally held? Why or why not?? Should any other disclosures be required? If so, please explain why.

Response: Health and welfare benefit plans need not be required to include the 410(h) account investment disclosures if the name of the defined benefit pension plan in which those 401(h) account investments are legally held is disclosed. We also believe a link, web address or sentence indicating that the defined benefit plan financial statements are available upon request be added to the disclosure requirement. We believe the users of the financial statements should be able to obtain from the plan sponsor a copy or access a copy online of the defined benefit pension plan in which those 401(h) account investments are legally held.

Question 5: The Task Force decided not to require plans to provide other disclosure (for example, those required by Topics 815 and 820) for the underlying investments held by a master trust. Do you agree that such disclosures should not be required for the underlying investments held by the master trust? Why or why not?

Response: We agree. The disclosures are consistent with the disclosures required for plan investments in Accounting Standards Update No. 2015-12 – *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part II) Plan Investment Disclosures* (ASU 2015-12) which was issued in July of 2015.

Question 6: Should plans be required to provide the Topic 820 disclosures for a plan's interest in the master trust (that is, consistent with the single line item that is presented in the statement of net assets available for benefits)? For example, should a plan be required to disclose the fair value hierarchy level of its interest in the master trust and if its interest in the master trust is classified as Level 3, then also the relevant Level 3 disclosures? Why of why not?

Response: We do not believe the plan needs to disclose fair value hierarchy. However, we do believe that the description of the master trust should include investment strategy, such as restrictions if any, on types of investments (for example only 10% of assets can be invested in non liquid assets, or that no investments in derivative instruments are permitted) and restrictions, if any, on withdrawals from the master trust.

Question 7: Are there other disclosure that should be required in the plan's financial statements related to the plan's interest in the master trust or related to the master trusts activity?

Response: See our response to Question 6.

Question 8: Are there other current master trust disclosure requirements that should be amended or no longer required? Why of why not?

Response: See our response to Question 6 above.

Question 9: What costs do you anticipate would be incurred if the proposed amendments were implemented?

Response: We believe the costs would be minimal. The new information required for disclosure including new general type of investment categories (registered investment companies, common-collective trusts, and pooled separate accounts) and other assets and liabilities (amounts due from brokers for securities sold, amounts due from brokers for securities purchased, receivables relating to derivatives, payables relating to derivatives, accrued interest and dividends, and other accrued expenses) of the master trust should be readily available and the cost to the plan sponsor would be limited to the cost of formatting the new note disclosure and inserting the additional information. If the master trust does not include the information required in its financial reporting, or maintain separate accounts for each item that is applicable to the master fund, additional costs will need to be incurred by the master trust to provide the information.

Question 10: Should the proposed amendments be applied retrospectively? Why of why not?

Response: The proposed amendments should be applied retrospectively. We agree with the Task Force that consistent presentation in all periods presented would provide greater comparability. We also believe that the information required for retrospective presentation

should be readily available and the cost in time and dollars would be relatively insignificant. Retrospective application would also be consistent with ASU 2015-12.

Question 11: How much time would be needed to implement the proposed amendments? Should early adoption be permitted?

Response: We believe the time necessary to implement the proposed amendments would be minimal. We believe the proposed amendments should be applicable for years beginning after December 15, 2016 and early adoption should be permitted. If the information is available for years beginning after December 15, 2015, plans should be able to adopt the proposed amendments at the same time plans adopt ASU 2015-12.