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Financial Reporting Considerations Related to Pension and Other Postretirement Benefits

This publication highlights some of the important accounting considerations related to the calculations and disclosures entities provide under U.S. GAAP in connection with their defined benefit pension and other postretirement benefit plans.

Presentation of Net Periodic Benefit Cost

On March 10, 2017, the FASB issued [ASU 2017-07](#),¹ which amends the requirements in ASC 715² related to the income statement presentation of the components of net periodic benefit cost for an entity's sponsored defined benefit pension and other postretirement plans.

Under current U.S. GAAP, net benefit cost (i.e., defined benefit pension cost and postretirement benefit cost) consists of several components that reflect different aspects of an employer's financial arrangements as well as the cost of benefits earned by employees. These components are aggregated and reported net in the financial statements.

ASU 2017-07 requires entities to (1) disaggregate the current-service-cost component from the other components of net benefit cost (the "other components") and present it with other current compensation costs for related employees in the income statement and (2) present

¹ FASB Accounting Standards Update No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*.

² For titles of FASB Accounting Standards Codification (ASC) references, see Deloitte's "[Titles of Topics and Subtopics in the FASB Accounting Standards Codification](#)."

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the other components elsewhere in the income statement and outside of income from operations if such a subtotal is presented.

The ASU also requires entities to disclose the income statement lines that contain the other components if those components are not presented on appropriately described separate lines.



Connecting the Dots

While the ASU does not require entities to further disaggregate the other components, they may do so if they believe that the information would be helpful to financial statement users. However, entities must disclose which financial statement lines contain the disaggregated components.

In addition, only the service-cost component of net benefit cost is eligible for capitalization (e.g., as part of inventory or property, plant, and equipment). This is a change from current practice, under which entities capitalize the aggregate net benefit cost when applicable.

The ASU's amendments are effective for public business entities for interim and annual periods beginning after December 15, 2017. For other entities, the amendments are effective for annual periods beginning after December 15, 2018, and interim periods in the subsequent annual period. Early adoption is permitted.

Entities must use (1) a retrospective transition method to adopt the requirement for separate presentation in the income statement of service costs and other components and (2) a prospective transition method to adopt the requirement to limit the capitalization (e.g., as part of inventory) of benefit costs to the service cost component. Further, entities must disclose the nature of and reason for the change in accounting principle in both the first interim and annual reporting periods in which they adopt the amendments.

The ASU also establishes a practical expedient upon transition that permits entities to use their previously disclosed service cost and other costs from the prior years' pension and other postretirement benefit plan footnotes in the comparative periods as appropriate estimates when retrospectively changing the presentation of these costs in the income statement. Entities that apply the practical expedient need to disclose that they did so.

For more information, see Deloitte's March 14, 2017, [Heads Up](#).

Discount Rate

Over the past few years, we have provided insights into approaches used to support discount rates for defined benefit plans (e.g., hypothetical bond portfolio, yield curve, index-based discount rate), as well as considerations related to how the discount rates should be applied when an entity measures its benefit obligation. Recently, one of the most discussed emerging issues related to discount rates for defined benefit plans has been the use of a more granular approach to measure components of benefit cost. Considerations related to an entity's discount rate selection method, its use of a yield curve, and its measurement of components of benefit cost are addressed below.

Discount Rate Selection Method

ASC 715-30-35-43 requires the discount rate to reflect rates at which the defined benefit obligation could be effectively settled. In the estimation of those rates, it would be appropriate for an entity to use information about rates implicit in current prices of annuity contracts that could be used to settle the obligation. Alternatively, employers may look to rates of return on high-quality fixed-income investments that are currently available and expected to be available during the benefits' period to maturity.

One acceptable method of deriving the discount rate would be to use a model that reflects rates of zero-coupon, high-quality corporate bonds with maturity dates and amounts that match the timing and amount of the expected future benefit payments. Since there are a limited number of zero-coupon corporate bonds in the market, models are constructed with coupon-paying bonds whose yields are adjusted to approximate results that would have been obtained through the use of the zero-coupon bonds. Constructing a hypothetical portfolio of high-quality instruments with maturities that mirror the benefit obligation is one method that can be used to achieve this objective. Other methods that can be expected to produce results that are not materially different would also be acceptable — for example, use of a yield curve constructed by a third party such as an actuarial firm. The use of indexes may also be acceptable.



Connecting the Dots

In determining the appropriate discount rate, entities should consider the following SEC staff guidance (codified in ASC 715-20-S99-1):

At each measurement date, the SEC staff expects registrants to use discount rates to measure obligations for pension benefits and postretirement benefits other than pensions that reflect the then current level of interest rates. The staff suggests that fixed-income debt securities that receive one of the two highest ratings given by a recognized ratings agency be considered high quality (for example, a fixed-income security that receives a rating of Aa or higher from Moody's Investors Service, Inc.).

Entity's Use of a Yield Curve

To support its discount rate, an entity may elect to use a yield curve constructed by an actuarial firm or other third party. Many yield curves constructed by actuarial firms or other third parties are supported by a white paper or other documentation that discusses how the yield curves are constructed. Management should understand how the yield curve it has used to develop its discount rate was constructed as well as the universe of bonds included in the analysis. If applicable, management should also evaluate and reach conclusions about the reasonableness of the approach the third party applied to adjust the bond universe used to develop the yield curve.

We have been advised by some third parties, particularly those constructing yield curves for non-U.S. markets (e.g., the eurozone and Canada), that because of a lack of sufficient high-quality instruments with longer maturities, they have employed a method in which they adjust yields of bonds that are not rated AA by an estimated credit spread to derive a yield representative of an AA-quality bond. This bond, as adjusted, is included in the bond universe when the third party constructs its yield curve. Management should understand the adjustments made to such bond yields in the construction of those yield curves and why those adjustments are appropriate.

Measurement of Interest Cost Component

In the past year, the most discussed emerging issue related to discount rates has been the alternatives for applying discount rates under a bond-matching approach (sometimes also referred to as a hypothetical bond portfolio or bond-model approach). In light of the SEC staff's acceptance of the use of a spot rate approach for measuring interest cost by entities that develop their discount rate assumption by using a yield curve approach,³ entities and actuaries have explored whether other acceptable methods similar to the spot rate approach could be developed for entities that use a bond-matching approach to measure their defined benefit obligation. Specifically, the alternative approach focuses on measuring the interest cost component of net periodic benefit cost by using individual spot rates derived from an

³ Refer to Deloitte's December 21, 2015, [Financial Reporting Alert](#) for further background on this topic and discussion of the relevant considerations an entity should contemplate in connection with such a change.

acceptable high-quality corporate bond yield curve and matched with separate cash flows for each future year.

During the spring and early summer of 2016, representatives of the Big Four accounting firms and a large actuarial firm engaged in discussions with the SEC staff regarding the viability of a similar granular approach⁴ to measure interest cost for registrants that use a bond-matching approach to support the discount rate. In an August 2, 2016, meeting, the SEC staff stated that it objected to the approach presented because of the following factors:

- The staff's overall concern is that using such derived spot rates to measure interest cost on the defined benefit obligation could not be demonstrated, at each maturity, to be based on the same rates inherent in the measurement of the defined benefit obligation under the bond-matching approach (i.e., the spot rates inherent in the bond portfolio are not observable). Therefore, the proposed approach would fail to comply with ASC 715-30-35-8, which requires entities to use the same interest rates to measure the defined benefit obligation and interest cost.
- The staff also expressed concern that the derived spot rates in the proposed approach would be inconsistent with the reinvestment-rate assumption used in the cash flow matching process that is part of building the cash flow matched hypothetical bond portfolio used to measure the defined benefit obligation under a bond-matching approach.



Connecting the Dots

We believe that in the absence of entity-specific changes in facts and circumstances, it could be challenging to justify or support a change from a bond-matching approach to a yield curve approach. Historically, entities have generally made the switch only from a yield curve approach to a bond-matching approach, which suggests that of the two methods, the bond-matching approach results in a better estimate. This historical practice, along with the SEC staff's position⁵ that the acceptability of the spot rate approach would not by itself be a change in facts and circumstances that justifies a change in approach to selecting discount rates, reduces the likelihood that switching from a bond-matching approach to a yield curve approach would be considered a better estimate in accordance with the best-estimate objective of ASC 715. For further background on a change in approach to determining discount rates, see Deloitte's [August 24, 2016](#), and [December 21, 2015](#), *Financial Reporting Alert* newsletters.

Mortality Assumption

Many entities rely on their actuarial firms for advice or recommendations related to demographic assumptions, such as the mortality assumption. Frequently, actuaries recommend published tables that reflect broad-based studies of mortality. Under ASC 715-30 and ASC 715-60, each assumption should represent the "best estimate" for that assumption as of the current measurement date. The mortality tables used and adjustments made (e.g., for longevity improvements) should be appropriate for the employee base covered under the plan.

In 2014, the Retirement Plans Experience Committee of the Society of Actuaries (SOA) released a new set of mortality tables (RP-2014) and a new companion mortality improvement scale (MP-2014). Further, in 2015 and 2016, the SOA released updated mortality improvement scales MP-2015 and MP-2016, respectively, which reflected a decline over 2010 through 2014 in the observed longevity improvements. Most recently, on October 23, 2017, the SOA

⁴ Refer to Deloitte's August 24, 2016, [Financial Reporting Alert](#) for further background on this topic, details of the approach presented, and discussion of the relevant considerations in connection with the proposed approach.

⁵ See the December 9, 2015, [speech](#) delivered by Ashley Wright, then professional accounting fellow in the SEC's Office of the Chief Accountant, at the 2015 AICPA Conference on Current SEC and PCAOB Developments.

released MP-2017, which shows a continuation of the decline in longevity improvements. Although entities are not required to use SOA mortality tables, the SOA is a leading provider of actuarial research, and its mortality tables and mortality improvement scales are considered by many plan sponsors as a starting point for developing their mortality assumptions.

Accordingly, it is advisable for entities, with the help of their actuaries, to (1) continue monitoring the availability of updates to mortality tables, longevity improvement scales, and related experience studies and (2) consider whether these updates, including the recently published IRS final regulations (discussed below), should be reflected in the current-year mortality assumption.

Mortality Tables Used for IRS Tax-Qualified Plans

On October 4, 2017, the IRS issued [final regulations](#)⁶ prescribing mortality tables to be used by most defined benefit pension plans. The purpose of these mortality tables is to determine (1) the minimum funding requirements for a defined benefit plan and (2) the minimum required amount of a lump-sum distribution from such a plan. The regulations became effective on October 5, 2017, and apply to plan years beginning on or after January 1, 2018.

For defined benefit pension plans (particularly IRS tax-qualified plans) that permit settlement of the obligation to an employee through payment of a lump sum at retirement, entities generally compute the payment by using IRS-mandated tables in effect on the date of the lump-sum payment. Similarly, for qualified cash balance plans, if an employee elects to convert the lump-sum benefit amount at retirement to an annuity, the entity uses IRS-mandated tables to calculate the annuity. In making assumptions about either the amount of future lump-sum benefits expected to be paid or any annuities expected to be paid that are related to a cash balance plan, entities have questioned whether they should base these assumptions on the IRS's practice of annually updating the current tables with an additional year of longevity improvement as well as on the IRS's expected future adoption of new tables that are updated on the basis of the latest available mortality tables published by the SOA.

We believe that there are two acceptable approaches under U.S. GAAP that entities can use to account for the impact of the IRS's expected adoption of revised mortality tables. Under one view that we believe is supportable, entities would reflect their best estimate of the future IRS tables, taking into consideration both the recent IRS regulations and the IRS's history of annual updates to its tables. This approach is consistent with the guidance in ASC 715-30-35-31, which indicates that indirect effects on the amount of a benefit, such as future changes in Social Security benefits or benefit limitations required by existing laws, should be taken into account in the measurement of the defined benefit obligation (although amendments to a law should not be anticipated).

Under an alternative view, entities would not anticipate future updates to the IRS-mandated mortality tables in performing measurements related to lump-sum payments because the IRS's update to its mortality tables is akin to a new law or regulation, which should not be anticipated. This view only pertains to the effects of the IRS's update to its tables to be used in compliance with the regulatory requirements for measuring lump-sum settlements for tax-qualified plans and is not related to an entity's determination of its best estimate of the mortality assumption for those plans.

We believe that both approaches are acceptable under U.S. GAAP and that an entity should be consistent in applying the chosen approach. However, if an entity chooses the alternative approach of not incorporating the effects of new mortality data in its estimates of future lump-sum settlements for an IRS tax-qualified plan and the results of applying the two respective approaches are expected to differ materially, the entity should consider consulting with its independent auditors.

⁶ T.D. 9826, *Mortality Tables for Determining Present Value Under Defined Benefit Pension Plans*.

Expected Long-Term Rate of Return

The expected long-term rate of return on plan assets⁷ is a component of an entity's net periodic benefit cost and should represent the average rate of earnings expected over the long term on the funds invested to provide future benefits (existing plan assets and contributions expected during the current year). The long-term rate of return is set as of the beginning of an entity's fiscal year (e.g., January 1, 2017, for a calendar-year-end entity). If the target allocation of plan assets to different investment categories has changed from the prior year or is expected to change during the coming year, an entity should consider discussing with its actuaries and independent auditors whether an adjustment to its assumption about the long-term rate of return is warranted.

Accounting Policies for Gains and Losses and Market-Related Value of Plan Assets

Many entities record the minimum amortization amount (reflecting the excess outside the "corridor").⁸ The amortization is based on accumulated gain or loss as of the beginning of the year. Accordingly, the change in discount rates and the difference between actual and expected asset returns in the current year will not affect net periodic benefit cost until the following year.

An entity may consider moving to a "mark-to-market" approach in which it immediately recognizes actuarial gains and losses as a component of net periodic benefit cost. Any change in the amortization method selected for gains and losses is considered a change in accounting policy accounted for in accordance with ASC 250. Once an entity changes to an approach in which net gains and losses are more rapidly amortized, the preferability of a subsequent change to a method that results in slower amortization would be difficult to support. However, if an entity plans to terminate its defined benefit retirement plan in the near term, a change in the amortization method to mark-to-market may not be preferable under ASC 250-10-45 depending on the facts and circumstances. Accordingly, an entity should consider consulting with its independent auditors.

As with all defined benefit retirement plans, plan sponsors' use of computational shortcuts and estimates is appropriate "provided the results are reasonably expected not to be materially different from the results of a detailed application."⁹ Entities that use the mark-to-market approach should be vigilant when using shortcuts and approximations since all changes in the measurement of the benefit obligation and plan assets immediately affect net periodic benefit cost.

Measurement Date of Plan Assets — Employer-Sponsored Pension Plan

In April 2015, as part of its [simplification initiative](#),¹⁰ the FASB issued [ASU 2015-04](#)¹¹ to amend the measurement-date guidance in ASC 715. The ASU contains a practical expedient that would allow an employer whose fiscal year-end does not fall on a calendar month-end (e.g., an entity that has a 52- or 53-week fiscal year) to measure retirement benefit obligations and related plan assets as of the month-end that is closest to the employer's fiscal year-end. The expedient would need to be elected as an accounting policy and be consistently applied to all

⁷ As defined in ASC 715-30, the "expected return on plan assets is determined based on the expected long-term rate of return on plan assets and the market-related value of plan assets."

⁸ ASC 715-30-35-24 provides guidance on net periodic pension benefit cost and defines the corridor as "10 percent of the greater of the projected benefit obligation or the market-related value of plan assets." Likewise, ASC 715-60-35-29 provides guidance on net periodic postretirement benefit cost and defines the corridor as "10 percent of the greater of the accumulated postretirement benefit obligation or the market-related value of plan assets."

⁹ Quoted from ASC 715-30-35-1 and ASC 715-60-35-1.

¹⁰ Launched in June 2014, the FASB's simplification initiative is intended to reduce the cost and complexity of current U.S. GAAP while maintaining or enhancing the usefulness of the related financial statement information. The initiative focuses on narrow-scope projects that involve limited changes to guidance.

¹¹ FASB Accounting Standards Update No. 2015-04, *Practical Expedient for the Measurement Date of an Employer's Defined Benefit Obligation and Plan Assets*.

plans if the entity has more than one plan. Because third-party plan asset custodians often provide information about fair value and classes of assets only as of the month-end, such an accounting policy would relieve the employer from adjusting the asset information to the appropriate fair values as of its fiscal year-end. Further, if the occurrence of a significant event (e.g., curtailment or settlement) during the interim period requires an entity to remeasure its defined plan assets and obligations, the practical expedient would allow the entity to remeasure its defined plan assets and obligations by using the month-end that is closest to the date of the significant event.

The ASU should be applied prospectively. For public business entities, the ASU is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, the ASU is effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Early adoption is permitted.



Connecting the Dots

An entity that has a 52- or 53-week fiscal year may find that the fiscal year in which it is required to adopt the ASU has a year-end that coincides with a month-end. For example, December 31, 2016, fell on a Saturday and may have been the fiscal year-end for a 52- or 53-week fiscal year that ended in December. In these circumstances, an entity may need to disclose that it has elected the practical expedient for the year-end measurement date even though in that particular year, the measurement date under the practical expedient is no different from the entity's fiscal year-end.

Other Postretirement Benefit Plans — Health Care Cost Trend Rate and Discount Rate

ASC 715-60-20 defines “health care cost trend rate” as an “assumption about the annual rates of change in the cost of health care benefits currently provided by the postretirement benefit plan The health care cost trend rates implicitly consider estimates of health care inflation, changes in health care utilization or delivery patterns, technological advances, and changes in the health status of the plan participants.” The health care cost trend rate is used to project the change in the cost of health care over the period for which the plan provides benefits to its participants. Many plans use trend rate assumptions that include (1) a rate for the year after the measurement date that reflects the recent trend of health care cost increases, (2) gradually decreasing trend rates for each of the next several years, and (3) an ultimate trend rate that is used for all remaining years.

Historically, the ultimate health care cost trend rate had been less than the discount rate. With discount rates continuing to be at or near record lows, the discount rate for some plans is below the ultimate health care cost trend rate. Some parties have raised concerns regarding this phenomenon since expectations of long-term inflation rates are assumed to be implicit in both the health care cost trend rate and the discount rate. In such situations, entities should consider all the facts and circumstances of their plan(s) to determine whether the assumptions used (e.g., ultimate health care cost trend rate of 5 percent and a discount rate below that) are reasonable. Entities should also remember that (1) the discount rate reflects spot rates observable in the market as of the plan's measurement date, since it represents the rates at which the defined benefit obligation could be effectively settled on that date (given the rates implicit in current prices of annuity contracts or the rates of return on high-quality fixed-income investments that are currently available and expected to be available during the benefits' period to maturity), and (2) the health care cost trend rate is used to project the change in health care costs over the long term (which, as discussed above, includes the effects of changes other than inflation).

Other Considerations Related to Assumptions

In measuring each plan's defined benefit obligation and recording the net periodic benefit cost, financial statement preparers should understand, evaluate, and reach conclusions about the reasonableness of the underlying assumptions, particularly those that could be affected by continuing financial market volatility. ASC 715-30-35-42 states that "each significant assumption used shall reflect the best estimate solely with respect to that individual assumption."

Entities should comprehensively assess the relevancy and reasonableness of each significant assumption on an ongoing basis (e.g., by considering the impact of significant developments that have occurred in the entity's business). Management should establish processes and internal controls to ensure that the entity appropriately selects each of the assumptions used in accounting for its defined benefit plans. The internal controls should be designed to ensure that the amounts reported in the financial statements properly reflect the underlying assumptions (e.g., discount rate, estimated long-term rate of return, mortality, turnover, health care costs) and that the documentation maintained in the entity's accounting records sufficiently demonstrates management's understanding of and reasons for using certain assumptions and methods (e.g., the method for determining the discount rate). Management should also document the key assumptions used and the reasons why certain assumptions may have changed from the prior reporting period. A leading practice is for management to prepare a memo supporting (1) the basis for each important assumption used and (2) how management determined which assumptions were important.

Recent SEC Staff Views

The SEC staff continues to emphasize the disclosures related to how registrants account for pension and other postretirement benefit plans and how key assumptions and investment strategies affect their financial statements. Further, registrants may be asked how they concluded that assumptions used for their pension and other postretirement benefit accounting are reasonable relative to (1) current market trends and (2) assumptions used by other registrants with similar characteristics.

Disclosures About Critical Accounting Policies and Estimates

Recent SEC staff comments have focused on inadequate disclosure of critical accounting policies and estimates related to a registrant's benefit plans. The SEC staff expects registrants to provide robust disclosures of their critical accounting policies and estimates in MD&A instead of duplicating documentation from the accounting policy disclosures in the financial statement footnotes. In addition, the staff has indicated that it may be appropriate for a registrant to disclose:

- Whether a corridor is used to amortize the actuarial gains and losses and, if so, how the corridor is determined and the period for amortization of the actuarial gains and losses in excess of the corridor.
- A sensitivity analysis estimating the effect of a change in assumption regarding the long-term rate of return. This estimate should be based on a reasonable range of likely outcomes.
- The extent to which historical performance was used to develop the expected long-term rate of return assumption. If use of the arithmetic mean to calculate the historical returns yields results that are materially different from the results yielded when the geometric mean is used to calculate such returns, it may be appropriate for an entity to disclose both calculations.
- The reasons why the assumption regarding the long-term rate of return has changed or is expected to change in the future.

Disclosures About Accounting Estimate Changes and Discount Rate Assumptions

As discussed above, certain entities and their actuaries have started to use alternative approaches for measuring the interest and service cost components of net periodic benefit cost for defined benefit retirement plan obligations under ASC 715. As a result of these alternative approaches, the SEC staff may comment on a registrant's disclosures about the approaches for measurement of interest cost, particularly when a change in approach occurs. In discussions held in September 2015 with representatives of the Big Four accounting firms, the SEC staff stressed that it is important for registrants to comply with the disclosure requirements for changes in accounting estimates under ASC 250 and the discount rate assumption under ASC 715. In addition, the staff highlighted the required MD&A disclosures under SEC Regulation S-K, Item 303,¹² as well as the transparency of required non-GAAP disclosures under Regulation G. In accordance with these guidelines from the SEC staff, entities should consider quantifying and disclosing the impact of a change in approach in the year the change in estimate is recognized. In thinking about the financial statement disclosure requirements related to assumptions under ASC 715 as well as disclosures by registrants regarding critical accounting policies under [Section II.J](#) of the SEC's *Current Accounting and Disclosure Issues in the Division of Corporation Finance* (updated November 30, 2006), entities should consider disclosing a narrative description of how assumptions (e.g., discount rates) were determined along with the approach for how such assumptions have been applied.

For more information, see Deloitte's [SEC Comment Letters — Including Industry Insights](#).

Non-GAAP Measures

In recent years, the SEC renewed its focus on non-GAAP measures resulting from concerns about the increased use and prominence of such measures, the nature of the adjustments, and the increasingly large difference between the amounts reported for GAAP and non-GAAP measures. In response to increasing concerns about the use of non-GAAP measures, the SEC's Division of Corporation Finance updated its [Compliance and Disclosure Interpretations](#) in May 2016 and again in October 2017 to provide additional guidance on what it expects from registrants when they use these measures.¹³ Some registrants present non-GAAP measures that adjust for items related to defined benefit pension plans. For example, a registrant may adjust to remove (1) all non-service-related pension expense, (2) all pension expense in excess of cash contributions, or (3) the amortization of actuarial gains and losses. Some registrants that immediately recognize all actuarial gains and losses in earnings present non-GAAP measures that remove the actuarial gain or loss attributable to the change in the fair value of plan assets from a performance measure and include an expected return. The SEC staff has observed that these pension-related adjustments can be confusing without the appropriate context about the nature of the adjustment. The staff suggested that registrants clearly label such adjustments and avoid the use of confusing or unclear terms in their disclosures.

For more information, see Deloitte's [A Roadmap to Non-GAAP Financial Measures](#).

¹² SEC Regulation S-K, Item 303, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

¹³ See Deloitte's [May 23, 2016](#), and [July 19, 2016](#), *Heads Up* newsletters for a discussion of the SEC's focus on non-GAAP measures.

FASB Standard-Setting Projects Related to Pension and Other Postretirement Benefits

The following table summarizes the objectives and current status of the FASB's active standard-setting projects related to pension and other postretirement benefits:

Project	Objectives	Status
Disclosure framework: disclosure review — defined benefit plans	To improve the effectiveness of disclosure requirements that apply to defined benefit plans.	<p>On January 26, 2016, the FASB issued a proposed ASU, <i>Changes to the Disclosure Requirements for Defined Benefit Plans</i>, which would modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. Comments on the proposal were due by April 25, 2016. For more information, see Deloitte's January 28, 2016, Heads Up and Deloitte's comment letter in response to the proposed ASU.</p> <p>At the FASB's July 13, 2016, meeting, the Board discussed feedback on its proposed ASU and directed its staff to conduct additional research. The staff will report the research to the Board at a future Board meeting.</p>
Invitation to comment — agenda consultation	To solicit feedback about the financial reporting issues that the FASB should consider adding to its agenda.	<p>On August 4, 2016, the FASB issued an invitation to comment, <i>Agenda Consultation</i>, to solicit feedback about potential financial accounting and reporting topics that the FASB should consider adding to its agenda. The invitation to comment was developed on the basis of an annual survey conducted by the FASAC that sought feedback from stakeholders on what the Board's future standard-setting priorities should be. One of the potential agenda topics is pensions and other postretirement benefit plans. Comments were due by October 17, 2016. For more information, see Deloitte's August 2016 Accounting Roundup newsletter and Deloitte's comment letter.</p> <p>At the FASB's meeting on September 20, 2017, the Board decided to remove from its research agenda a project on pensions and other postretirement benefit plans.</p>

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