

**COMPLÉMENT DE PREUVE :**

***ASC 715, COMPENSATION-RETIREMENT BENEFITS***



September 01, 2017

## 715 Compensation—Retirement Benefits

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### 715 Compensation—Retirement Benefits 10 Overall

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#### 715-10-00 Status

**General Note:** The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

#### General

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**715-10-00-1** The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
<a href="#">715-10-05-2</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-10-05-4</a>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-10-05-8</a>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-10-05-10</a>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-10-15-8</a>	Amended	<a href="#">Accounting Standards Update No. 2009-02</a>	07/01/2009
<a href="#">715-10-65-1</a>	Added	<a href="#">Accounting Standards Update No. 2015-04</a>	04/15/2015

### 715-10-05 Overview and Background

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**General Note:** The Overview and Background Section provides overview and background material for the guidance contained in the Subtopic. It does not provide the historical background or due process. It may contain certain material that users generally consider useful to understand the typical situations addressed by the standards. The Section does not summarize the accounting and reporting requirements.

#### General

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**715-10-05-1** The Compensation—Retirement Benefits Topic establishes standards of financial accounting and reporting for an employer that offers pension, other postretirement, and certain special or contractual termination benefits to its employees.

**715-10-05-2** This Topic contains the following Subtopics:

- a. Overall (Subtopic [715-10](#))
- b. Defined Benefit Plans—General (Subtopic [715-20](#))
- c. Defined Benefit Plans—Pension (Subtopic [715-30](#))
- cc. Defined Benefit Plans—Other Postretirement (Subtopic [715-60](#))
- d. Defined Contribution Plans (Subtopic [715-70](#))
- e. Multiemployer Plans (Subtopic [715-80](#))
- f. [\[Subparagraph superseded by Accounting Standards Update No. 2017-07\]](#).

**715-10-05-3** Throughout the Codification, content is structured and authored using an asset and liability model as its underlying premise. However, the original content used to populate this Topic was based on an expense recognition model rather than an asset and liability model. Because the expense recognition model focuses primarily on remeasurement, the majority of the guidance throughout this Topic is contained in the Subsequent Measurement Sections of the applicable Subtopics.

**715-10-05-4** [\[Paragraph superseded by Accounting Standards Update No. 2017-07\]](#)

**715-10-05-5** [\[Paragraph not used\]](#)

**715-10-05-6** The guidance in this Topic is derived from the basic idea that a benefit plan is an exchange between the employer and the employee. In exchange for services provided by the employee, the employer promises to provide, in addition to current wages and other benefits, an amount of retirement income or benefit. It follows from that basic view that benefits are not gratuities but instead are part of an employee's compensation, and because payment is deferred, the benefit plan is a type of deferred compensation. It also follows that the employer's obligation for that compensation is incurred when the services are rendered.

**715-10-05-7** A benefit plan is an arrangement that is mutually understood by an employer and its employees, whereby an employer undertakes to provide its current and former employees with benefits after they retire in exchange for the employees' services over a specified period of time, upon attaining a specified age while in service, or both. Benefits may commence immediately upon termination of service or may be deferred until retired employees attain a specified age.

**715-10-05-8** [\[Paragraph superseded by Accounting Standards Update No. 2017-07\]](#)

**715-10-05-9** Because the obligation to provide benefits arises as employees render the services necessary to earn the benefits pursuant to the terms of the plan, this Topic provides guidance regarding when the cost of providing the benefits should be recognized over those employee service periods.

**715-10-05-10** [\[Paragraph superseded by Accounting Standards Update No. 2017-07\]](#)

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## 715-10-10 Objectives

**General Note:** The Objectives Section provides the high-level objectives that the Subtopic is intended to accomplish or attain. The Section does not summarize or discuss the main principles of accounting and reporting requirements.

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### General

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**715-10-10-1** The objectives of this Topic are as follows:

- a. To enhance the relevance and representational faithfulness of the employer's reported results of operations by recognizing net periodic pension cost and net periodic other postretirement benefit cost as employees render the services necessary to earn their pension and other postretirement benefits
- b. To enhance the relevance and representational faithfulness of the employer's statement of financial position by including a measure of the obligation to provide pension and other postretirement benefits based on a mutual understanding between the employer and its employees of the terms of the underlying plan
- c. To enhance the ability of users of the employer's financial statements to understand the extent and effects of the employer's undertaking to provide pension and other postretirement benefits to its employees by disclosing relevant information about the obligation and cost of the pension and other postretirement benefit plans and how those amounts are measured
- d. To improve the understandability and comparability of amounts reported by requiring employers with similar plans to use the same method to measure their pension and other postretirement benefit obligations and the related costs of the postretirement benefits.

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## 715-10-15 Scope and Scope Exceptions

**General Note:** The Scope and Scope Exceptions Section outlines the items (for example, the entities, transactions, instruments, or events) to which the guidance in the Subtopic does or does not apply. In some cases, the Section may contain definitional or other text to frame the scope.

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### General

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## > Overall Guidance

**715-10-15-1** The Scope Section of the Overall Subtopic establishes the pervasive scope for all Subtopics of the Compensation—Retirement Benefits Topic. Unless explicitly addressed within specific Subtopics, the following scope guidance applies to all Subtopics of the Compensation—Retirement Benefits Topic.

## > Entities

**715-10-15-2** The guidance in the Compensation—Retirement Benefits Topic applies to all employers, including not-for-profit entities (NFPs), that offer pension or other postretirement benefits to their employees, regardless of whether the benefit obligation is funded. NFPs should refer to Subtopic [958-715](#) when applying the provisions of this Topic.

## > Transactions

**715-10-15-3** The guidance in the Compensation—Retirement Benefits Topic applies to the following types of benefit arrangements:

- a. Any arrangement that is in substance a pension or other postretirement benefit plan, regardless of its form or the means or timing of its funding
- b. Written plans and unwritten plans whose existence is discernible either from a practice of paying pension or other postretirement benefits or from oral representations made to current or former employees
- c. Deferred compensation contracts with individual employees if those contracts, taken together, are equivalent to a plan that provides pension or other postretirement benefits
- d. Health and other welfare benefits expected to be provided to employees deemed to be on a disability retirement.

**715-10-15-4** The guidance in this Topic also applies to settlement of all or a part of an employer's pension or other postretirement benefit obligation or curtailment of a pension or other postretirement benefit plan. The guidance applies to employers that provide pension or other postretirement benefits as part of a special termination benefit or special or contractual termination benefits not otherwise addressed in other Subtopics (for example, benefits paid at or before retirement and not paid out of a pension or other postretirement plan).

**715-10-15-5** The guidance in this Topic does not apply to the following types of benefit arrangements:

- a. An employer's practice of providing pension or other postretirement benefits to selected employees under individual contracts with specific terms determined on an individual-by-individual basis. Those contracts shall be accounted for individually, following the terms of the contract. See Topic [710](#).
- b. Postemployment benefits paid after employment but before retirement (for example, layoff benefits), unless payable from a pension or other postretirement plan. See Topic [712](#).

## > Other Considerations

**715-10-15-6** For purposes of preparing financial statements in accordance with accounting principles generally accepted in the United States, the Compensation—Retirement Benefits Topic includes no special provisions applicable to pension or other postretirement benefit plans or arrangements outside the United States. To the extent that those arrangements are in substance similar to pension or other postretirement benefit plans in the United States, they are subject to the provisions of this Topic.

**715-10-15-7** The applicability of this Topic to those plans or arrangements is determined by the nature of the obligation and by the terms or conditions that define the amount of benefits to be paid, not by whether or how a plan is funded, whether benefits are payable at intervals or as a single amount, or whether the benefits are required by law or custom or are provided under a plan the employer has elected to sponsor.

**715-10-15-8** This Topic does not change or supersede any of the requirements set forth in Topic 960 for the financial statements of a defined benefit pension plan.

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## 715-10-65 Transition and Open Effective Date Information

**General Note:** The Transition Section contains a description of the required transition provisions and a list of the related paragraphs that have been modified. This Section will retain the transition content during the transition period. After the transition period, the transition content will be removed yet will be available in archived versions of the Section.

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## General

### > Transition Related to Accounting Standards Update No. 2015-04, Compensation—Retirement Benefits (Topic 715): Practical Expedient for the Measurement Date of an Employer’s Defined Benefit Obligation and Plan Assets

**715-10-65-1** The following represents the transition and effective date information related to Accounting Standards Update No. 2015-04, *Compensation—Retirement Benefits (Topic 715): Practical Expedient for the Measurement Date of an Employer’s Defined Benefit Obligation and Plan Assets*:

- a. For public business entities, the pending content that links to this paragraph shall be effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Earlier adoption is permitted.
- b. For all other entities, the pending content that links to this paragraph shall be effective for financial statements issued for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. Earlier adoption is permitted.
- c. The pending content that links to this paragraph shall be applied prospectively.

- d. An entity shall provide the transition disclosure required by paragraph [250-10-50-1\(a\)](#) in the period the entity adopts the pending content that links to this paragraph.
- e. The pending content that links to this paragraph is not applicable to employee benefit plans.

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## 715-10-75 XBRL Elements

**General Note:** This section contains a list of XBRL elements that reference paragraphs in this Subtopic. For additional details regarding changes to the development version of the US GAAP Financial Reporting Taxonomy, refer to the [FASB taxonomy review and comment system](#) on the FASB web site.

### Accounting Standards Update 2015-04 [Member] {0}

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *AccountingStandardsUpdate201504Member*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 10 Overall > 65 Transition > General, 65-1\(d\)](#)

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## 715 Compensation—Retirement Benefits 20 Defined Benefit Plans—General

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### 715-20-00 Status

**General Note:** The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

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### General

**715-20-00-1** The following table identifies the changes made to this Subtopic.



Paragraph	Action	Accounting Standards Update	Date
<b>Cash Equivalents</b>	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Conduit Debt Security</b>	Added	<a href="#">Maintenance Update 2014-20</a>	09/29/2014
<b>Net Periodic Pension Cost</b>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Nonpublic Entity</b> (1st Def.)	Amended	<a href="#">Maintenance Update 2014-20</a>	09/29/2014
<b>Nonpublic Entity</b> (3rd Def.)	Amended	<a href="#">Maintenance Update 2014-20</a>	09/29/2014
<b>Public Business Entity</b>	Amended	<a href="#">Maintenance Update 2017-06</a>	04/07/2017
<b>Public Business Entity</b>	Added	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-20-05-1 through 05-3</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-20-45-3A</a>	Added	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-20-45-4</a>	Superseded	<a href="#">Accounting Standards Update No. 2015-01</a>	01/09/2015
<a href="#">715-20-50-1</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-20-50-1</a>	Amended	<a href="#">Accounting Standards Update No. 2015-07</a>	05/01/2015
<a href="#">715-20-50-1</a>	Amended	<a href="#">Accounting Standards Update No. 2015-04</a>	04/15/2015
<a href="#">715-20-50-1</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-20-50-1</a>	Amended	<a href="#">Accounting Standards Update No. 2011-04</a>	05/12/2011
<a href="#">715-20-50-1</a>	Amended	<a href="#">Accounting Standards Update No. 2010-06</a>	01/21/2010
<a href="#">715-20-50-2</a>	Amended	<a href="#">Accounting Standards Update No. 2012-04</a>	10/01/2012
<a href="#">715-20-50-5</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-20-50-5</a>	Amended	<a href="#">Accounting Standards Update No. 2015-07</a>	05/01/2015
<a href="#">715-20-50-5</a>	Amended	<a href="#">Accounting Standards Update No. 2015-04</a>	04/15/2015
<a href="#">715-20-50-5</a>	Amended	<a href="#">Accounting Standards Update No. 2011-04</a>	05/12/2011
<a href="#">715-20-50-5</a>	Amended	<a href="#">Accounting Standards Update No. 2010-06</a>	01/21/2010
<a href="#">715-20-50-6</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-20-55-8</a>	Amended	<a href="#">Maintenance Update 2014-23</a>	11/03/2014
<a href="#">715-20-55-10</a>	Amended	<a href="#">Maintenance Update 2014-23</a>	11/03/2014
<a href="#">715-20-55-13</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-20-55-17</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-20-55-17</a>	Amended	<a href="#">Accounting Standards Update No. 2010-06</a>	01/21/2010
<a href="#">715-20-55-18</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-20-65-1</a>	Superseded	<a href="#">Maintenance Update 2014-23</a>	11/03/2014
<a href="#">715-20-65-3</a>	Added	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017

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## 715-20-05 Overview and Background

**General Note:** The Overview and Background Section provides overview and background material for the guidance contained in the Subtopic. It does not provide the historical background or due process. It may contain certain material that users generally consider useful

to understand the typical situations addressed by the standards. The Section does not summarize the accounting and reporting requirements.

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## General

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**715-20-05-1** This Subtopic provides guidance on the disclosure and other accounting and reporting requirements related to single-employer defined benefit pension and other postretirement benefit plans.

- a. [Subparagraph superseded by Accounting Standards Update No. 2017-07].
- b. [Subparagraph superseded by Accounting Standards Update No. 2017-07].

**715-20-05-2** This Subtopic addresses:

- a. The content and organization of annual disclosures about defined benefit pension plans and other postretirement benefits
- b. Disclosures required for interim-period financial reports.
- c. Presentation matters about defined benefit pension and other postretirement benefit plans.

**715-20-05-3** An employer that sponsors one or more defined benefit pension or other postretirement benefit plans is required to provide the information called for in Section 715-20-50 separately for pension plans and other postretirement benefit plans.

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## 715-20-15 Scope and Scope Exceptions

**General Note:** The Scope and Scope Exceptions Section outlines the items (for example, the entities, transactions, instruments, or events) to which the guidance in the Subtopic does or does not apply. In some cases, the Section may contain definitional or other text to frame the scope.

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## General

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### > Overall Guidance

**715-20-15-1** This Subtopic follows the same Scope and Scope Exceptions as outlined in the Overall Subtopic, see Section 715-10-15, with specific transaction qualifications noted below.

## > Transactions

**715-20-15-2** The guidance in this Subtopic applies to all single-employer defined benefit pension or other postretirement benefit plans.

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## 715-20-20 Glossary

**General Note:** The Master Glossary contains all terms identified as glossary terms throughout the Codification. Clicking on any term in the Master Glossary will display where the term is used. The Master Glossary may contain identical terms with different definitions, some of which may not be appropriate for a particular Subtopic. For any particular Subtopic, users should only use the glossary terms included in the particular Subtopic Glossary Section (Section 20).

### Cash Equivalents

Cash equivalents are short-term, highly liquid investments that have both of the following characteristics:

- a. Readily convertible to known amounts of cash
- b. So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Generally, only investments with original maturities of three months or less qualify under that definition. Original maturity means original maturity to the entity holding the investment. For example, both a three-month U.S. Treasury bill and a three-year U.S. Treasury note purchased three months from maturity qualify as cash equivalents. However, a Treasury note purchased three years ago does not become a cash equivalent when its remaining maturity is three months. Examples of items commonly considered to be cash equivalents are Treasury bills, commercial paper, money market funds, and federal funds sold (for an entity with banking operations).

### Conduit Debt Securities

Certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing financing for a specific third party (the conduit bond obligor) that is not a part of the state or local government's financial reporting entity. Although conduit debt securities bear the name of the governmental entity that issues them, the governmental entity often has no obligation for such debt beyond the resources provided by a lease or loan agreement with the third party on whose behalf the securities are issued. Further, the conduit bond obligor is responsible for any future financial reporting requirements.

### Net Periodic Pension Cost

The amount recognized in an employer's financial statements as the cost of a pension plan for a period. Components of net periodic pension cost are service cost, interest cost, actual return on plan assets, gain or loss, amortization of prior service cost or credit, and amortization of the transition asset or obligation existing at the date of initial application of Subtopic [715-30](#). The term net periodic pension cost is used instead of net pension expense because part of the cost

recognized in a period may be capitalized along with other costs as part of an asset such as inventory.

**Note:** The following definition is Pending Content; see Transition Guidance in paragraph 715-20-65-3.

The amount recognized in an employer's financial statements as the cost of a pension plan for a period. Components of net periodic pension cost are service cost, interest cost, actual return on plan assets, gain or loss, amortization of prior service cost or credit, and amortization of the transition asset or obligation existing at the date of initial application of Subtopic 715-30. The term net periodic pension cost is used instead of net pension expense because the service cost component recognized in a period may be capitalized as part of an asset such as inventory.

### **Net Periodic Postretirement Benefit Cost**

The amount recognized in an employer's financial statements as the cost of a postretirement benefit plan for a period. Components of net periodic postretirement benefit cost include service cost, interest cost, actual return on plan assets, gain or loss, amortization of prior service cost or credit, and amortization of the transition obligation or asset.

### **Nonpublic Entity**

Any entity other than one with any of the following characteristics:

- a. Whose debt or equity securities trade in a public market either on a stock exchange (domestic or foreign) or in the over-the-counter market, including securities quoted only locally or regionally
- b. That is a conduit bond obligor for conduit debt securities that are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local or regional markets)
- c. That makes a filing with a regulatory agency in preparation for the sale of any class of debt or equity securities in a public market
- d. That is controlled by an entity covered by a., b., or c.

Conduit debt securities refers to certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing financing for a specific third party (the conduit bond obligor) that is not a part of the state or local government's financial reporting entity. Although conduit debt securities bear the name of the governmental entity that issues them, the governmental entity often has no obligation for such debt beyond the resources provided by a lease or loan agreement with the third party on whose behalf the securities are issued. Further, the conduit bond obligor is responsible for any future financial reporting requirements.

### **Nonpublic Entity**

Any entity that does not meet any of the following conditions:

- a. Its debt or equity securities trade in a public market either on a stock exchange (domestic or foreign) or in an over-the-counter market, including securities quoted only locally or regionally.
- b. It is a conduit bond obligor for conduit debt securities that are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local or regional markets).

- c. It files with a regulatory agency in preparation for the sale of any class of debt or equity securities in a public market.
- d. It is required to file or furnish financial statements with the Securities and Exchange Commission.
- e. It is controlled by an entity covered by criteria (a) through (d).

### **Not-for-Profit Entity**

An entity that possesses the following characteristics, in varying degrees, that distinguish it from a business entity:

- a. Contributions of significant amounts of resources from resource providers who do not expect commensurate or proportionate pecuniary return
- b. Operating purposes other than to provide goods or services at a profit
- c. Absence of ownership interests like those of business entities.

Entities that clearly fall outside this definition include the following:

- a. All investor-owned entities
- b. Entities that provide dividends, lower costs, or other economic benefits directly and proportionately to their owners, members, or participants, such as mutual insurance entities, credit unions, farm and rural electric cooperatives, and employee benefit plans.

### **Public Business Entity**

A public business entity is a business entity meeting any one of the criteria below. Neither a not-for-profit entity nor an employee benefit plan is a business entity.

- a. It is required by the U.S. Securities and Exchange Commission (SEC) to file or furnish financial statements, or does file or furnish financial statements (including voluntary filers), with the SEC (including other entities whose financial statements or financial information are required to be or are included in a filing).
- b. It is required by the Securities Exchange Act of 1934 (the Act), as amended, or rules or regulations promulgated under the Act, to file or furnish financial statements with a regulatory agency other than the SEC.
- c. It is required to file or furnish financial statements with a foreign or domestic regulatory agency in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer.
- d. It has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market.
- e. It has one or more securities that are not subject to contractual restrictions on transfer, and it is required by law, contract, or regulation to prepare U.S. GAAP financial statements (including notes) and make them publicly available on a periodic basis (for example, interim or annual periods). An entity must meet both of these conditions to meet this criterion.

An entity may meet the definition of a public business entity solely because its financial statements or financial information is included in another entity's filing with the SEC. In that case, the entity is only a public business entity for purposes of financial statements that are filed or furnished with the SEC.

### **Publicly Traded Entity (or Public Entity)**

Any entity that does not meet the definition of a nonpublic entity.

### **Related Parties**

Related parties include:

- a. Affiliates of the entity
- b. Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity
- c. Trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
- d. Principal owners of the entity and members of their immediate families
- e. Management of the entity and members of their immediate families
- f. Other parties with which the entity may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests
- g. Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

### **Security**

A share, participation, or other interest in property or in an entity of the issuer or an obligation of the issuer that has all of the following characteristics:

- a. It is either represented by an instrument issued in bearer or registered form or, if not represented by an instrument, is registered in books maintained to record transfers by or on behalf of the issuer.
- b. It is of a type commonly dealt in on securities exchanges or markets or, when represented by an instrument, is commonly recognized in any area in which it is issued or dealt in as a medium for investment.
- c. It either is one of a class or series or by its terms is divisible into a class or series of shares, participations, interests, or obligations.

### **Settlement of a Pension or Postretirement Benefit Obligation**

A transaction that is an irrevocable action, relieves the employer (or the plan) of primary responsibility for a pension or postretirement benefit obligation, and eliminates significant risks related to the obligation and the assets used to effect the settlement.

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## 715-20-45 Other Presentation Matters

**General Note:** The Other Presentation Matters Section provides guidance on other presentation matters not addressed in the Recognition, Initial Measurement, Subsequent Measurement, and Derecognition Sections. Other presentation matters may include items such as current or long-term balance sheet classification, cash flow presentation, earnings per share matters, and so forth. The FASB Codification also contains Presentation Topics, which provide guidance for general presentation and display items. See those Topics for general guidance.

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### General

#### > **Entities That Do Not Report Other Comprehensive Income, Other Than Not-for-Profit**

**715-20-45-1** An employer other than a not-for-profit employer that does not report other comprehensive income pursuant to Topic 220 shall apply the provisions of Sections 958-715-25, 958-715-35, 958-715-45, and 958-715-50 in an analogous manner that is appropriate for its method of reporting financial performance and financial position.

#### > **Classification**

**715-20-45-2** An employer that sponsors one or more defined benefit pension plans or one or more defined benefit other postretirement plans shall provide separately for pension plans and other postretirement benefit plans the funded status of the plans and the amounts recognized in the statement of financial position, showing separately the assets and current and noncurrent liabilities recognized.

**715-20-45-3** An employer that presents a classified statement of financial position shall classify the liability for an underfunded plan as a current liability, a noncurrent liability, or a combination of both. The current portion (determined on a plan-by-plan basis) is the amount by which the actuarial present value of benefits included in the benefit obligation payable in the next 12 months, or operating cycle if longer, exceeds the fair value of plan assets. The asset for an overfunded plan shall be classified as a noncurrent asset in a classified statement of financial position. The amount classified as a current liability is limited to the amount of the plan's unfunded status recognized in the employer's statement of financial position.

#### **715-20-45-3A**

Pending Content:

**Transition Date:** *(P) December 16, 2017; (N) December 16, 2018* | **Transition Guidance:** 715-20-65-3

An employer shall report in the income statement:

- a. The service cost component of **net periodic pension cost** and **net periodic postretirement benefit cost** in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period (except for the amount being capitalized, if appropriate, in connection with the production or

construction of an asset such as inventory or property, plant, and equipment)

b. The other components as defined in paragraphs [715-30-35-4](#) and [715-60-35-9](#) separately from the service cost component and outside a subtotal of income from operations, if one is presented. If a separate line item or items are used to present the other components, that line item or items shall be described appropriately.

For the purpose of applying the guidance in this paragraph, a gain or loss from a settlement or curtailment or the cost of certain termination benefits accounted for under this Topic shall be reported in the same way as the other components in (b).

**715-20-45-4** [\[Paragraph superseded by Accounting Standards Update No. 2015-01\]](#)

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## 715-20-50 Disclosure

**General Note:** The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

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### General

#### > Disclosures by Public Entities

**715-20-50-1** An employer that sponsors one or more defined benefit pension plans or one or more defined benefit other postretirement plans shall provide the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed for each period for which a statement of income is presented. Amounts related to the employer's statement of financial position shall be disclosed as of the date of each statement of financial position presented. All of the following shall be disclosed:

- a. A reconciliation of beginning and ending balances of the benefit obligation showing separately, if applicable, the effects during the period attributable to each of the following:
  1. Service cost
  2. Interest cost
  3. Contributions by plan participants
  4. Actuarial gains and losses
  5. Foreign currency exchange rate changes (The effects of foreign currency exchange rate changes that are to be disclosed are those applicable to plans of a foreign operation whose functional currency is not the reporting currency pursuant to Section [830-10-45](#).)



6. Benefits paid
7. Plan amendments
8. Business combinations
9. Divestitures
10. Curtailments, settlements, and special and contractual termination benefits.

For defined benefit pension plans, the benefit obligation is the projected benefit obligation. For defined benefit other postretirement plans, the benefit obligation is the accumulated postretirement benefit obligation.

b. A reconciliation of beginning and ending balances of the fair value of plan assets showing separately, if applicable, the effects during the period attributable to each of the following:

1. Actual return on plan assets
2. Foreign currency exchange rate changes (see (a)(5))
3. Contributions by the employer
4. Contributions by plan participants
5. Benefits paid
6. Business combinations
7. Divestitures
8. Settlements.

c. The funded status of the plans and the amounts recognized in the statement of financial position, showing separately the assets and current and noncurrent liabilities recognized.

d. The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:

1. How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies
2. The classes of plan assets
3. The inputs and valuation techniques used to measure the fair value of plan assets
4. The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period
5. Significant concentrations of risk within plan assets.

An employer shall consider those overall objectives in providing the following information about plan assets:

i. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to (ii) below, as of the latest statement of financial position presented (on a weighted-average basis for employers with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in (ii) below, a description of the significant investment strategies of those funds shall be provided.

ii. The fair value of each class of plan assets as of each date for which a statement of financial position is presented. For additional guidance on determining appropriate classes of plan assets, see paragraph 820-10-50-2B. Examples of classes of assets could include, but are not limited to, the following: cash and **cash equivalents**; equity securities (segregated by industry type, company size, or investment objective); debt securities issued by national, state, and local governments; corporate debt securities; asset-backed securities; structured debt; derivatives on a gross basis (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, commodity contracts, credit contracts, and other contracts); investment funds (segregated by type of fund); and real estate. Those examples are not meant to be all inclusive. An employer should consider the overall objectives in paragraph 715-20-50-1(d)(1) through (5) in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed.

iii. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description should consider the classes of assets as described in (ii) above, as appropriate.

iv. Information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, an employer shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the employer shall disclose the following information for each class of plan assets disclosed pursuant to (ii) above for each annual period:

01. The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). The guidance in paragraphs 820-10-35-37 through 35-37A is applicable.

02. For fair value measurements of plan assets using significant unobservable inputs (Level 3), a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:

A. Actual Return on Plan Assets (Component of **Net Periodic Postretirement Benefit Cost**) or Actual Return on Plan Assets

(Component of **Net Periodic Pension Cost**), separately identifying the amount related to assets still held at the reporting date and the amount related to assets sold during the period

B. Purchases, sales, and **settlements**, net

C. The amounts of any transfers into or out of Level 3 (for example, transfers due to changes in the observability of significant inputs).

03. Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if any, during the period.

e. For defined benefit pension plans, the accumulated benefit obligation.

f. The benefits (as of the date of the latest statement of financial position presented) expected to be paid in each of the next five fiscal years, and in the aggregate for the five fiscal years thereafter. The expected benefits shall be estimated based on the same assumptions used to measure the entity's benefit obligation at the end of the year and shall include benefits attributable to estimated future employee service.

g. The employer's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the next fiscal year beginning after the date of the latest statement of financial position presented. Estimated contributions may be presented in the aggregate combining all of the following:

1. Contributions required by funding regulations or laws
2. Discretionary contributions
3. Noncash contributions.

h. The amount of net benefit cost recognized, showing separately all of the following:

1. The service cost component
2. The interest cost component
3. The expected return on plan assets for the period
4. The gain or loss component
5. The prior service cost or credit component
6. The transition asset or obligation component
7. The gain or loss recognized due to settlements or curtailments.

i. Separately the net gain or loss and net prior service cost or credit recognized in other comprehensive income for the period pursuant to paragraphs 715-30-35-11, 715-30-35-21, 715-60-35-16, and 715-60-35-25, and reclassification adjustments of other comprehensive income for the period, as those amounts, including amortization of the net transition asset or obligation, are recognized as components of net periodic benefit cost.

j. The amounts in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit cost, showing separately the net gain or

loss, net prior service cost or credit, and net transition asset or obligation.

k. On a weighted-average basis, all of the following assumptions used in the accounting for the plans, specifying in a tabular format, the assumptions used to determine the benefit obligation and the assumptions used to determine net benefit cost:

1. Assumed discount rates (see paragraph [715-30-35-45](#) for a discussion of representationally faithful disclosure)
2. Rates of compensation increase (for pay-related plans)
3. Expected long-term rates of return on plan assets.

l. The assumed health care cost trend rate(s) for the next year used to measure the expected cost of benefits covered by the plan (gross eligible charges), and a general description of the direction and pattern of change in the assumed trend rates thereafter, together with the ultimate trend rate(s) and when that rate is expected to be achieved.

m. The effect of a one-percentage-point increase and the effect of a one-percentage-point decrease in the assumed health care cost trend rates on the aggregate of the service and interest cost components of net periodic postretirement health care benefit costs and the accumulated postretirement benefit obligation for health care benefits. Measuring the sensitivity of the accumulated postretirement benefit obligation and the combined service and interest cost components to a change in the assumed health care cost trend rates requires remeasuring the accumulated postretirement benefit obligation as of the beginning and end of the year. (For purposes of this disclosure, all other assumptions shall be held constant, and the effects shall be measured based on the substantive plan that is the basis for the accounting.)

n. If applicable, the amounts and types of securities of the employer and **related parties** included in plan assets, the approximate amount of future annual benefits of plan participants covered by insurance contracts, including annuity contracts issued by the employer or related parties, and any significant transactions between the employer or related parties and the plan during the period.

o. If applicable, any alternative method used to amortize prior service amounts or net gains and losses pursuant to paragraphs [715-30-35-13](#) and [715-30-35-25](#) or [715-60-35-18](#) and [715-60-35-31](#).

p. If applicable, any substantive commitment, such as past practice or a history of regular benefit increases, used as the basis for accounting for the benefit obligation.

q. If applicable, the cost of providing special or contractual termination benefits recognized during the period and a description of the nature of the event.

r. An explanation of any significant change in the benefit obligation or plan assets not otherwise apparent in the other disclosures required by this Subtopic.

s. The amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the fiscal year that follows the most recent annual statement of financial position presented, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

t. The amount and timing of any plan assets expected to be returned to the employer during the 12-month period, or operating cycle if longer, that follows the most recent annual

statement of financial position presented.

u. [Subparagraph not used].

Pending Content:

**Transition Date:** *(P) December 16, 2015; (N) December 16, 2016* | **Transition Guidance:** 715-10-65-1

An employer that sponsors one or more defined benefit pension plans or one or more defined benefit other postretirement plans shall provide the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed for each period for which a statement of income is presented. Amounts related to the employer's statement of financial position shall be disclosed as of the date of each statement of financial position presented. All of the following shall be disclosed:

- a. A reconciliation of beginning and ending balances of the benefit obligation showing separately, if applicable, the effects during the period attributable to each of the following:
  1. Service cost
  2. Interest cost
  3. Contributions by plan participants
  4. Actuarial gains and losses
  5. Foreign currency exchange rate changes (The effects of foreign currency exchange rate changes that are to be disclosed are those applicable to plans of a foreign operation whose functional currency is not the reporting currency pursuant to Section 830-10-45.)
  6. Benefits paid
  7. Plan amendments
  8. Business combinations
  9. Divestitures
  10. Curtailments, settlements, and special and contractual termination benefits.

For defined benefit pension plans, the benefit obligation is the projected benefit obligation. For defined benefit other postretirement plans, the benefit obligation is the accumulated postretirement benefit obligation.

- b. A reconciliation of beginning and ending balances of the fair value of plan assets showing separately, if applicable, the effects during the period attributable to each of the following:
  1. Actual return on plan assets
  2. Foreign currency exchange rate changes (see (a)(5))

3. Contributions by the employer
4. Contributions by plan participants
5. Benefits paid
6. Business combinations
7. Divestitures
8. Settlements.

c. The funded status of the plans and the amounts recognized in the statement of financial position, showing separately the assets and current and noncurrent liabilities recognized.

d. The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:

1. How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies
2. The classes of plan assets
3. The inputs and valuation techniques used to measure the fair value of plan assets
4. The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period
5. Significant concentrations of risk within plan assets.

An employer shall consider those overall objectives in providing the following information about plan assets:

i. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to (ii) below, as of the latest statement of financial position presented (on a weighted-average basis for employers with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in (ii) below, a description of the significant investment strategies of those funds shall be provided.

ii. The fair value of each class of plan assets as of each date for which a statement of financial position is presented. For additional guidance on determining appropriate classes of plan assets, see paragraph [820-10-50-2B](#). Examples of classes of assets could include, but are not limited to, the following: cash and **cash equivalents**; equity securities (segregated by industry type, company size, or investment objective); debt securities issued by national, state, and local governments; corporate debt securities; asset-backed securities; structured debt; derivatives on a gross basis (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, commodity contracts, credit

contracts, and other contracts); investment funds (segregated by type of fund); and real estate. Those examples are not meant to be all inclusive. An employer should consider the overall objectives in paragraph [715-20-50-1\(d\)\(1\) through \(5\)](#) in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed. If an employer determines the measurement date of plan assets in accordance with paragraph [715-30-35-63A](#) or [715-60-35-123A](#) and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all the classes of plan assets to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Asset Class	Total	Fair Value Mea February 3, 20X5	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Signific Observ Input (Level
Cash	\$ 14,770	\$ 14,770	\$
Equity securities:			
U.S. companies	41,200	37,000	1,;
International companies	32,900	24,000	7,;
Mortgage-backed securities	13,335	-	12,;
Assets at fair value at measurement date of 1/31/20X5	<u>102,205</u>	<u>\$ 75,770</u>	<u>\$ 21,;</u>
Contributions after measurement date	25,000		
Total assets reported at 2/3/20X5	<u>\$ 127,205</u>		

iii. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description should consider the classes of assets as described in (ii) above, as appropriate.

iv. Information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, an employer shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the employer shall disclose the following information for each class of plan assets disclosed pursuant to (ii) above for each annual period:

01. The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). The guidance in paragraphs [820-10-35-37 through 35-37A](#) is applicable. If an employer determines the measurement date of plan assets in accordance with paragraph [715-](#)

30-35-63A or 715-60-35-123A and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all plan assets in the fair value hierarchy to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

<u>Asset Class</u>	<u>Total</u>	<u>Fair Val</u>
		<u>February</u>
		<u>Quoted</u>
		<u>Prices in</u>
		<u>Active</u>
		<u>Markets for</u>
		<u>Identical</u>
		<u>Assets</u>
		<u>(Level 1)</u>
Cash	\$ 14,770	\$ 14,770
Equity securities:		
U.S. companies	41,200	37,000
International companies	32,900	24,000
Mortgage-backed securities	13,335	-
Assets at fair value at measurement date of 1/31/20X5	<u>102,205</u>	<u>\$ 75,770</u>
Contributions after measurement date	25,000	
Total assets reported at 2/3/20X5	<u>\$ 127,205</u>	

02. For fair value measurements of plan assets using significant unobservable inputs (Level 3), a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:

- A. Actual Return on Plan Assets (Component of **Net Periodic Postretirement Benefit Cost**) or Actual Return on Plan Assets (Component of **Net Periodic Pension Cost**), separately identifying the amount related to assets still held at the reporting date and the amount related to assets sold during the period
- B. Purchases, sales, and **settlements**, net
- C. The amounts of any transfers into or out of Level 3 (for example, transfers due to changes in the observability of significant inputs).

03. Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if any, during the period.

e. For defined benefit pension plans, the accumulated benefit obligation.

f. The benefits (as of the date of the latest statement of financial position presented) expected to be paid in each of the next five fiscal years, and in the aggregate for the five fiscal years thereafter. The expected benefits shall be estimated based on the same assumptions used to measure the entity's benefit obligation at the end of the year and



shall include benefits attributable to estimated future employee service.

g. The employer's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the next fiscal year beginning after the date of the latest statement of financial position presented. Estimated contributions may be presented in the aggregate combining all of the following:

1. Contributions required by funding regulations or laws
2. Discretionary contributions
3. Noncash contributions.

h. The amount of net benefit cost recognized, showing separately all of the following:

1. The service cost component
2. The interest cost component
3. The expected return on plan assets for the period
4. The gain or loss component
5. The prior service cost or credit component
6. The transition asset or obligation component
7. The gain or loss recognized due to settlements or curtailments.

i. Separately the net gain or loss and net prior service cost or credit recognized in other comprehensive income for the period pursuant to paragraphs [715-30-35-11](#), [715-30-35-21](#), [715-60-35-16](#), and [715-60-35-25](#), and reclassification adjustments of other comprehensive income for the period, as those amounts, including amortization of the net transition asset or obligation, are recognized as components of net periodic benefit cost.

j. The amounts in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit cost, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

k. On a weighted-average basis, all of the following assumptions used in the accounting for the plans, specifying in a tabular format, the assumptions used to determine the benefit obligation and the assumptions used to determine net benefit cost:

1. Assumed discount rates (see paragraph [715-30-35-45](#) for a discussion of representationally faithful disclosure)
2. Rates of compensation increase (for pay-related plans)
3. Expected long-term rates of return on plan assets.

l. The assumed health care cost trend rate(s) for the next year used to measure the expected cost of benefits covered by the plan (gross eligible charges), and a general description of the direction and pattern of change in the assumed trend rates thereafter, together with the ultimate trend rate(s) and when that rate is expected to be achieved.

m. The effect of a one-percentage-point increase and the effect of a one-percentage-point decrease in the assumed health care cost trend rates on the aggregate of the service and

interest cost components of net periodic postretirement health care benefit costs and the accumulated postretirement benefit obligation for health care benefits. Measuring the sensitivity of the accumulated postretirement benefit obligation and the combined service and interest cost components to a change in the assumed health care cost trend rates requires remeasuring the accumulated postretirement benefit obligation as of the beginning and end of the year. (For purposes of this disclosure, all other assumptions shall be held constant, and the effects shall be measured based on the substantive plan that is the basis for the accounting.)

n. If applicable, the amounts and types of securities of the employer and **related parties** included in plan assets, the approximate amount of future annual benefits of plan participants covered by insurance contracts, including annuity contracts issued by the employer or related parties, and any significant transactions between the employer or related parties and the plan during the period.

o. If applicable, any alternative method used to amortize prior service amounts or net gains and losses pursuant to paragraphs [715-30-35-13](#) and [715-30-35-25](#) or [715-60-35-18](#) and [715-60-35-31](#).

p. If applicable, any substantive commitment, such as past practice or a history of regular benefit increases, used as the basis for accounting for the benefit obligation.

q. If applicable, the cost of providing special or contractual termination benefits recognized during the period and a description of the nature of the event.

r. An explanation of any significant change in the benefit obligation or plan assets not otherwise apparent in the other disclosures required by this Subtopic.

s. The amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the fiscal year that follows the most recent annual statement of financial position presented, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

t. The amount and timing of any plan assets expected to be returned to the employer during the 12-month period, or operating cycle if longer, that follows the most recent annual statement of financial position presented.

u. If applicable, the accounting policy election to measure plan assets and benefit obligations using the month-end that is closest to the employer's fiscal year-end in accordance with paragraph [715-30-35-63A](#) or [715-60-35-123A](#) and the month-end measurement date.

#### Pending Content:

**Transition Date:** *(P) December 16, 2015; (N) December 16, 2016* | **Transition Guidance:** [820-10-65-10](#)

An employer that sponsors one or more defined benefit pension plans or one or more defined benefit other postretirement plans shall provide the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed for each period for which a statement of income is presented. Amounts related to the employer's statement of financial position shall be disclosed as of the date of each statement of financial position presented. All of the following shall be disclosed:

a. A reconciliation of beginning and ending balances of the benefit obligation showing separately, if applicable, the effects during the period attributable to each of the following:

1. Service cost
2. Interest cost
3. Contributions by plan participants
4. Actuarial gains and losses
5. Foreign currency exchange rate changes (The effects of foreign currency exchange rate changes that are to be disclosed are those applicable to plans of a foreign operation whose functional currency is not the reporting currency pursuant to Section 830-10-45.)
6. Benefits paid
7. Plan amendments
8. Business combinations
9. Divestitures
10. Curtailments, settlements, and special and contractual termination benefits.

For defined benefit pension plans, the benefit obligation is the projected benefit obligation. For defined benefit other postretirement plans, the benefit obligation is the accumulated postretirement benefit obligation.

b. A reconciliation of beginning and ending balances of the fair value of plan assets showing separately, if applicable, the effects during the period attributable to each of the following:

1. Actual return on plan assets
2. Foreign currency exchange rate changes (see (a)(5))
3. Contributions by the employer
4. Contributions by plan participants
5. Benefits paid
6. Business combinations
7. Divestitures
8. Settlements.

c. The funded status of the plans and the amounts recognized in the statement of financial position, showing separately the assets and current and noncurrent liabilities recognized.

d. The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:

1. How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies
2. The classes of plan assets
3. The inputs and valuation techniques used to measure the fair value of plan assets
4. The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period
5. Significant concentrations of risk within plan assets.

An employer shall consider those overall objectives in providing the following information about plan assets:

- i. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to (ii) below, as of the latest statement of financial position presented (on a weighted-average basis for employers with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in (ii) below, a description of the significant investment strategies of those funds shall be provided.
- ii. The fair value of each class of plan assets as of each date for which a statement of financial position is presented. For additional guidance on determining appropriate classes of plan assets, see paragraph [820-10-50-2B](#). Examples of classes of assets could include, but are not limited to, the following: cash and **cash equivalents**; equity securities (segregated by industry type, company size, or investment objective); debt securities issued by national, state, and local governments; corporate debt securities; asset-backed securities; structured debt; derivatives on a gross basis (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, commodity contracts, credit contracts, and other contracts); investment funds (segregated by type of fund); and real estate. Those examples are not meant to be all inclusive. An employer should consider the overall objectives in paragraph [715-20-50-1\(d\) \(1\) through \(5\)](#) in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed. If an employer determines the measurement date of plan assets in accordance with paragraph [715-30-35-63A](#) or [715-60-35-123A](#) and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all the classes of plan assets to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Asset Class	Total	Fair Value Mea February 3, 20X5	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Signific Observ Input (Level
Cash	\$ 14,770	\$ 14,770	\$
Equity securities:			
U.S. companies	41,200	37,000	1,
International companies	32,900	24,000	7,
Mortgage-backed securities	13,335	-	12,
Assets at fair value at measurement date of 1/31/20X5	102,205	\$ 75,770	\$ 21,
Contributions after measurement date	25,000		
Total assets reported at 2/3/20X5	\$ 127,205		

iii. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description should consider the classes of assets as described in (ii) above, as appropriate.

iv. Information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, an employer shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the employer shall disclose the following information for each class of plan assets disclosed pursuant to (ii) above for each annual period:

01. The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). The guidance in paragraphs 820-10-35-37 through 35-37A is applicable. Investments for which fair value is measured using the net asset value per share (or its equivalent) practical expedient in paragraph 820-10-35-59 shall not be categorized within the fair value hierarchy, as noted by paragraph 820-10-35-54B. If an employer determines the measurement date of plan assets in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all plan assets in the fair value hierarchy to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Asset Class	Total	Fair Val
		February
		Quoted Prices in Active Markets for Identical Assets (Level 1)
Cash	\$ 14,770	\$ 14,770
Equity securities:		
U.S. companies	41,200	37,000
International companies	32,900	24,000
Mortgage-backed securities	13,335	-
Assets at fair value at measurement date of 1/31/20X5	102,205	\$ 75,770
Contributions after measurement date	25,000	
Total assets reported at 2/3/20X5	\$ 127,205	

02. For fair value measurements of plan assets using significant unobservable inputs (Level 3), a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:

- A. Actual Return on Plan Assets (Component of **Net Periodic Postretirement Benefit Cost**) or Actual Return on Plan Assets (Component of **Net Periodic Pension Cost**), separately identifying the amount related to assets still held at the reporting date and the amount related to assets sold during the period
- B. Purchases, sales, and **settlements**, net
- C. The amounts of any transfers into or out of Level 3 (for example, transfers due to changes in the observability of significant inputs).

03. Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if any, during the period.

e. For defined benefit pension plans, the accumulated benefit obligation.

f. The benefits (as of the date of the latest statement of financial position presented) expected to be paid in each of the next five fiscal years, and in the aggregate for the five fiscal years thereafter. The expected benefits shall be estimated based on the same assumptions used to measure the entity's benefit obligation at the end of the year and shall include benefits attributable to estimated future employee service.

g. The employer's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the next fiscal year beginning after the date of the latest statement of financial position presented. Estimated contributions may be presented in the aggregate combining all of the following:

- 1. Contributions required by funding regulations or laws
- 2. Discretionary contributions

3. Noncash contributions.
- h. The amount of net benefit cost recognized, showing separately all of the following:
1. The service cost component
  2. The interest cost component
  3. The expected return on plan assets for the period
  4. The gain or loss component
  5. The prior service cost or credit component
  6. The transition asset or obligation component
  7. The gain or loss recognized due to settlements or curtailments.
- i. Separately the net gain or loss and net prior service cost or credit recognized in other comprehensive income for the period pursuant to paragraphs [715-30-35-11](#), [715-30-35-21](#), [715-60-35-16](#), and [715-60-35-25](#), and reclassification adjustments of other comprehensive income for the period, as those amounts, including amortization of the net transition asset or obligation, are recognized as components of net periodic benefit cost.
- j. The amounts in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit cost, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.
- k. On a weighted-average basis, all of the following assumptions used in the accounting for the plans, specifying in a tabular format, the assumptions used to determine the benefit obligation and the assumptions used to determine net benefit cost:
1. Assumed discount rates (see paragraph [715-30-35-45](#) for a discussion of representationally faithful disclosure)
  2. Rates of compensation increase (for pay-related plans)
  3. Expected long-term rates of return on plan assets.
- l. The assumed health care cost trend rate(s) for the next year used to measure the expected cost of benefits covered by the plan (gross eligible charges), and a general description of the direction and pattern of change in the assumed trend rates thereafter, together with the ultimate trend rate(s) and when that rate is expected to be achieved.
- m. The effect of a one-percentage-point increase and the effect of a one-percentage-point decrease in the assumed health care cost trend rates on the aggregate of the service and interest cost components of net periodic postretirement health care benefit costs and the accumulated postretirement benefit obligation for health care benefits. Measuring the sensitivity of the accumulated postretirement benefit obligation and the combined service and interest cost components to a change in the assumed health care cost trend rates requires remeasuring the accumulated postretirement benefit obligation as of the beginning and end of the year. (For purposes of this disclosure, all other assumptions shall be held constant, and the effects shall be measured based on the substantive plan that is the basis for the accounting.)
- n. If applicable, the amounts and types of securities of the employer and **related parties** included in plan assets, the approximate amount of future annual benefits of plan

participants covered by insurance contracts, including annuity contracts issued by the employer or related parties, and any significant transactions between the employer or related parties and the plan during the period.

o. If applicable, any alternative method used to amortize prior service amounts or net gains and losses pursuant to paragraphs [715-30-35-13](#) and [715-30-35-25](#) or [715-60-35-18](#) and [715-60-35-31](#).

p. If applicable, any substantive commitment, such as past practice or a history of regular benefit increases, used as the basis for accounting for the benefit obligation.

q. If applicable, the cost of providing special or contractual termination benefits recognized during the period and a description of the nature of the event.

r. An explanation of any significant change in the benefit obligation or plan assets not otherwise apparent in the other disclosures required by this Subtopic.

s. The amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the fiscal year that follows the most recent annual statement of financial position presented, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

t. The amount and timing of any plan assets expected to be returned to the employer during the 12-month period, or operating cycle if longer, that follows the most recent annual statement of financial position presented.

u. If applicable, the accounting policy election to measure plan assets and benefit obligations using the month-end that is closest to the employer's fiscal year-end in accordance with paragraph [715-30-35-63A](#) or [715-60-35-123A](#) and the month-end measurement date.

#### Pending Content:

**Transition Date:** *(P) December 16, 2017; (N) December 16, 2018* | **Transition Guidance:** [715-20-65-3](#)

An employer that sponsors one or more defined benefit pension plans or one or more defined benefit other postretirement plans shall provide the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed for each period for which a statement of income is presented. Amounts related to the employer's statement of financial position shall be disclosed as of the date of each statement of financial position presented. All of the following shall be disclosed:

- a. A reconciliation of beginning and ending balances of the benefit obligation showing separately, if applicable, the effects during the period attributable to each of the following:
  1. Service cost
  2. Interest cost
  3. Contributions by plan participants
  4. Actuarial gains and losses



5. Foreign currency exchange rate changes (The effects of foreign currency exchange rate changes that are to be disclosed are those applicable to plans of a foreign operation whose functional currency is not the reporting currency pursuant to Section 830-10-45.)
6. Benefits paid
7. Plan amendments
8. Business combinations
9. Divestitures
10. Curtailments, settlements, and special and contractual termination benefits.

For defined benefit pension plans, the benefit obligation is the projected benefit obligation. For defined benefit other postretirement plans, the benefit obligation is the accumulated postretirement benefit obligation.

b. A reconciliation of beginning and ending balances of the fair value of plan assets showing separately, if applicable, the effects during the period attributable to each of the following:

1. Actual return on plan assets
2. Foreign currency exchange rate changes (see (a)(5))
3. Contributions by the employer
4. Contributions by plan participants
5. Benefits paid
6. Business combinations
7. Divestitures
8. Settlements.

c. The funded status of the plans and the amounts recognized in the statement of financial position, showing separately the assets and current and noncurrent liabilities recognized.

d. The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:

1. How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies
2. The classes of plan assets
3. The inputs and valuation techniques used to measure the fair value of plan assets
4. The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period

## 5. Significant concentrations of risk within plan assets.

An employer shall consider those overall objectives in providing the following information about plan assets:

- i. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to (ii) below, as of the latest statement of financial position presented (on a weighted-average basis for employers with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in (ii) below, a description of the significant investment strategies of those funds shall be provided.
- ii. The fair value of each class of plan assets as of each date for which a statement of financial position is presented. For additional guidance on determining appropriate classes of plan assets, see paragraph [820-10-50-2B](#). Examples of classes of assets could include, but are not limited to, the following: cash and **cash equivalents**; equity securities (segregated by industry type, company size, or investment objective); debt securities issued by national, state, and local governments; corporate debt securities; asset-backed securities; structured debt; derivatives on a gross basis (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, commodity contracts, credit contracts, and other contracts); investment funds (segregated by type of fund); and real estate. Those examples are not meant to be all inclusive. An employer should consider the overall objectives in paragraph [715-20-50-1\(d\)\(1\) through \(5\)](#) in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed. If an employer determines the measurement date of plan assets in accordance with paragraph [715-30-35-63A](#) or [715-60-35-123A](#) and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all the classes of plan assets to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Asset Class	Total	Fair Value Mea February 3, 20X5	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Signific Observ Input (Level
Cash	\$ 14,770	\$ 14,770	\$
Equity securities:			
U.S. companies	41,200	37,000	1,
International companies	32,900	24,000	7,
Mortgage-backed securities	13,335	-	12,
Assets at fair value at measurement date of 1/31/20X5	102,205	\$ 75,770	\$ 21,
Contributions after measurement date	25,000		
Total assets reported at 2/3/20X5	\$ 127,205		

iii. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description should consider the classes of assets as described in (ii) above, as appropriate.

iv. Information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, an employer shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the employer shall disclose the following information for each class of plan assets disclosed pursuant to (ii) above for each annual period:

01. The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). The guidance in paragraphs [820-10-35-37](#) through [35-37A](#) is applicable. Investments for which fair value is measured using the net asset value per share (or its equivalent) practical expedient in paragraph [820-10-35-59](#) shall not be categorized within the fair value hierarchy, as noted by paragraph [820-10-35-54B](#). If an employer determines the measurement date of plan assets in accordance with paragraph [715-30-35-63A](#) or [715-60-35-123A](#) and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all plan assets in the fair value hierarchy to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Asset Class	Total	Fair Val
		February
		Quoted Prices in Active Markets for Identical Assets (Level 1)
Cash	\$ 14,770	\$ 14,770
Equity securities:		
U.S. companies	41,200	37,000
International companies	32,900	24,000
Mortgage-backed securities	13,335	-
Assets at fair value at measurement date of 1/31/20X5	102,205	\$ 75,770
Contributions after measurement date	25,000	
Total assets reported at 2/3/20X5	\$ 127,205	

02. For fair value measurements of plan assets using significant unobservable inputs (Level 3), a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:

- A. Actual Return on Plan Assets (Component of **Net Periodic Postretirement Benefit Cost**) or Actual Return on Plan Assets (Component of **Net Periodic Pension Cost**), separately identifying the amount related to assets still held at the reporting date and the amount related to assets sold during the period
- B. Purchases, sales, and **settlements**, net
- C. The amounts of any transfers into or out of Level 3 (for example, transfers due to changes in the observability of significant inputs).

03. Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if any, during the period.

e. For defined benefit pension plans, the accumulated benefit obligation.

f. The benefits (as of the date of the latest statement of financial position presented) expected to be paid in each of the next five fiscal years, and in the aggregate for the five fiscal years thereafter. The expected benefits shall be estimated based on the same assumptions used to measure the entity's benefit obligation at the end of the year and shall include benefits attributable to estimated future employee service.

g. The employer's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the next fiscal year beginning after the date of the latest statement of financial position presented. Estimated contributions may be presented in the aggregate combining all of the following:

- 1. Contributions required by funding regulations or laws
- 2. Discretionary contributions

3. Noncash contributions.
- h. The amount of net benefit cost recognized, showing separately all of the following:
1. The service cost component
  2. The interest cost component
  3. The expected return on plan assets for the period
  4. The gain or loss component
  5. The prior service cost or credit component
  6. The transition asset or obligation component
  7. The gain or loss recognized due to settlements or curtailments.

The line item(s) used in the income statement to present the components other than the service cost component shall be disclosed if the other components are not presented in a separate line item or items in the income statement.

i. Separately the net gain or loss and net prior service cost or credit recognized in other comprehensive income for the period pursuant to paragraphs [715-30-35-11](#), [715-30-35-21](#), [715-60-35-16](#), and [715-60-35-25](#), and reclassification adjustments of other comprehensive income for the period, as those amounts, including amortization of the net transition asset or obligation, are recognized as components of net periodic benefit cost.

j. The amounts in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit cost, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

k. On a weighted-average basis, all of the following assumptions used in the accounting for the plans, specifying in a tabular format, the assumptions used to determine the benefit obligation and the assumptions used to determine net benefit cost:

1. Assumed discount rates (see paragraph [715-30-35-45](#) for a discussion of representationally faithful disclosure)
2. Rates of compensation increase (for pay-related plans)
3. Expected long-term rates of return on plan assets.

l. The assumed health care cost trend rate(s) for the next year used to measure the expected cost of benefits covered by the plan (gross eligible charges), and a general description of the direction and pattern of change in the assumed trend rates thereafter, together with the ultimate trend rate(s) and when that rate is expected to be achieved.

m. The effect of a one-percentage-point increase and the effect of a one-percentage-point decrease in the assumed health care cost trend rates on the aggregate of the service and interest cost components of net periodic postretirement health care benefit costs and the accumulated postretirement benefit obligation for health care benefits. Measuring the sensitivity of the accumulated postretirement benefit obligation and the combined service and interest cost components to a change in the assumed health care cost trend rates requires remeasuring the accumulated postretirement benefit obligation as of the beginning and end of the year. (For purposes of this disclosure, all other assumptions shall be held constant, and the effects shall be measured based on the substantive plan that is

the basis for the accounting.)

- n. If applicable, the amounts and types of securities of the employer and **related parties** included in plan assets, the approximate amount of future annual benefits of plan participants covered by insurance contracts, including annuity contracts issued by the employer or related parties, and any significant transactions between the employer or related parties and the plan during the period.
- o. If applicable, any alternative method used to amortize prior service amounts or net gains and losses pursuant to paragraphs 715-30-35-13 and 715-30-35-25 or 715-60-35-18 and 715-60-35-31.
- p. If applicable, any substantive commitment, such as past practice or a history of regular benefit increases, used as the basis for accounting for the benefit obligation.
- q. If applicable, the cost of providing special or contractual termination benefits recognized during the period and a description of the nature of the event.
- r. An explanation of any significant change in the benefit obligation or plan assets not otherwise apparent in the other disclosures required by this Subtopic.
- s. The amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the fiscal year that follows the most recent annual statement of financial position presented, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.
- t. The amount and timing of any plan assets expected to be returned to the employer during the 12-month period, or operating cycle if longer, that follows the most recent annual statement of financial position presented.
- u. If applicable, the accounting policy election to measure plan assets and benefit obligations using the month-end that is closest to the employer's fiscal year-end in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the month-end measurement date.

### > **Entities (Public and Nonpublic) with Two or More Plans**

**715-20-50-2** The disclosures required by this Subtopic shall be aggregated for all of an employer's defined benefit pension plans and for all of an employer's other defined benefit postretirement plans unless disaggregating in groups is considered to provide useful information or is otherwise required by the following paragraph and paragraph 715-20-50-4.

**715-20-50-3** Disclosures about pension plans with assets in excess of the accumulated benefit obligation generally may be aggregated with disclosures about pension plans with accumulated benefit obligations in excess of assets. The same aggregation is permitted for other postretirement benefit plans. If aggregate disclosures are presented, an employer shall disclose both of the following:

- a. The aggregate benefit obligation and aggregate fair value of plan assets for plans with benefit obligations in excess of plan assets as of the measurement date of each statement of financial position presented

- b. The aggregate pension accumulated benefit obligation and aggregate fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets.

**715-20-50-4** A U.S. reporting entity may combine disclosures about pension plans or other postretirement benefit plans outside the United States with those for U.S. plans unless the benefit obligations of the plans outside the United States are significant relative to the total benefit obligation and those plans use significantly different assumptions. A foreign reporting entity that prepares financial statements in conformity with U.S. generally accepted accounting principles (GAAP) shall apply the preceding guidance to its domestic and foreign plans.

#### > **Disclosures by Nonpublic Entities**

**715-20-50-5** A **nonpublic entity** is not required to disclose the information required by paragraphs 715-20-50-1(a) through (c), 715-20-50-1(h), 715-20-50-1(m), and 715-20-50-1(o) through (r). A nonpublic entity that sponsors one or more defined benefit pension plans or one or more other defined benefit postretirement plans shall provide all of the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed for each period for which a statement of income is presented. Amounts related to the employer's statement of financial position shall be disclosed as of the date of each statement of financial position presented.

- a. The benefit obligation, fair value of plan assets, and funded status of the plan.
- b. Employer contributions, participant contributions, and benefits paid.
- c. The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:
  1. How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies
  2. The classes of plan assets
  3. The inputs and valuation techniques used to measure the fair value of plan assets
  4. The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period
  5. Significant concentrations of risk within plan assets.

An employer shall consider those overall objectives in providing the following information about plan assets:

- i. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to (ii) below, as of the latest statement of financial position presented (on a weighted-average basis for employers with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in (ii) below, a description of the significant investment strategies of those funds shall be provided.

ii. The fair value of each class of plan assets as of each date for which a statement of financial position is presented. For additional guidance on determining appropriate classes of plan assets, see paragraph [820-10-50-2B](#). Examples of classes include, but are not limited to, the following: cash and cash equivalents; equity securities (segregated by industry type, company size, or investment objective); debt securities issued by national, state, and local governments; corporate debt securities; asset-backed securities; structured debt; derivatives on a gross basis (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, commodity contracts, credit contracts, and other contracts); investment funds (segregated by type of fund); and real estate. Those examples are not meant to be all inclusive. An employer should consider the overall objectives in paragraph [715-20-50-5\(c\)\(1\) through \(5\)](#) in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed.

iii. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description should consider the classes of assets described in (ii) above, as appropriate.

iv. Information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, an employer shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the employer shall disclose the following information for each class of plan assets disclosed pursuant to (ii) above for each annual period:

01. The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). The guidance in paragraphs [820-10-35-37 through 35-37A](#) is applicable.

02. For fair value measurements of plan assets using significant unobservable inputs (Level 3), a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:

A. Actual Return on Plan Assets (Component of Net Periodic Postretirement Benefit Cost) or Actual Return on Plan Assets (Component of Net Periodic Pension Cost), separately identifying the amount related to assets still held at the reporting date and the amount related to assets sold during the period

B. Purchases, sales, and settlements, net

C. The amounts of any transfers into or out of Level 3 (for example, transfers due to changes in the observability of significant inputs).

03. Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if



any, during the period.

d. For defined benefit pension plans, the accumulated benefit obligation.

e. The benefits (as of the date of the latest statement of financial position presented) expected to be paid in each of the next five fiscal years, and in the aggregate for the five fiscal years thereafter. The expected benefits shall be estimated based on the same assumptions used to measure the entity's benefit obligation at the end of the year and shall include benefits attributable to estimated future employee service.

f. The employer's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the next fiscal year beginning after the date of the latest statement of financial position presented. Estimated contributions may be presented in the aggregate combining any of the following:

1. Contributions required by funding regulations or laws
2. Discretionary contributions
3. Noncash contributions.

g. The amounts recognized in the statements of financial position, showing separately the postretirement benefit assets and current and noncurrent postretirement benefit liabilities.

h. Separately, the net gain or loss and net prior service cost or credit recognized in other comprehensive income for the period pursuant to paragraphs 715-30-35-11, 715-30-35-21, 715-60-35-16, and 715-60-35-25 and reclassification adjustments of other comprehensive income for the period, as those amounts, including amortization of the net transition asset or obligation, are recognized as components of net periodic benefit cost.

i. The amounts in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit cost, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

j. On a weighted-average basis, all of the following assumptions used in the accounting for the plans, specifying in a tabular format, the assumptions used to determine the benefit obligation and the assumptions used to determine net benefit cost:

1. Assumed discount rates (see paragraph 715-30-35-45 for a discussion of representationally faithful disclosure)
2. Rates of compensation increase (for pay-related plans)
3. Expected long-term rates of return on plan assets.

k. The assumed health care cost trend rate(s) for the next year used to measure the expected cost of benefits covered by the plan (gross eligible charges), and a general description of the direction and pattern of change in the assumed trend rates thereafter, together with the ultimate trend rate(s) and when that rate is expected to be achieved.

l. If applicable, the amounts and types of securities of the employer and related parties included in plan assets, the approximate amount of future annual benefits of plan participants covered by insurance contracts, including annuity contracts, issued by the employer or related parties, and any significant transactions between the employer or related parties and the plan during the period.

- m. The nature and effect of significant nonroutine events, such as amendments, combinations, divestitures, curtailments, and settlements.
- n. The amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the fiscal year that follows the most recent annual statement of financial position presented, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.
- o. The amount and timing of any plan assets expected to be returned to the employer during the 12-month period, or operating cycle if longer, that follows the most recent annual statement of financial position presented.
- p. [Subparagraph not used].
- q. The amount of net periodic benefit cost recognized.

#### Pending Content:

**Transition Date:** (P) December 16, 2015; (N) December 16, 2016 | **Transition Guidance:** 715-10-65-1

A **nonpublic entity** is not required to disclose the information required by paragraphs 715-20-50-1(a) through (c), 715-20-50-1(h), 715-20-50-1(m), and 715-20-50-1(o) through (r). A nonpublic entity that sponsors one or more defined benefit pension plans or one or more other defined benefit postretirement plans shall provide all of the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed for each period for which a statement of income is presented. Amounts related to the employer's statement of financial position shall be disclosed as of the date of each statement of financial position presented.

- a. The benefit obligation, fair value of plan assets, and funded status of the plan.
- b. Employer contributions, participant contributions, and benefits paid.
- c. The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:
  - 1. How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies
  - 2. The classes of plan assets
  - 3. The inputs and valuation techniques used to measure the fair value of plan assets
  - 4. The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period
  - 5. Significant concentrations of risk within plan assets.

An employer shall consider those overall objectives in providing the following information about plan assets:

- i. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to (ii) below, as of the latest statement of

financial position presented (on a weighted-average basis for employers with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in (ii) below, a description of the significant investment strategies of those funds shall be provided.

ii. The fair value of each class of plan assets as of each date for which a statement of financial position is presented. For additional guidance on determining appropriate classes of plan assets, see paragraph [820-10-50-2B](#). Examples of classes include, but are not limited to, the following: cash and cash equivalents; equity securities (segregated by industry type, company size, or investment objective); debt securities issued by national, state, and local governments; corporate debt securities; asset-backed securities; structured debt; derivatives on a gross basis (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, commodity contracts, credit contracts, and other contracts); investment funds (segregated by type of fund); and real estate. Those examples are not meant to be all inclusive. An employer should consider the overall objectives in paragraph [715-20-50-5\(c\)\(1\) through \(5\)](#) in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed. If an employer determines the measurement date of plan assets in accordance with paragraph [715-30-35-63A](#) or [715-60-35-123A](#) and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all the classes of plan assets to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Asset Class	Total	Fair Value Mea February 3, 20X5	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Signific Observ Input (Level
Cash	\$ 14,770	\$ 14,770	\$
Equity securities:			
U.S. companies	41,200	37,000	1;
International companies	32,900	24,000	7;
Mortgage-backed securities	13,335	-	12;
Assets at fair value at measurement date of 1/31/20X5	<u>102,205</u>	<u>\$ 75,770</u>	<u>\$ 21;</u>
Contributions after measurement date	25,000		
Total assets reported at 2/3/20X5	<u>\$ 127,205</u>		

iii. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to

those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description should consider the classes of assets described in (ii) above, as appropriate.

iv. Information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, an employer shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the employer shall disclose the following information for each class of plan assets disclosed pursuant to (ii) above for each annual period:

01. The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). The guidance in paragraphs 820-10-35-37 through 35-37A is applicable. If an employer determines the measurement date of plan assets in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all plan assets in the fair value hierarchy to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

<b>Asset Class</b>	<b>Total</b>	<b>Fair Val February Quoted Prices in Active Markets for Identical Assets (Level 1)</b>
Cash	\$ 14,770	\$ 14,770
Equity securities:		
U.S. companies	41,200	37,000
International companies	32,900	24,000
Mortgage-backed securities	13,335	-
Assets at fair value at measurement date of 1/31/20X5	102,205	\$ 75,770
Contributions after measurement date	25,000	
Total assets reported at 2/3/20X5	\$ 127,205	

02. For fair value measurements of plan assets using significant unobservable inputs (Level 3), a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:

A. Actual Return on Plan Assets (Component of Net Periodic Postretirement Benefit Cost) or Actual Return on Plan Assets (Component of Net Periodic Pension Cost), separately identifying the amount related to assets still held at the reporting date and

the amount related to assets sold during the period

B. Purchases, sales, and settlements, net

C. The amounts of any transfers into or out of Level 3 (for example, transfers due to changes in the observability of significant inputs).

03. Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if any, during the period.

d. For defined benefit pension plans, the accumulated benefit obligation.

e. The benefits (as of the date of the latest statement of financial position presented) expected to be paid in each of the next five fiscal years, and in the aggregate for the five fiscal years thereafter. The expected benefits shall be estimated based on the same assumptions used to measure the entity's benefit obligation at the end of the year and shall include benefits attributable to estimated future employee service.

f. The employer's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the next fiscal year beginning after the date of the latest statement of financial position presented. Estimated contributions may be presented in the aggregate combining any of the following:

1. Contributions required by funding regulations or laws
2. Discretionary contributions
3. Noncash contributions.

g. The amounts recognized in the statements of financial position, showing separately the postretirement benefit assets and current and noncurrent postretirement benefit liabilities.

h. Separately, the net gain or loss and net prior service cost or credit recognized in other comprehensive income for the period pursuant to paragraphs [715-30-35-11](#), [715-30-35-21](#), [715-60-35-16](#), and [715-60-35-25](#) and reclassification adjustments of other comprehensive income for the period, as those amounts, including amortization of the net transition asset or obligation, are recognized as components of net periodic benefit cost.

i. The amounts in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit cost, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

j. On a weighted-average basis, all of the following assumptions used in the accounting for the plans, specifying in a tabular format, the assumptions used to determine the benefit obligation and the assumptions used to determine net benefit cost:

1. Assumed discount rates (see paragraph [715-30-35-45](#) for a discussion of representationally faithful disclosure)
2. Rates of compensation increase (for pay-related plans)
3. Expected long-term rates of return on plan assets.

k. The assumed health care cost trend rate(s) for the next year used to measure the expected cost of benefits covered by the plan (gross eligible charges), and a general

description of the direction and pattern of change in the assumed trend rates thereafter, together with the ultimate trend rate(s) and when that rate is expected to be achieved.

l. If applicable, the amounts and types of securities of the employer and related parties included in plan assets, the approximate amount of future annual benefits of plan participants covered by insurance contracts, including annuity contracts, issued by the employer or related parties, and any significant transactions between the employer or related parties and the plan during the period.

m. The nature and effect of significant nonroutine events, such as amendments, combinations, divestitures, curtailments, and settlements.

n. The amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the fiscal year that follows the most recent annual statement of financial position presented, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

o. The amount and timing of any plan assets expected to be returned to the employer during the 12-month period, or operating cycle if longer, that follows the most recent annual statement of financial position presented.

p. If applicable, the accounting policy election to measure plan assets and benefit obligations using the month-end that is closest to the employer's fiscal year-end in accordance with paragraph [715-30-35-63A](#) or [715-60-35-123A](#) and the month-end measurement date.

q. The amount of net periodic benefit cost recognized.

#### Pending Content:

**Transition Date:** *(P) December 16, 2015; (N) December 16, 2016* | **Transition Guidance:** [820-10-65-10](#)

A **nonpublic entity** is not required to disclose the information required by paragraphs [715-20-50-1\(a\) through \(c\)](#), [715-20-50-1\(h\)](#), [715-20-50-1\(m\)](#), and [715-20-50-1\(o\) through \(r\)](#). A nonpublic entity that sponsors one or more defined benefit pension plans or one or more other defined benefit postretirement plans shall provide all of the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed for each period for which a statement of income is presented. Amounts related to the employer's statement of financial position shall be disclosed as of the date of each statement of financial position presented.

a. The benefit obligation, fair value of plan assets, and funded status of the plan.

b. Employer contributions, participant contributions, and benefits paid.

c. The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:

1. How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies

2. The classes of plan assets

3. The inputs and valuation techniques used to measure the fair value of plan assets
4. The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period
5. Significant concentrations of risk within plan assets.

An employer shall consider those overall objectives in providing the following information about plan assets:

- i. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to (ii) below, as of the latest statement of financial position presented (on a weighted-average basis for employers with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in (ii) below, a description of the significant investment strategies of those funds shall be provided.
- ii. The fair value of each class of plan assets as of each date for which a statement of financial position is presented. For additional guidance on determining appropriate classes of plan assets, see paragraph [820-10-50-2B](#). Examples of classes of assets could include, but are not limited to, the following: cash and cash equivalents; equity securities (segregated by industry type, company size, or investment objective); debt securities issued by national, state, and local governments; corporate debt securities; asset-backed securities; structured debt; derivatives on a gross basis (segregated by type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, commodity contracts, credit contracts, and other contracts); investment funds (segregated by type of fund); and real estate. Those examples are not meant to be all inclusive. An employer should consider the overall objectives in paragraph [715-20-50-5\(c\)\(1\) through \(5\)](#) in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed. If an employer determines the measurement date of plan assets in accordance with paragraph [715-30-35-63A](#) or [715-60-35-123A](#) and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all the classes of plan assets to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Asset Class	Total	Fair Value Mea February 3, 20X5	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Signific Observ Input (Level
Cash	\$ 14,770	\$ 14,770	\$
Equity securities:			
U.S. companies	41,200	37,000	1,
International companies	32,900	24,000	7,
Mortgage-backed securities	13,335	-	12,
Assets at fair value at measurement date of 1/31/20X5	102,205	\$ 75,770	\$ 21,
Contributions after measurement date	25,000		
Total assets reported at 2/3/20X5	\$ 127,205		

iii. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description should consider the classes of assets described in (ii) above, as appropriate.

iv. Information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, an employer shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the employer shall disclose the following information for each class of plan assets disclosed pursuant to (ii) above for each annual period:

01. The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). The guidance in paragraphs 820-10-35-37 through 35-37A is applicable. Investments for which fair value is measured using the net asset value per share (or its equivalent) practical expedient in paragraph 820-10-35-59 shall not be categorized within the fair value hierarchy, as noted by paragraph 820-10-35-54B. If an employer determines the measurement date of plan assets in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all plan assets in the fair value hierarchy to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:



<u>Asset Class</u>	<u>Total</u>	<u>Fair Val</u>
		<u>February</u>
		<u>Quoted</u>
		<u>Prices in</u>
		<u>Active</u>
		<u>Markets for</u>
		<u>Identical</u>
		<u>Assets</u>
		<u>(Level 1)</u>
Cash	\$ 14,770	\$ 14,770
Equity securities:		
U.S. companies	41,200	37,000
International companies	32,900	24,000
Mortgage-backed securities	13,335	-
Assets at fair value at measurement date of 1/31/20X5	<u>102,205</u>	<u>\$ 75,770</u>
Contributions after measurement date	25,000	
Total assets reported at 2/3/20X5	<u>\$ 127,205</u>	

02. For fair value measurements of plan assets using significant unobservable inputs (Level 3), a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:

- A. Actual Return on Plan Assets (Component of Net Periodic Postretirement Benefit Cost) or Actual Return on Plan Assets (Component of Net Periodic Pension Cost), separately identifying the amount related to assets still held at the reporting date and the amount related to assets sold during the period
- B. Purchases, sales, and settlements, net
- C. The amounts of any transfers into or out of Level 3 (for example, transfers due to changes in the observability of significant inputs).

03. Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if any, during the period.

d. For defined benefit pension plans, the accumulated benefit obligation.

e. The benefits (as of the date of the latest statement of financial position presented) expected to be paid in each of the next five fiscal years, and in the aggregate for the five fiscal years thereafter. The expected benefits shall be estimated based on the same assumptions used to measure the entity's benefit obligation at the end of the year and shall include benefits attributable to estimated future employee service.

f. The employer's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the next fiscal year beginning after the date of the latest statement of financial position presented. Estimated contributions may be presented in the aggregate combining any of the following:

- 1. Contributions required by funding regulations or laws
- 2. Discretionary contributions

### 3. Noncash contributions.

g. The amounts recognized in the statements of financial position, showing separately the postretirement benefit assets and current and noncurrent postretirement benefit liabilities.

h. Separately, the net gain or loss and net prior service cost or credit recognized in other comprehensive income for the period pursuant to paragraphs [715-30-35-11](#), [715-30-35-21](#), [715-60-35-16](#), and [715-60-35-25](#) and reclassification adjustments of other comprehensive income for the period, as those amounts, including amortization of the net transition asset or obligation, are recognized as components of net periodic benefit cost.

i. The amounts in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit cost, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

j. On a weighted-average basis, all of the following assumptions used in the accounting for the plans, specifying in a tabular format, the assumptions used to determine the benefit obligation and the assumptions used to determine net benefit cost:

1. Assumed discount rates (see paragraph [715-30-35-45](#) for a discussion of representationally faithful disclosure)
2. Rates of compensation increase (for pay-related plans)
3. Expected long-term rates of return on plan assets.

k. The assumed health care cost trend rate(s) for the next year used to measure the expected cost of benefits covered by the plan (gross eligible charges), and a general description of the direction and pattern of change in the assumed trend rates thereafter, together with the ultimate trend rate(s) and when that rate is expected to be achieved.

l. If applicable, the amounts and types of securities of the employer and related parties included in plan assets, the approximate amount of future annual benefits of plan participants covered by insurance contracts, including annuity contracts, issued by the employer or related parties, and any significant transactions between the employer or related parties and the plan during the period.

m. The nature and effect of significant nonroutine events, such as amendments, combinations, divestitures, curtailments, and settlements.

n. The amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the fiscal year that follows the most recent annual statement of financial position presented, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

o. The amount and timing of any plan assets expected to be returned to the employer during the 12-month period, or operating cycle if longer, that follows the most recent annual statement of financial position presented.

p. If applicable, the accounting policy election to measure plan assets and benefit obligations using the month-end that is closest to the employer's fiscal year-end in accordance with paragraph [715-30-35-63A](#) or [715-60-35-123A](#) and the month-end measurement date.

q. The amount of net periodic benefit cost recognized.

## Pending Content:

**Transition Date:** (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** 715-20-65-3

A **nonpublic entity** is not required to disclose the information required by paragraphs 715-20-50-1(a) through (c), 715-20-50-1(h), 715-20-50-1(m), and 715-20-50-1(o) through (r). A nonpublic entity that sponsors one or more defined benefit pension plans or one or more other defined benefit postretirement plans shall provide all of the following information, separately for pension plans and other postretirement benefit plans. Amounts related to the employer's results of operations shall be disclosed for each period for which a statement of income is presented. Amounts related to the employer's statement of financial position shall be disclosed as of the date of each statement of financial position presented.

- a. The benefit obligation, fair value of plan assets, and funded status of the plan.
- b. Employer contributions, participant contributions, and benefits paid.
- c. The objectives of the disclosures about postretirement benefit plan assets are to provide users of financial statements with an understanding of:
  1. How investment allocation decisions are made, including the factors that are pertinent to an understanding of investment policies and strategies
  2. The classes of plan assets
  3. The inputs and valuation techniques used to measure the fair value of plan assets
  4. The effect of fair value measurements using significant unobservable inputs (Level 3) on changes in plan assets for the period
  5. Significant concentrations of risk within plan assets.

An employer shall consider those overall objectives in providing the following information about plan assets:

- i. A narrative description of investment policies and strategies, including target allocation percentages or range of percentages considering the classes of plan assets disclosed pursuant to (ii) below, as of the latest statement of financial position presented (on a weighted-average basis for employers with more than one plan), and other factors that are pertinent to an understanding of those policies and strategies such as investment goals, risk management practices, permitted and prohibited investments including the use of derivatives, diversification, and the relationship between plan assets and benefit obligations. For investment funds disclosed as classes as described in (ii) below, a description of the significant investment strategies of those funds shall be provided.
- ii. The fair value of each class of plan assets as of each date for which a statement of financial position is presented. For additional guidance on determining appropriate classes of plan assets, see paragraph 820-10-50-2B. Examples of classes of assets could include, but are not limited to, the following: cash and cash equivalents; equity securities (segregated by industry type, company size, or investment objective); debt securities issued by national, state, and local governments; corporate debt securities; asset-backed securities; structured debt; derivatives on a gross basis (segregated by

type of underlying risk in the contract, for example, interest rate contracts, foreign exchange contracts, equity contracts, commodity contracts, credit contracts, and other contracts); investment funds (segregated by type of fund); and real estate. Those examples are not meant to be all inclusive. An employer should consider the overall objectives in paragraph [715-20-50-5\(c\)\(1\) through \(5\)](#) in determining whether additional classes of plan assets or further disaggregation of classes should be disclosed. If an employer determines the measurement date of plan assets in accordance with paragraph [715-30-35-63A](#) or [715-60-35-123A](#) and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all the classes of plan assets to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

Asset Class	Total	Fair Value Mea February 3, 20X5	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Signific Observ Input (Level
Cash	\$ 14,770	\$ 14,770	\$
Equity securities:			
U.S. companies	41,200	37,000	1,;
International companies	32,900	24,000	7,;
Mortgage-backed securities	13,335	-	12,;
Assets at fair value at measurement date of 1/31/20X5	102,205	\$ 75,770	\$ 21,;
Contributions after measurement date	25,000		
Total assets reported at 2/3/20X5	\$ 127,205		

iii. A narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption, such as the general approach used, the extent to which the overall rate-of-return-on-assets assumption was based on historical returns, the extent to which adjustments were made to those historical returns in order to reflect expectations of future returns, and how those adjustments were determined. The description should consider the classes of assets described in (ii) above, as appropriate.

iv. Information that enables users of financial statements to assess the inputs and valuation techniques used to develop fair value measurements of plan assets at the reporting date. For fair value measurements using significant unobservable inputs, an employer shall disclose the effect of the measurements on changes in plan assets for the period. To meet those objectives, the employer shall disclose the following information for each class of plan assets disclosed pursuant to (ii) above for each annual period:

01. The level of the fair value hierarchy within which the fair value measurements are categorized in their entirety, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3). The guidance in paragraphs

820-10-35-37 through 35-37A is applicable. Investments for which fair value is measured using the net asset value per share (or its equivalent) practical expedient in paragraph 820-10-35-59 shall not be categorized within the fair value hierarchy, as noted by paragraph 820-10-35-54B. If an employer determines the measurement date of plan assets in accordance with paragraph 715-30-35-63A or 715-60-35-123A and the employer contributes assets to the plan between the measurement date and its fiscal year-end, the employer shall not adjust the fair value of each class of plan assets for the effects of the contribution. Instead, the employer shall disclose the amount of the contribution to permit reconciliation of the total fair value of all plan assets in the fair value hierarchy to the ending balance of the fair value of plan assets. For example, the contribution could be disclosed as follows:

<b>Asset Class</b>	<b>Total</b>	<b>Fair Val</b>
		<b>February</b>
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>
Cash	\$ 14,770	\$ 14,770
Equity securities:		
U.S. companies	41,200	37,000
International companies	32,900	24,000
Mortgage-backed securities	13,335	-
Assets at fair value at measurement date of 1/31/20X5	<u>102,205</u>	<u>\$ 75,770</u>
Contributions after measurement date	25,000	
Total assets reported at 2/3/20X5	<u>\$ 127,205</u>	

02. For fair value measurements of plan assets using significant unobservable inputs (Level 3), a reconciliation from the opening balances to the closing balances, disclosing separately changes during the period attributable to the following:

- A. Actual Return on Plan Assets (Component of Net Periodic Postretirement Benefit Cost) or Actual Return on Plan Assets (Component of Net Periodic Pension Cost), separately identifying the amount related to assets still held at the reporting date and the amount related to assets sold during the period
- B. Purchases, sales, and settlements, net
- C. The amounts of any transfers into or out of Level 3 (for example, transfers due to changes in the observability of significant inputs).

03. Information about the valuation technique(s) and inputs used to measure fair value and a discussion of changes in valuation techniques and inputs, if any, during the period.

- d. For defined benefit pension plans, the accumulated benefit obligation.

e. The benefits (as of the date of the latest statement of financial position presented) expected to be paid in each of the next five fiscal years, and in the aggregate for the five fiscal years thereafter. The expected benefits shall be estimated based on the same assumptions used to measure the entity's benefit obligation at the end of the year and shall include benefits attributable to estimated future employee service.

f. The employer's best estimate, as soon as it can reasonably be determined, of contributions expected to be paid to the plan during the next fiscal year beginning after the date of the latest statement of financial position presented. Estimated contributions may be presented in the aggregate combining any of the following:

1. Contributions required by funding regulations or laws
2. Discretionary contributions
3. Noncash contributions.

g. The amounts recognized in the statements of financial position, showing separately the postretirement benefit assets and current and noncurrent postretirement benefit liabilities.

h. Separately, the net gain or loss and net prior service cost or credit recognized in other comprehensive income for the period pursuant to paragraphs [715-30-35-11](#), [715-30-35-21](#), [715-60-35-16](#), and [715-60-35-25](#) and reclassification adjustments of other comprehensive income for the period, as those amounts, including amortization of the net transition asset or obligation, are recognized as components of net periodic benefit cost.

i. The amounts in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit cost, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

j. On a weighted-average basis, all of the following assumptions used in the accounting for the plans, specifying in a tabular format, the assumptions used to determine the benefit obligation and the assumptions used to determine net benefit cost:

1. Assumed discount rates (see paragraph [715-30-35-45](#) for a discussion of representationally faithful disclosure)
2. Rates of compensation increase (for pay-related plans)
3. Expected long-term rates of return on plan assets.

k. The assumed health care cost trend rate(s) for the next year used to measure the expected cost of benefits covered by the plan (gross eligible charges), and a general description of the direction and pattern of change in the assumed trend rates thereafter, together with the ultimate trend rate(s) and when that rate is expected to be achieved.

l. If applicable, the amounts and types of securities of the employer and related parties included in plan assets, the approximate amount of future annual benefits of plan participants covered by insurance contracts, including annuity contracts, issued by the employer or related parties, and any significant transactions between the employer or related parties and the plan during the period.

m. The nature and effect of significant nonroutine events, such as amendments, combinations, divestitures, curtailments, and settlements.

n. The amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the fiscal year that follows the most recent

annual statement of financial position presented, showing separately the net gain or loss, net prior service cost or credit, and net transition asset or obligation.

o. The amount and timing of any plan assets expected to be returned to the employer during the 12-month period, or operating cycle if longer, that follows the most recent annual statement of financial position presented.

p. If applicable, the accounting policy election to measure plan assets and benefit obligations using the month-end that is closest to the employer's fiscal year-end in accordance with paragraph [715-30-35-63A](#) or [715-60-35-123A](#) and the month-end measurement date.

q. The amount of net periodic benefit cost recognized. In addition, if the components other than the service cost component are not presented in a separate line item or items in the income statement, the amount of the other components and the line item(s) used in the income statement to present them shall be disclosed.

### > **Interim Disclosure Requirements for Publicly Traded Entities**

**715-20-50-6** A **publicly traded entity** shall disclose the following information for its interim financial statements that include a statement of income:

a. The amount of net benefit cost recognized, for each period for which a statement of income is presented, showing separately each of the following:

1. The service cost component
2. The interest cost component
3. The expected return on plan assets for the period
4. The gain or loss component
5. The prior service cost or credit component
6. The transition asset or obligation component
7. The gain or loss recognized due to a settlement or curtailment.

b. The total amount of the employer's contributions paid, and expected to be paid, during the current fiscal year, if significantly different from amounts previously disclosed pursuant to paragraph [715-20-50-1\(g\)](#). Estimated contributions may be presented in the aggregate combining all of the following:

1. Contributions required by funding regulations or laws
2. Discretionary contributions
3. Noncash contributions.

**Pending Content:**

**Transition Date:** *(P) December 16, 2017; (N) December 16, 2018* | **Transition Guidance:** **715-20-65-3**

A **publicly traded entity** shall disclose the following information for its interim financial statements that include a statement of income:

- a. The amount of net benefit cost recognized, for each period for which a statement of income is presented, showing separately each of the following:
  1. The service cost component
  2. The interest cost component
  3. The expected return on plan assets for the period
  4. The gain or loss component
  5. The prior service cost or credit component
  6. The transition asset or obligation component
  7. The gain or loss recognized due to a settlement or curtailment.

The line item(s) used in the income statement to present the components other than the service cost component shall be disclosed if the other components are not presented in a separate line item or items in the income statement.

b. The total amount of the employer's contributions paid, and expected to be paid, during the current fiscal year, if significantly different from amounts previously disclosed pursuant to paragraph 715-20-50-1(g). Estimated contributions may be presented in the aggregate combining all of the following:

1. Contributions required by funding regulations or laws
2. Discretionary contributions
3. Noncash contributions.

**> Interim Disclosure Requirements for Nonpublic Entities**

**715-20-50-7** A nonpublic entity shall disclose in interim periods for which a complete set of financial statements is presented the total amount of the employer's contributions paid, and expected to be paid, during the current fiscal year, if significantly different from amounts previously disclosed pursuant to paragraph 715-20-50-5(f). Estimated contributions may be presented in the aggregate combining all of the following:

- a. Contributions required by funding regulations or laws
- b. Discretionary contributions
- c. Noncash contributions.



## > Disclosures Related to Expected Rate of Return on Plan Assets

**715-20-50-8** The weighted-average expected long-term rate of return on plan assets is used to determine net benefit cost, and, therefore, in the absence of a subsequent interim measurement of both pension or other postretirement plan assets and obligations (see paragraph [715-30-35-68](#)), the disclosed rate is the rate determined as of the beginning of the year. However, if that rate changes because of a subsequent interim measurement of both pension or other postretirement plan assets and obligations, disclosure of the beginning and more recently assumed rate, or a properly weighted combination of the two, shall be made.

## > Disclosures Related to Japanese Governmental Settlement Transactions

**715-20-50-9** See paragraphs [715-30-55-69 through 55-79](#) for guidance on the accounting for Japanese governmental settlement transactions.

**715-20-50-10** The required disclosures for the separation of the substitutional portion of the benefit obligation from the corporate portion of the benefit obligation in a Japanese Employee Pension Fund arrangement and the transfer of the substitutional portion and related assets to the Japanese government pursuant to the June 2001 Japanese Welfare Pension Insurance Law amendment are as follows:

- a. The difference between the obligation settled and the assets transferred to the government, determined pursuant to the government formula, shall be disclosed separately as a subsidy from the government pursuant to applicable GAAP.
- b. The derecognition of previously accrued salary progression at the time of settlement, pursuant to this consensus, shall be disclosed separately from the government subsidy.

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# 715-20-55 Implementation Guidance and Illustrations

**General Note:** The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and circumstances in relation to the requirements of the Subtopic.

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## General

### > Implementation Guidance

#### > > Disclosure of Assumed Discount Rates for Other Postretirement Benefit Obligations

**715-20-55-1** An employer's disclosure of the weighted average of the assumed discount rates for its other postretirement benefit obligation may not necessarily be the same as that disclosed for its pension benefit obligation. Even if the assumed discount rates are the same, the weighted

average of those rates that is disclosed for the other postretirement benefit obligation may not be the same as that disclosed for the pension benefit obligation because the weighted average is influenced by the timing and pattern of benefits to be provided, which can differ between a pension and a postretirement benefit plan.

**715-20-55-2** For example, pension benefits are usually paid in fixed amounts throughout retirement. On the other hand, postretirement health care benefits tend to increase during retirement because retirees generally require more health care services as they age, although the net cost to employers after retirees reach age 65 is reduced by Medicare. If, as a result of the expected cost of health care, the timing or pattern of postretirement benefits differs from that for pension benefits, that difference should be reflected in the weighting of the assumed discount rates.

## > > **Application of the Recognition Provisions**

**715-20-55-3** The following provides implementation guidance for a business entity that sponsors a defined benefit postretirement plan. Paragraphs [715-20-55-4](#) through [55-13](#) address both transition to and initial application of the accounting for a defined benefit pension plan.

**715-20-55-4** Certain assumptions, including benefit payments, employer contributions, and obligations settled, have not been included in this Section because those transactions are not affected by the provisions of this Subtopic. Therefore, the implementation guidance does not include all the assumptions necessary to reconcile between various stated assumptions or the beginning and ending balances of plan assets or benefit obligations.

**715-20-55-5** Entity A adopts the recognition requirements of Section [715-30-25](#) and the disclosure requirements of Section [715-20-50](#) as of the end of its fiscal year (December 31, 2006). For simplicity, this guidance assumes that Entity A's annual report includes a statement of financial position and a statement of changes in stockholders' equity. An income statement is not presented in this Section because it is not affected by the recognition provisions of Section [715-30-25](#). Additionally, this guidance does not consider the effects on financial reporting for interim periods. In applying the recognition provisions of Section [715-30-25](#) for transition, Entity A adjusts the amounts recognized in the statement of financial position as of December 31, 2006, before application of that Section, so that gains or losses, prior service costs or credits, and the transition asset or obligation that have not yet been included in net periodic benefit cost as of December 31, 2006, are recognized as a component of the ending balance of accumulated other comprehensive income, net of tax (see paragraph [715-20-55-7](#)). The adjustment is reported as an adjustment of the ending balance of accumulated other comprehensive income (see paragraph [715-20-55-10](#)).

**715-20-55-6** The funded status of Entity A's defined benefit pension plan and the amounts not yet recognized as components of net periodic pension cost as of December 31, 2006, and December 31, 2007, are shown below. Entity A measures plan assets and benefit obligations as of the date of its financial statements. Prior to adopting the recognition provisions of Section [715-30-25](#), Entity A had a recognized liability of \$45,000 at December 31, 2006, for the amount that past net periodic pension costs exceeded past contributions to the plan.

	<u>12/31/06</u>	<u>12/31/07</u>
	(in thousands)	
Projected benefit obligation	\$(2,525)	\$(2,700)
Plan assets at fair value	<u>1,625</u>	<u>1,700</u>
Funded status	<u>\$ (900)</u>	<u>\$(1,000)</u>
Items not yet recognized as a component of net periodic pension cost:		
Transition obligation	\$ 240	\$ 200
Prior service cost	375	350
Net loss	<u>240</u>	<u>260</u>
	<u>\$ 855</u>	<u>\$ 810</u>

**715-20-55-7** At December 31, 2006, Entity A recognizes a liability for the underfunded status of its defined benefit pension plan and adjusts ending accumulated other comprehensive income, net of tax, for the transition obligation, prior service cost, and net loss that have not been recognized as a component of net periodic pension cost. The journal entry is as follows.

Accumulated other comprehensive income	855	
Deferred tax asset	342	
Deferred tax benefit—accumulated other comprehensive income		342
Liability for pension benefits		855

**715-20-55-8** The following table illustrates the adjustments made to Entity A's statement of financial position for December 31, 2006. This illustration assumes that plan assets exceed the actuarial present value of benefits to be paid over the next fiscal year. Therefore, the entire liability for pension benefits is classified as a long-term liability.

**Entity A**  
**Statement of Financial Position**  
**December 31, 2006**  
**(in thousands)**

	<b>Before Application of the Recognition Provisions Included in Section 715-30-25</b>	<b>Adjustments</b>	<b>After Applic the Recog Provisions I in Section 7</b>
Current assets:			
Cash	\$ 40,000	\$ -	\$
Inventory	720,500	-	-
Total current assets	<u>760,500</u>	-	-
Intangible assets	<u>100,000</u>	-	-
Total assets	<u>\$ 860,500</u>	<u>\$ -</u>	<u>\$</u>
Current liabilities	\$ 60,000	\$ -	\$
Liability for pension benefits	45	855	-
Other long-term liabilities	99,955	-	-
Deferred income taxes	<u>20,000</u>	<u>(342)</u>	-
Total liabilities	<u>180,000</u>	<u>513</u>	-
Common stock	150,000	-	-
Paid-in capital	300,000	-	-
Retained earnings	205,500	-	-
Accumulated other comprehensive income	25,000	(513)	-
Total stockholders' equity	<u>680,500</u>	<u>(513)</u>	-
Total liabilities and stockholders' equity	<u>\$ 860,500</u>	<u>\$ -</u>	<u>\$</u>

**715-20-55-9** The following table illustrates the disclosures required in the year that the recognition provisions are initially adopted.

**Incremental Effect of Applying the Recognition Provisions Included in Section 715-30-25 on  
Individual Line Items in the Statement of Financial Position**  
**December 31, 2006**  
**(in thousands)**

	<b>Before Application of the Recognition Provisions Included in Section 715-30-25</b>	<b>Adjustments</b>	<b>After Application of the Recognition Provisions Included in Section 715-30-25</b>
Liability for pension benefits	\$ 45	\$ 855	\$ 900
Deferred income taxes	20,000	(342)	19,658
Total liabilities	180,000	513	180,513
Accumulated other comprehensive income	25,000	(513)	24,487
Total stockholders' equity	680,500	(513)	679,987

**715-20-55-10** Entity A's statement of changes in stockholders' equity for the year ended December 31, 2006, which includes the effects of applying the provisions of Section 715-30-25, follows. Brackets are used to highlight those effects.

**Entity A**  
**Statement of Changes in Stockholders' Equity**  
**Year Ended December 31, 2006**  
**(in thousands)**

	<u>Total</u>	<u>Comprehensive Income</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Common Stock</u>
Balance at December 31, 2005	\$612,979		\$137,988	\$ 24,991	\$150,000
Comprehensive income					
Net income for 2006	67,512	\$ 67,512	67,512		
Other comprehensive income, net of tax					
Foreign currency translation gain	15	15			
Unrealized holding loss arising during period	(6)	(6)			
Other comprehensive income		9		9	
Comprehensive income		<u>\$ 67,521</u>			
Adjustment to initially apply the recognition provisions included in Section 715-30-25, net of tax	[(513)]			[(513)]	
Balance at December 31, 2006	<u>\$679,987</u>		<u>\$205,500</u>	<u>\$ 24,487</u>	<u>\$150,000</u>

**715-20-55-11** In applying Section 715-30-25 in 2007, Entity A does all of the following:

- a. Adjusts other comprehensive income, net of tax, to recognize the amortization of the transition obligation in net periodic pension cost
- b. Adjusts other comprehensive income, net of tax, to recognize the amortization of prior service cost in net periodic pension cost
- c. Recognizes a pension liability for the additional net loss arising during the year, and a corresponding decrease in other comprehensive income, net of tax
- d. Recognizes a pension liability and net periodic pension cost, net of tax, for the service cost, interest cost, and expected return on plan assets.

**715-20-55-12** The components of projected net periodic pension cost for the year ended December 31, 2007, areas follows.

Service cost	\$ 120
Interest cost	95
Expected return on plan assets	(80)
Amortization of prior service cost	25
Amortization of the transition obligation	40
Amortization of net (gain) loss	-
Net periodic benefit cost	<u>\$200</u>

**715-20-55-13** For the year ending December 31, 2007, Entity A makes the following journal entries in applying the recognition provisions of Section 715-30-25:

- a. Recognize net periodic pension cost and a corresponding increase in other comprehensive income, net of tax, for amortization of the transition obligation (see the preceding paragraph).

Net periodic pension cost	40	
Deferred tax benefit—other comprehensive income	16	
Deferred tax benefit—net income		16
Other comprehensive income		40

b. Recognize net periodic pension cost and a corresponding increase in other comprehensive income, net of tax, for amortization of prior service cost (see the preceding paragraph).

Net periodic pension cost	25	
Deferred tax benefit—other comprehensive income	10	
Deferred tax benefit—net income		10
Other comprehensive income		25

c. Recognize a pension liability and net periodic pension cost, net of tax, for the service cost of \$120, interest cost of \$95, and the expected return on plan assets of \$(80) (see the preceding paragraph).

Net periodic pension cost	135	
Deferred tax asset	54	
Deferred tax benefit—net income		54
Liability for pension benefits		135

d. Recognize a pension liability for the additional net loss arising during the year and a corresponding decrease in other comprehensive income, net of tax (this is the increase in net loss from \$240 to \$260 shown in paragraph [715-20-55-6](#)).

Other comprehensive income	20	
Deferred tax asset	8	
Deferred tax benefit—other comprehensive income		8
Liability for pension benefits		20

#### Pending Content:

**Transition Date:** (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [715-20-65-3](#)

For the year ending December 31, 2007, Entity A makes the following journal entries in applying the recognition provisions of Section [715-30-25](#):

a. Recognize net periodic pension cost and a corresponding increase in other comprehensive income, net of tax, for amortization of the transition obligation (see the preceding paragraph).

Net periodic pension cost—transition obligation	40	
Deferred tax benefit—other comprehensive income	16	
Deferred tax benefit—net income		16
Other comprehensive income		40

b. Recognize net periodic pension cost and a corresponding increase in other comprehensive income, net of tax, for amortization of prior service cost (see the preceding paragraph).

Net periodic pension cost—prior service cost	25	
Deferred tax benefit—other comprehensive income	10	
Deferred tax benefit—net income		10
Other comprehensive income		25

c. Recognize a pension liability and net periodic pension cost, net of tax, for the service cost of \$120, interest cost of \$95, and the expected return on plan assets of \$(80) (see the preceding paragraph). The service cost should be recognized separately, and the interest cost and expected return on plan assets may be recognized together or separately.

Net periodic pension cost—service cost	120	
Net periodic pension cost—interest cost	95	
Deferred tax asset	54	
Net periodic pension cost—expected return on plan assets		80
Deferred tax benefit—net income		54
Liability for pension benefits		135

d. Recognize a pension liability for the additional net loss arising during the year and a corresponding decrease in other comprehensive income, net of tax (this is the increase in net loss from \$240 to \$260 shown in paragraph [715-20-55-6](#)).

Other comprehensive income	20	
Deferred tax asset	8	
Deferred tax benefit—other comprehensive income		8
Liability for pension benefits		20

## > Illustrations

**715-20-55-14** This Section illustrates the following defined benefit pension and other postretirement benefit disclosures:

- Disclosures about pension and other postretirement benefit plans in the annual financial statements of a **publicly traded entity**. See Example 1 (paragraph [715-20-55-16](#)).
- Interim-period disclosures of a publicly traded entity. See Example 2 (paragraph [715-20-55-18](#)).
- Interim-period disclosures of a **nonpublic entity** in a complete set of financial statements. See Example 3 (paragraph [715-20-55-19](#)).

**715-20-55-15** The financial statements of a nonpublic entity would be similarly presented but would not be required to include the information contained in paragraph [715-20-50-1\(a\) through \(c\)](#), [715-20-50-1\(h\)](#), [715-20-50-1\(m\)](#), and [715-20-50-1\(o\) through \(r\)](#). The items presented in these Examples have been included for illustrative purposes. Certain assumptions have been made to simplify the computations and focus on the disclosure requirements.

**> > Example 1: Disclosures about Defined Benefit Pension and Other Postretirement Benefit Plans in the Annual Financial Statements of a Publicly Traded Entity**

**715-20-55-16** The following illustrates the fiscal 20X3 financial statement disclosures for an employer (Entity A) with multiple defined benefit pension plans and other postretirement benefit plans (dollar amounts in millions). Narrative descriptions of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption (see paragraph [715-20-50-1\(d\)\(iii\)](#)) and disclosure of the valuation technique(s) and inputs used to measure the fair value of plan assets and a discussion of changes in valuation techniques and inputs (see paragraph [715-20-55-1\(d\)\(iv\)\(.03\)](#)), if any, are not included in this Example. The narrative description of the basis used to determine the overall expected long-term rate-of-return-on-assets assumption is meant to be entity-specific. For purposes of this Example, the disclosures required by paragraphs [715-20-50-1\(d\)\(ii\)](#) and [715-20-50-1\(d\)\(iv\)](#) are provided for only the fiscal year ending December 31, 20X3. However, those paragraphs indicate that the disclosures are required to be presented as of each date for which a statement of financial position is presented.

**715-20-55-17** During 20X3, Entity A acquired FV Industries and amended its plans. Entity A would make the following disclosure.

**Notes to Financial Statements**

**Pension and Other Postretirement Benefit Plans**

Entity A has both funded and unfunded noncontributory defined benefit pension plans that together cover substantially all of its employees. The plans provide defined benefits based on years of service and final average salary.

Entity A also has other postretirement benefit plans covering substantially all of its employees. The health care plans are contributory with participants' contributions adjusted annually; the life insurance plans are noncontributory. The accounting for the health care plans anticipates future cost-sharing changes to the written plans that are consistent with the entity's expressed intent to increase retiree contributions each year by 50 percent of health care cost increases in excess of 6 percent. The postretirement health care plans include a limit on the entity's share of costs for recent and future retirees.

Entity A acquired FV Industries on December 27, 20X3, including its pension plans and other postretirement benefit plans. Amendments made at the end of 20X3 to Entity A's plans increased the pension benefit obligations by \$70 and reduced the other postretirement benefit obligations by \$75.



**Obligations and Funded Status****At December 31**

	<b>Pension Benefits</b>		<b>Other Benefits</b>	
	<b>20X3</b>	<b>20X2</b>	<b>20X3</b>	<b>20X2</b>
<b>Change in benefit obligation</b>				
Benefit obligation at beginning of year	\$1,246	\$1,200	\$ 742	\$ 712
Service cost	76	72	36	32
Interest cost	90	88	55	55
Plan participants' contributions			20	13
Amendments	70		(75)	
Actuarial loss	20		25	
Acquisition	900		600	
Benefits paid	(125)	(114)	(90)	(70)
Benefit obligation at end of year	<u>2,277</u>	<u>1,246</u>	<u>1,313</u>	<u>742</u>
<b>Change in plan assets</b>				
Fair value of plan assets at beginning of year	1,068	894	206	87
Actual return on plan assets	29	188	5	24
Acquisition	1,000		25	
Employer contributions	75	100	137	152
Plan participants' contributions			20	13
Benefits paid	(125)	(114)	(90)	(70)
Fair value of plan assets at end of year	<u>2,047</u>	<u>1,068</u>	<u>303</u>	<u>206</u>
Funded status at end of year	<u>\$ (230)</u>	<u>\$ (178)</u>	<u>\$(1,010)</u>	<u>\$ (536)</u>

[Note: Nonpublic entities are not required to provide information in the preceding tables; they are required to disclose the employer's contributions, participants' contributions, benefit payments, and the funded status.]

Amounts recognized in the statement of financial position consist of the following.

	<b>Pension Benefits</b>		<b>Other Benefits</b>	
	<b>20X3</b>	<b>20X2</b>	<b>20X3</b>	<b>20X2</b>
Noncurrent assets	\$ 227	\$ 127	\$ -	\$ -
Current liabilities	(125)	(125)	(150)	(150)
Noncurrent liabilities	(332)	(180)	(860)	(386)
	<u>\$ (230)</u>	<u>\$ (178)</u>	<u>\$(1,010)</u>	<u>\$ (536)</u>

Amounts recognized in accumulated other comprehensive income consist of the following.

	<b>Pension Benefits</b>		<b>Other Benefits</b>	
	<b>20X3</b>	<b>20X2</b>	<b>20X3</b>	<b>20X2</b>
Net loss (gain)	\$ 94	\$ 18	\$ (11)	\$ (48)
Prior service cost (credit)	210	160	(92)	(22)
	<u>\$ 304</u>	<u>\$ 178</u>	<u>\$ (103)</u>	<u>\$ (70)</u>

The accumulated benefit obligation for all defined benefit pension plans was \$1,300 and \$850 at December 31, 20X3, and 20X2, respectively.

**Information for pension plans with an accumulated benefit obligation in excess of plan assets**

	December 31	
	20X3	20X2
Projected benefit obligation	\$ 263	\$ 247
Accumulated benefit obligation	237	222
Fair value of plan assets	84	95

**Components of Net Periodic Benefit Cost and Other Amounts Recognized in Other Comprehensive Income**

	Pension Benefits		Other
	20X3	20X2	20X3
<b>Net Periodic Benefit Cost</b>			
Service cost	\$ 76	\$ 72	\$ 3
Interest cost	90	88	7
Expected return on plan assets	(85)	(76)	(1)
Amortization of prior service cost	20	16	
Amortization of net (gain) loss	-	-	
Net periodic benefit cost	<u>\$ 101</u>	<u>\$ 100</u>	<u>\$ 9</u>

**Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income**

Net loss (gain)	\$ 76	\$ (112)	\$ 3
Prior service cost (credit)	70	-	(7)
Amortization of prior service cost	(20)	(16)	
Total recognized in other comprehensive income	<u>126</u>	<u>(128)</u>	<u>(2)</u>
Total recognized in net periodic benefit cost and other comprehensive income	<u>\$ 227</u>	<u>\$ (28)</u>	<u>\$ 7</u>

The estimated net loss and prior service cost for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are \$4 and \$27, respectively. The estimated prior service credit for the other defined benefit postretirement plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year is \$10.

[Note: Nonpublic entities are not required to separately disclose components of net periodic benefit cost.]

**Assumptions**

**Weighted-average assumptions used to determine benefit obligations at December 31**

	Pension Benefits		Other Benefits	
	20X3	20X2	20X3	20X2
Discount rate	6.75%	7.25%	7.00%	7.50%
Rate of compensation increase	4.25	4.50		

**Weighted-average assumptions used to determine net periodic benefit cost for years ended  
December 31**

	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	<u>20X3</u>	<u>20X2</u>	<u>20X3</u>	<u>20X2</u>
Discount rate	7.25%	7.50%	7.50%	7.75%
Expected long-term return on plan assets	8.00	8.50	8.10	8.75
Rate of compensation increase	4.50	4.75		

[Entity-specific narrative description of the basis used to determine the overall expected long-term rate of return on assets, as described in paragraph 715-20-50-1(d)(iii), would be included here.]

**Assumed health care cost trend rates at December 31**

	<u>20X3</u>	<u>20X2</u>
Health care cost trend rate assumed for next year	12%	12.5%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	6%	5%
Year that the rate reaches the ultimate trend rate	20X9	20X9

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects.

	<u>1-Percentage-Point Increase</u>	<u>1-Percentage-Point Decrease</u>
Effect on total of service and interest cost	\$ 22	\$ (20)
Effect on postretirement benefit obligation	173	(156)

[Note: Nonpublic entities are not required to provide the information about the impact of a one-percentage-point increase and one-percentage-point decrease in the assumed health care cost trend rates.]

### **Plan Assets**

The company's overall investment strategy is to achieve a mix of approximately 75 percent of investments for long-term growth and 25 percent for near-term benefit payments with a wide diversification of asset types, fund strategies, and fund managers. The target allocations for plan assets are 65 percent equity securities, 20 percent corporate bonds and U.S. Treasury securities, and 15 percent to all other types of investments. Equity securities primarily include investments in large-cap and mid-cap companies primarily located in the United States. Fixed income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, and U.S. Treasuries. Other types of investments include investments in hedge funds and private equity funds that follow several different strategies.

The fair value of Entity A's pension plan assets at December 31, 20X3, by asset class are as follows.

[Note: The two methods for disclosing the fair value of classes of plan assets presented below are not intended to be treated as a template. While they both provide examples of disclosures that comply with the requirements of paragraph 715-20-50-5(d)(ii), the classes disclosed should be tailored to the nature and risks of assets in an employer's

plan(s). Additionally, an employer should consider the overall objectives in paragraphs 715-20-50-5(d)(1), (2), and (5).]

### Method 1:

Asset Class	Fair Value Measurements at December 31, 20X3 (in millions)			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 150	\$ 150		
Equity securities:				
U.S. large-cap <sup>(a)</sup>	550	550		
U.S. mid-cap growth	100	100		
International large-cap value	325	325		
Emerging markets growth	75	25	\$ 50	
Domestic real estate	100	20	80	
Fixed income securities:				
U.S. Treasuries	200	200		
Corporate bonds <sup>(b)</sup>	200		200	
Mortgage-backed securities	50		50	
Other types of investments:				
Equity long/short hedge funds <sup>(c)</sup>	55			\$ 55
Event driven hedge funds <sup>(d)</sup>	45			45
Global opportunities hedge funds <sup>(e)</sup>	35			35
Multi-strategy hedge funds <sup>(f)</sup>	40			40
Private equity funds <sup>(g)</sup>	47			47
Real estate	75			75
Total	<u>\$ 2,047</u>	<u>\$ 1,370</u>	<u>\$ 380</u>	<u>\$ 297</u>

- (a) This class comprises low-cost equity index funds not actively managed that track the S&P 500.
- (b) This class represents investment grade bonds of U.S. issuers from diverse industries.
- (c) This class includes hedge funds that invest both long and short in primarily U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position.
- (d) This class includes investments in approximately 60% equities and 40% bonds to profit from economic, political, and government driven events. A majority of the investments are targeted at economic policy decisions.
- (e) This class includes approximately 80% investments in non-U.S. common stocks in the health care, energy, information technology, utilities, and telecommunications sectors and approximately 20% investments in diversified currencies.
- (f) This class invests in multiple strategies to diversify risks and reduce volatility. It includes investments in approximately 50% U.S. common stocks, 30% global real estate projects, and 20% arbitrage investments.
- (g) This class includes several private equity funds that invest primarily in U.S. commercial real estate.

[Note: Presented below is another method by which management could disclose classes of plan assets.]

### Method 2:

Asset Class	Fair Value Measurements at December 31, 20X3 (in millions)			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 150	\$ 150		
Equity securities:				
U.S. companies	400	400		
International companies	300	300		
Mutual funds (a)	450	320	\$ 130	
U.S. Treasury securities	200	200		
AA corporate bonds	100		100	
A corporate bonds	100		100	
Mortgage-backed securities	50		50	
Equity long/short hedge funds (b)	55			\$ 55
Event driven hedge funds (c)	45			45
Global opportunities hedge funds (d)	35			35
Multi-strategy hedge funds (e)	40			40
Private equity funds (f)	47			47
Real estate	75			75
<b>Total</b>	<b>\$ 2,047</b>	<b>\$ 1,370</b>	<b>\$ 380</b>	<b>\$ 297</b>

- (a) 70% of mutual funds invest in common stock of large-cap U.S. companies. 30% of the company's mutual fund investments focus on emerging markets and domestic real estate common stocks.
- (b) This class includes hedge funds that invest both long and short in primarily U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position.
- (c) This class includes investments in approximately 60% equities and 40% bonds to profit from economic, political, and government driven events. A majority of the investments are targeted at economic policy decisions.
- (d) This class includes approximately 80% investments in non-U.S. common stocks in the health care, energy, information technology, utilities, and telecommunications sectors and approximately 20% investments in diversified currencies.
- (e) This class invests in multiple strategies to diversify risks and reduce volatility. It includes investments in approximately 50% U.S. common stocks, 30% global real estate projects, and 20% arbitrage investments.
- (f) This class includes several private equity funds that invest primarily in U.S. commercial real estate.

[Note: An entity shall disclose the following information regardless of its method for disclosing classes of plan assets.]

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)						Total
	Equity Long/Short Hedge Funds	Event Driven Hedge Funds	Global Opportunities Hedge Funds	Multi-Strategy Hedge Funds	Private Equity Funds	Real Estate	
Beginning balance at December 31, 20X2	\$ 40	\$ 35	\$ 39	\$ 35	\$ 40	\$ 10	\$ 199
Actual return on plan assets:							
Relating to assets still held at the reporting date	(2)	5	(7)	5	2	3	6
Relating to assets sold during the period		3			2		5
Purchases, sales, and settlements	15	2			3	62	82
Transfers in and/or out of Level 3	2		3				5
Ending balance at December 31, 20X3	<u>\$ 55</u>	<u>\$ 45</u>	<u>\$ 35</u>	<u>\$ 40</u>	<u>\$ 47</u>	<u>\$ 75</u>	<u>\$ 297</u>

[Entity-specific narrative description of investment policies and strategies for plan assets, including weighted-average target asset allocations [if used as part of those policies and strategies] as described in paragraph 715-20-50-1(d)(ii) would be included here.]

The fair values of Entity A's other postretirement benefit plan assets at December 31, 20X3, by asset class are as follows.

Asset Class	Fair Value Measurements at December 31, 20X3 (in millions)			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Diversified equity securities	\$ 150	\$ 150	-	\$
U.S. Treasury securities	50	50	-	
Diversified corporate bonds	103	-	\$ 103	
Total	<u>\$ 303</u>	<u>\$ 200</u>	<u>\$ 103</u>	<u>\$</u>

Diversified equity securities include Entity A common stock in the amounts of \$12 at December 31, 20X3.

### Cash Flows

### Contributions

Entity A expects to contribute \$125 million to its pension plan and \$150 million to its other postretirement benefit plan in 20X4.

### Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid.

	<u>Pension Benefits</u>	<u>Other Benefits</u>
20X4	\$ 200	\$ 150
20X5	208	155
20X6	215	160
20X7	225	165
20X8	235	170
Years 20X9–20Y3	1,352	984

Pending Content:

**Transition Date:** (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** 715-20-65-3

During 20X3, Entity A acquired FV Industries and amended its plans. Entity A would make the following disclosure.

### Notes to Financial Statements

#### Pension and Other Postretirement Benefit Plans

Entity A has both funded and unfunded noncontributory defined benefit pension plans that together cover substantially all of its employees. The plans provide defined benefits based on years of service and final average salary.

Entity A also has other postretirement benefit plans covering substantially all of its employees. The health care plans are contributory with participants' contributions adjusted annually; the life insurance plans are noncontributory. The accounting for the health care plans anticipates future cost-sharing changes to the written plans that are consistent with the entity's expressed intent to increase retiree contributions each year by 50 percent of health care cost increases in excess of 6 percent. The postretirement health care plans include a limit on the entity's share of costs for recent and future retirees.

Entity A acquired FV Industries on December 27, 20X3, including its pension plans and other postretirement benefit plans. Amendments made at the end of 20X3 to Entity A's plans increased the pension benefit obligations by \$70 and reduced the other postretirement benefit obligations by \$75.

**Obligations and Funded Status****At December 31**

	<b>Pension Benefits</b>		<b>Other Benefits</b>	
	<b>20X3</b>	<b>20X2</b>	<b>20X3</b>	<b>20X2</b>
<b>Change in benefit obligation</b>				
Benefit obligation at beginning of year	\$1,246	\$1,200	\$ 742	\$ 712
Service cost	76	72	36	32
Interest cost	90	88	55	55
Plan participants' contributions			20	13
Amendments	70		(75)	
Actuarial loss	20		25	
Acquisition	900		600	
Benefits paid	(125)	(114)	(90)	(70)
Benefit obligation at end of year	<u>2,277</u>	<u>1,246</u>	<u>1,313</u>	<u>742</u>
<b>Change in plan assets</b>				
Fair value of plan assets at beginning of year	1,068	894	206	87
Actual return on plan assets	29	188	5	24
Acquisition	1,000		25	
Employer contributions	75	100	137	152
Plan participants' contributions			20	13
Benefits paid	(125)	(114)	(90)	(70)
Fair value of plan assets at end of year	<u>2,047</u>	<u>1,068</u>	<u>303</u>	<u>206</u>
Funded status at end of year	<u>\$ (230)</u>	<u>\$ (178)</u>	<u>\$ (1,010)</u>	<u>\$ (536)</u>

[Note: Nonpublic entities are not required to provide information in the preceding tables; they are required to disclose the employer's contributions, participants' contributions, benefit payments, and the funded status.]

Amounts recognized in the statement of financial position consist of the following.

	<b>Pension Benefits</b>		<b>Other Benefits</b>	
	<b>20X3</b>	<b>20X2</b>	<b>20X3</b>	<b>20X2</b>
Noncurrent assets	\$ 227	\$ 127	\$ -	\$ -
Current liabilities	(125)	(125)	(150)	(150)
Noncurrent liabilities	(332)	(180)	(860)	(386)
	<u>\$ (230)</u>	<u>\$ (178)</u>	<u>\$ (1,010)</u>	<u>\$ (536)</u>

Amounts recognized in accumulated other comprehensive income consist of the following.

	<b>Pension Benefits</b>		<b>Other Benefits</b>	
	<b>20X3</b>	<b>20X2</b>	<b>20X3</b>	<b>20X2</b>
Net loss (gain)	\$ 94	\$ 18	\$ (11)	\$ (48)
Prior service cost (credit)	210	160	(92)	(22)
	<u>\$ 304</u>	<u>\$ 178</u>	<u>\$ (103)</u>	<u>\$ (70)</u>

The accumulated benefit obligation for all defined benefit pension plans was \$1,300 and \$850 at December 31, 20X3, and 20X2, respectively.



**Information for pension plans with an accumulated benefit obligation in excess of plan assets**

	<u>December 31</u>	
	<u>20X3</u>	<u>20X2</u>
Projected benefit obligation	\$ 263	\$ 247
Accumulated benefit obligation	237	222
Fair value of plan assets	84	95

**Components of Net Periodic Benefit Cost and Other Amounts Recognized in Other Comprehensive Income**

	<u>Pension Benefits</u>		<u>Other</u>
	<u>20X3</u>	<u>20X2</u>	<u>20X3</u>
<b>Net Periodic Benefit Cost</b>			
Service cost	\$ 76	\$ 72	\$ -
Interest cost	90	88	-
Expected return on plan assets	(85)	(76)	-
Amortization of prior service cost	20	16	-
Amortization of net (gain) loss	-	-	-
Net periodic benefit cost	<u>\$ 101</u>	<u>\$ 100</u>	<u>\$ -</u>
<b>Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income</b>			
Net loss (gain)	\$ 76	\$ (112)	\$ -
Prior service cost (credit)	70	-	-
Amortization of prior service cost	(20)	(16)	-
Total recognized in other comprehensive income	<u>126</u>	<u>(128)</u>	<u>-</u>
Total recognized in net periodic benefit cost and other comprehensive income	<u>\$ 227</u>	<u>\$ (28)</u>	<u>\$ -</u>

The components of net periodic benefit cost other than the service cost component are included in the line item "other income/(expense)" in the income statement.

The estimated net loss and prior service cost for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are \$4 and \$27, respectively. The estimated prior service credit for the other defined benefit postretirement plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year is \$10.

[Note: Nonpublic entities are not required to separately disclose components of net periodic benefit cost.]

**Assumptions**

**Weighted-average assumptions used to determine benefit obligations at December 31**

	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	<u>20X3</u>	<u>20X2</u>	<u>20X3</u>	<u>20X2</u>
Discount rate	6.75%	7.25%	7.00%	7.50%
Rate of compensation increase	4.25	4.50		

**Weighted-average assumptions used to determine net periodic benefit cost for years ended  
December 31**

	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	<u>20X3</u>	<u>20X2</u>	<u>20X3</u>	<u>20X2</u>
Discount rate	7.25%	7.50%	7.50%	7.75%
Expected long-term return on plan assets	8.00	8.50	8.10	8.75
Rate of compensation increase	4.50	4.75		

[Entity-specific narrative description of the basis used to determine the overall expected long-term rate of return on assets, as described in paragraph 715-20-50-1(d)(iii), would be included here.]

**Assumed health care cost trend rates at December 31**

	<u>20X3</u>	<u>20X2</u>
Health care cost trend rate assumed for next year	12%	12.5%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	6%	5%
Year that the rate reaches the ultimate trend rate	20X9	20X9

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects.

	<u>1-Percentage-Point Increase</u>	<u>1-Percentage-Point Decrease</u>
Effect on total of service and interest cost	\$ 22	\$ (20)
Effect on postretirement benefit obligation	173	(156)

[Note: Nonpublic entities are not required to provide the information about the impact of a one-percentage-point increase and one-percentage-point decrease in the assumed health care cost trend rates.]

### **Plan Assets**

The company's overall investment strategy is to achieve a mix of approximately 75 percent of investments for long-term growth and 25 percent for near-term benefit payments with a wide diversification of asset types, fund strategies, and fund managers. The target allocations for plan assets are 65 percent equity securities, 20 percent corporate bonds and U.S. Treasury securities, and 15 percent to all other types of investments. Equity securities primarily include investments in large-cap and mid-cap companies primarily located in the United States. Fixed income securities include corporate bonds of companies from diversified industries, mortgage-backed securities, and U.S. Treasuries. Other types of investments include investments in hedge funds and private equity funds that follow several different strategies.

The fair value of Entity A's pension plan assets at December 31, 20X3, by asset class are as follows.

[Note: The two methods for disclosing the fair value of classes of plan assets presented below are not intended to be treated as a template. While they both provide examples of disclosures that comply with the requirements of paragraph 715-20-50-5(d)(ii), the classes disclosed should be tailored to the nature and risks of assets in an employer's plan(s). Additionally, an employer should consider the overall objectives in paragraphs 715-20-50-5(d)(1), (2), and (5).]

**Method 1:**

Asset Class	Fair Value Measurements at December 31, 20X3 (in millions)			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 150	\$ 150		
Equity securities:				
U.S. large-cap <sup>(a)</sup>	550	550		
U.S. mid-cap growth	100	100		
International large-cap value	325	325		
Emerging markets growth	75	25	\$ 50	
Domestic real estate	100	20	80	
Fixed income securities:				
U.S. Treasuries	200	200		
Corporate bonds <sup>(b)</sup>	200		200	
Mortgage-backed securities	50		50	
Other types of investments:				
Equity long/short hedge funds <sup>(c)</sup>	55			\$ 55
Event driven hedge funds <sup>(d)</sup>	45			45
Global opportunities hedge funds <sup>(e)</sup>	35			35
Multi-strategy hedge funds <sup>(f)</sup>	40			40
Private equity funds <sup>(g)</sup>	47			47
Real estate	75			75
Total	<u>\$ 2,047</u>	<u>\$ 1,370</u>	<u>\$ 380</u>	<u>\$ 297</u>

- (a) This class comprises low-cost equity index funds not actively managed that track the S&P 500.
- (b) This class represents investment grade bonds of U.S. issuers from diverse industries.
- (c) This class includes hedge funds that invest both long and short in primarily U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position.
- (d) This class includes investments in approximately 60% equities and 40% bonds to profit from economic, political, and government driven events. A majority of the investments are targeted at economic policy decisions.
- (e) This class includes approximately 80% investments in non-U.S. common stocks in the health care, energy, information technology, utilities, and telecommunications sectors and approximately 20% investments in diversified currencies.
- (f) This class invests in multiple strategies to diversify risks and reduce volatility. It includes investments in approximately 50% U.S. common stocks, 30% global real estate projects, and 20% arbitrage investments.
- (g) This class includes several private equity funds that invest primarily in U.S. commercial real estate.

[Note: Presented below is another method by which management could disclose classes of plan assets.]

**Method 2:**

Asset Class	Fair Value Measurements at December 31, 20X3 (in millions)			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 150	\$ 150		
Equity securities:				
U.S. companies	400	400		
International companies	300	300		
Mutual funds (a)	450	320	\$ 130	
U.S. Treasury securities	200	200		
AA corporate bonds	100		100	
A corporate bonds	100		100	
Mortgage-backed securities	50		50	
Equity long/short hedge funds (b)	55			\$ 55
Event driven hedge funds (c)	45			45
Global opportunities hedge funds (d)	35			35
Multi-strategy hedge funds (e)	40			40
Private equity funds (f)	47			47
Real estate	75			75
<b>Total</b>	<b>\$ 2,047</b>	<b>\$ 1,370</b>	<b>\$ 380</b>	<b>\$ 297</b>

- (a) 70% of mutual funds invest in common stock of large-cap U.S. companies. 30% of the company's mutual fund investments focus on emerging markets and domestic real estate common stocks.
- (b) This class includes hedge funds that invest both long and short in primarily U.S. common stocks. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position.
- (c) This class includes investments in approximately 60% equities and 40% bonds to profit from economic, political, and government driven events. A majority of the investments are targeted at economic policy decisions.
- (d) This class includes approximately 80% investments in non-U.S. common stocks in the health care, energy, information technology, utilities, and telecommunications sectors and approximately 20% investments in diversified currencies.
- (e) This class invests in multiple strategies to diversify risks and reduce volatility. It includes investments in approximately 50% U.S. common stocks, 30% global real estate projects, and 20% arbitrage investments.
- (f) This class includes several private equity funds that invest primarily in U.S. commercial real estate.

[Note: An entity shall disclose the following information regardless of its method for disclosing classes of plan assets.]

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)						Total
	Equity Long/Short Hedge Funds	Event Driven Hedge Funds	Global Opportunities Hedge Funds	Multi-Strategy Hedge Funds	Private Equity Funds	Real Estate	
Beginning balance at December 31, 20X2	\$ 40	\$ 35	\$ 39	\$ 35	\$ 40	\$ 10	\$ 199
Actual return on plan assets:							
Relating to assets still held at the reporting date	(2)	5	(7)	5	2	3	6
Relating to assets sold during the period		3			2		5
Purchases, sales, and settlements	15	2			3	62	82
Transfers in and/or out of Level 3	2		3				5
Ending balance at December 31, 20X3	<u>\$ 55</u>	<u>\$ 45</u>	<u>\$ 35</u>	<u>\$ 40</u>	<u>\$ 47</u>	<u>\$ 75</u>	<u>\$ 297</u>

[Entity-specific narrative description of investment policies and strategies for plan assets, including weighted-average target asset allocations [if used as part of those policies and strategies] as described in paragraph 715-20-50-1(d)(ii) would be included here.]

The fair values of Entity A's other postretirement benefit plan assets at December 31, 20X3, by asset class are as follows.

Asset Class	Fair Value Measurements at December 31, 20X3 (in millions)			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Diversified equity securities	\$ 150	\$ 150	-	\$
U.S. Treasury securities	50	50	-	
Diversified corporate bonds	103	-	\$ 103	
Total	<u>\$ 303</u>	<u>\$ 200</u>	<u>\$ 103</u>	<u>\$</u>

Diversified equity securities include Entity A common stock in the amounts of \$12 at December 31, 20X3.

### Cash Flows

### Contributions

Entity A expects to contribute \$125 million to its pension plan and \$150 million to its other postretirement benefit plan in 20X4.

### Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid.

	<u>Pension Benefits</u>	<u>Other Benefits</u>
20X4	\$ 200	\$ 150
20X5	208	155
20X6	215	160
20X7	225	165
20X8	235	170
Years 20X9–20Y3	1,352	984

> > **Example 2: Interim-Period Disclosures of a Publicly Traded Entity**

**715-20-55-18** This Example illustrates the disclosures of a publicly traded entity for the first fiscal quarter beginning after December 15, 20X3.

Components of Net Periodic Benefit Cost

Three months ended March 31

	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	<u>20X4</u>	<u>20X3</u>	<u>20X4</u>	<u>20X3</u>
Service cost	\$ 35	\$ 19	\$ 16	\$ 9
Interest cost	38	23	23	14
Expected return on plan assets	(41)	(21)	(6)	(4)
Amortization of prior service cost	7	5	(3)	(1)
Amortization of net (gain) loss	2	-	-	-
Net periodic benefit cost	<u>\$ 41</u>	<u>\$ 26</u>	<u>\$ 30</u>	<u>\$ 18</u>

Employer Contributions

Entity A previously disclosed in its financial statements for the year ended December 31, 20X3, that it expected to contribute \$125 million to its pension plan in 20X4. As of March 31, 20X4, \$20 million of contributions have been made. Entity A presently anticipates contributing an additional \$120 million to fund its pension plan in 20X4 for a total of \$140 million.

Pending Content:

**Transition Date:** (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** **715-20-65-3**

This Example illustrates the disclosures of a publicly traded entity for the first fiscal quarter beginning after December 15, 20X3.

Components of Net Periodic Benefit Cost

Three months ended March 31

	<u>Pension Benefits</u>		<u>Other Benefits</u>	
	<u>20X4</u>	<u>20X3</u>	<u>20X4</u>	<u>20X3</u>
Service cost	\$ 35	\$ 19	\$ 16	\$ 9
Interest cost	38	23	23	14
Expected return on plan assets	(41)	(21)	(6)	(4)
Amortization of prior service cost	7	5	(3)	(1)
Amortization of net (gain) loss	2	-	-	-
Net periodic benefit cost	<u>\$ 41</u>	<u>\$ 26</u>	<u>\$ 30</u>	<u>\$ 18</u>

The components of net periodic benefit cost other than the service cost component are included in the line item “other income/(expense)” in the income statement.

#### Employer Contributions

Entity A previously disclosed in its financial statements for the year ended December 31, 20X3, that it expected to contribute \$125 million to its pension plan in 20X4. As of March 31, 20X4, \$20 million of contributions have been made. Entity A presently anticipates contributing an additional \$120 million to fund its pension plan in 20X4 for a total of \$140 million.

### > > **Example 3: Interim-Period Disclosures of a Nonpublic Entity in a Complete Set of Financial Statements**

**715-20-55-19** This Example illustrates the disclosures for a nonpublic entity (Entity A) for the first fiscal quarter beginning after December 15, 20X3.

Entity A previously disclosed in its financial statements for the year ended December 31, 20X3, that it expected to contribute \$125 million to its pension plan in 20X4. As of March 31, 20X4, \$20 million of contributions have been made. Entity A presently anticipates contributing an additional \$120 million to fund its pension plan in 20X4 for a total of \$140 million.

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## 715-20-60 Relationships

**General Note:** The Relationships Section contains links to guidance that may be helpful to, but not required by, a user of the Subtopic. This Section may not be all-inclusive. The relationship items are organized according to the Topic structure in the Codification.

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### General

#### > **Compensation—General**

**715-20-60-1** For guidance on deferred compensation contracts that are accounted for individually on an accrual basis in accordance with the terms of the underlying contract, see Topic [710](#).

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## 715-20-65 Transition and Open Effective Date Information

**General Note:** The Transition Section contains a description of the required transition provisions and a list of the related paragraphs that have been modified. This Section will retain the transition content during the transition period. After the transition period, the transition content will be removed yet will be available in archived versions of the Section.

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## General

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**715-20-65-1** Paragraph superseded on 11/03/2014 after the end of the transition period stated in FASB Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, and FSP FAS 158-1.

**715-20-65-2** Paragraph superseded on 07/01/2010 after the end of the transition period stated in FSP FAS 132(R)-1, *Employers' Disclosures about Postretirement Benefit Plan Assets*.

**> Transition Related to Accounting Standards Update No. 2017-07, Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost**

**715-20-65-3** The following represents the transition and effective date information related to Accounting Standards Update No. 2017-07, *Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*:

- a. The pending content that links to this paragraph shall be effective as follows:
  1. For **public business entities**, for annual periods beginning after December 15, 2017, including interim periods within those annual periods
  2. For all other entities, for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.
- b. An entity shall apply the pending content that links to this paragraph as follows:
  1. Retrospectively for the presentation in the income statement of the service cost component and the other components of net periodic pension cost and net periodic postretirement benefit cost
  2. Prospectively, on and after the effective date, for the capitalization in assets of the service cost component of net periodic pension cost and net periodic postretirement benefit cost.
- c. As a practical expedient, an entity may use the amounts disclosed in its pension and other postretirement benefit plan note for the prior comparative periods as the estimation basis for applying the retrospective presentation requirements. If an entity elects to use the practical expedient, the entity shall disclose that the practical expedient was used.
- d. Early adoption of the pending content that links to this paragraph is permitted as of the beginning of an annual period for which financial statements (interim or annual) have not been issued or have not been made available for issuance. That is, early adoption of the pending content that links to this paragraph shall be within the first interim period if an entity issues interim financial statements.
- e. An entity shall disclose the nature of and reason for the change in accounting principle in the first interim and annual periods in which the entity adopts the pending content that links



to this paragraph.

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## 715-20-75 XBRL Elements

**General Note:** This section contains a list of XBRL elements that reference paragraphs in this Subtopic. For additional details regarding changes to the development version of the US GAAP Financial Reporting Taxonomy, refer to the [FASB taxonomy review and comment system](#) on the FASB web site.

### Accounting Standards Update 2017-07 [Member]

[Label and/or reference(s) most recently revised on 03/15/2017 after the last taxonomy release.]

**Element Name:** *AccountingStandardsUpdate201707Member*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 65 Transition > General, 65-3\(e\)](#)

### Accumulated Defined Benefit Plans Adjustment Attributable to Noncontrolling Interest [Member] {14}

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *AccumulatedDefinedBenefitPlansAdjustmentAttributableToNoncontrollingInterestMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A\(i\),\(j\),\(k\)](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)
- [810 Consolidation > 10 Overall > 50 Disclosure > General, 50-1A\(c\),\(3\)](#)

### Accumulated Defined Benefit Plans Adjustment Attributable to Parent [Member] {1075}

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *AccumulatedDefinedBenefitPlansAdjustmentMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A\(i\),\(j\),\(k\)](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)
- [810 Consolidation > 10 Overall > 50 Disclosure > General, 50-1A\(c\),\(3\)](#)

### **Accumulated Defined Benefit Plans Adjustment Including Portion Attributable to Noncontrolling Interest [Member] {76}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

#### **Element**

**Name:** *AccumulatedDefinedBenefitPlansAdjustmentIncludingPortionAttributableToNoncontrollingIr*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A\(i\),\(j\),\(k\)](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)
- [810 Consolidation > 10 Overall > 50 Disclosure > General, 50-1A\(c\),\(3\)](#)

### **Accumulated Defined Benefit Plans Adjustment, Net Gain (Loss) Attributable to Noncontrolling Interest [Member] {6}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

#### **Element**

**Name:** *AccumulatedDefinedBenefitPlansAdjustmentNetGainLossAttributableToNoncontrollingInter*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(i\),\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A\(i\)](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)

- [810 Consolidation > 10 Overall > 50 Disclosure > General, 50-1A\(c\),\(3\)](#)

### **Accumulated Defined Benefit Plans Adjustment, Net Gain (Loss) Attributable to Parent [Member] {178}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *AccumulatedDefinedBenefitPlansAdjustmentNetUnamortizedGainLossMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(i\),\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A\(i\)](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)
- [810 Consolidation > 10 Overall > 50 Disclosure > General, 50-1A\(c\),\(3\)](#)

### **Accumulated Defined Benefit Plans Adjustment, Net Gain (Loss) Including Portion Attributable to Noncontrolling Interest [Member] {23}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *AccumulatedDefinedBenefitPlansAdjustmentNetGainLossIncludingPortionAttributableToNor*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(i\),\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A\(i\)](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)
- [810 Consolidation > 10 Overall > 50 Disclosure > General, 50-1A\(c\),\(3\)](#)

### **Accumulated Defined Benefit Plans Adjustment, Net Prior Service Attributable to Noncontrolling Interest [Member] {3}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *AccumulatedDefinedBenefitPlansAdjustmentNetPriorServiceAttributableToNoncontrollingIn*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(i\),\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A\(j\)](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)
- [810 Consolidation > 10 Overall > 50 Disclosure > General, 50-1A\(c\),\(3\)](#)

### **Accumulated Defined Benefit Plans Adjustment, Net Prior Service Attributable to Parent [Member] {158}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *AccumulatedDefinedBenefitPlansAdjustmentNetPriorServiceCostCreditMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(i\),\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A\(j\)](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)
- [810 Consolidation > 10 Overall > 50 Disclosure > General, 50-1A\(c\),\(3\)](#)

### **Accumulated Defined Benefit Plans Adjustment, Net Prior Service Including Portion Attributable to Noncontrolling Interest [Member] {18}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *AccumulatedDefinedBenefitPlansAdjustmentNetPriorServiceIncludingPortionAttributableTo*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(i\),\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A\(j\)](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)
- [810 Consolidation > 10 Overall > 50 Disclosure > General, 50-1A\(c\),\(3\)](#)

**Accumulated Defined Benefit Plans Adjustment, Net Transition Attributable to Noncontrolling Interest [Member] {0}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *AccumulatedDefinedBenefitPlansAdjustmentNetTransitionAttributableToNoncontrollingInte*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i),(j)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A(k)
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A
- 810 Consolidation > 10 Overall > 50 Disclosure > General, 50-1A(c),(3)

**Accumulated Defined Benefit Plans Adjustment, Net Transition Attributable to Parent [Member] {30}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *AccumulatedDefinedBenefitPlansAdjustmentNetTransitionAssetObligationMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i),(j)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A(k)
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A
- 810 Consolidation > 10 Overall > 50 Disclosure > General, 50-1A(c),(3)

**Accumulated Defined Benefit Plans Adjustment, Net Transition Including Portion Attributable to Noncontrolling Interest [Member] {4}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *AccumulatedDefinedBenefitPlansAdjustmentNetTransitionIncludingPortionAttributableToNo*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i),(j)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A\(k\)](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)
- [810 Consolidation > 10 Overall > 50 Disclosure > General, 50-1A\(c\),\(3\)](#)

**Accumulated Other Comprehensive (Income) Loss, Defined Benefit Plan, Prior Service Cost (Credit), after Tax {171}**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAccumulatedOtherComprehensiveIncomeNetPriorServiceCostCreditAfter*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)

**Accumulated Other Comprehensive Income (Loss), Defined Benefit Plan, Gain (Loss), after Tax {243}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAccumulatedOtherComprehensiveIncomeNetGainsLossesAfterTax*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)

**Accumulated Other Comprehensive Income (Loss), Defined Benefit Plan, Transition Asset (Obligation), after Tax {31}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAccumulatedOtherComprehensiveIncomeNetTransitionAssetsObligation:*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)

### **Asset-backed Securities [Member] {475}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *AssetBackedSecuritiesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [320 Investments—Debt and Equity Securities > 10 Overall > 50 Disclosure > General, 50-5](#)

### **Asset-backed Securities, Securitized Loans and Receivables [Member] {57}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *AssetBackedSecuritiesSecuritizedLoansAndReceivablesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [320 Investments—Debt and Equity Securities > 10 Overall > 50 Disclosure > General, 50-5](#)

### **Assets for Plan Benefits, Defined Benefit Plan {468}**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanAssetsForPlanBenefitsNoncurrent*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-3](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(c\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02 \(17\)\)](#)
- [942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.9-03\(10\)\)](#)
- [944 Financial Services—Insurance > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.7-03\(a\)\(10\)\)](#)

**Balanced Funds [Member] {1}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *BalancedFundsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**Changes in Projected Benefit Obligations, Fair Value of Plan Assets, and Funded Status of Plan [Table Text Block] {196}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *ChangesInProjectedBenefitObligationsFairValueOfPlanAssetsAndFundedStatusOfPlanTable1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(a\)\(b\)\(c\)](#)

**Collateralized Debt Obligations [Member] {126}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *CollateralizedDebtObligationsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [320 Investments—Debt and Equity Securities > 10 Overall > 50 Disclosure > General, 50-1B](#)

**Collateralized Mortgage Backed Securities [Member] {500}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *MortgageBackedSecuritiesMember*



**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(iv\)\(01\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [320 Investments—Debt and Equity Securities > 10 Overall > 50 Disclosure > General, 50-1B](#)

**Commercial Mortgage Backed Securities [Member] {267}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *CommercialMortgageBackedSecuritiesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [320 Investments—Debt and Equity Securities > 10 Overall > 50 Disclosure > General, 50-3](#)

**Commercial Real Estate [Member] {360}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *CommercialRealEstateMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**Commodity Contract [Member] {502}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *CommodityContractMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**Convertible Debt Securities [Member] {403}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *ConvertibleDebtSecuritiesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 470 Debt > 20 Debt with Conversion and Other Options > 25 Recognition > General, 25-11

### **Corporate Debt Securities [Member] {1107}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *CorporateDebtSecuritiesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

### **Credit Risk Contract [Member] {76}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *CreditRiskContractMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 815 Derivatives and Hedging > 10 Overall > 50 Disclosure > General, 50-4D(a)(5)

### **Cross Currency Interest Rate Contract [Member] {90}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *CrossCurrencyInterestRateContractMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

### **Debt Security, Corporate, Non-US [Member] {117}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *ForeignCorporateDebtSecuritiesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 320 Investments—Debt and Equity Securities > 10 Overall > 50 Disclosure > General, 50-1B

### **Debt Security, Corporate, US [Member] {130}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DomesticCorporateDebtSecuritiesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 320 Investments—Debt and Equity Securities > 10 Overall > 50 Disclosure > General, 50-1B

### **Debt Security, Government, Non-US [Member] {309}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *ForeignGovernmentDebtSecuritiesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

### **Defined Benefit Plan, Accumulated Benefit Obligation {999}**

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanAccumulatedBenefitObligation*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(e)

### **Defined Benefit Plan, Accumulated Benefit Obligation, (Increase) Decrease for Settlement and Curtailment**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAccumulatedBenefitObligationIncreaseDecreaseForSettlementAndCurtai*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(r)

**Defined Benefit Plan, Accumulated Benefit Obligation, Increase (Decrease) for Plan Amendment**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAccumulatedBenefitObligationIncreaseDecreaseForPlanAmendment*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(r)

**Defined Benefit Plan, Accumulated Other Comprehensive (Income) Loss, Prior Service Cost (Credit), before Tax {679}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAccumulatedOtherComprehensiveIncomeNetPriorServiceCostCreditBefo*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(j)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A

**Defined Benefit Plan, Accumulated Other Comprehensive Income (Loss), Gain (Loss), before Tax {798}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAccumulatedOtherComprehensiveIncomeNetGainsLossesBeforeTax*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(j)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)

### **Defined Benefit Plan, Accumulated Other Comprehensive Income (Loss), Transition Asset (Obligation), before Tax {83}**

[Label and/or reference(s) most recently revised on 11/22/2016 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanAccumulatedOtherComprehensiveIncomeNetTransitionAssetsObligation:*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(j\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A\(k\)](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-14A](#)

### **Defined Benefit Plan, Actuarial Gain (Loss), Immediate Recognition as Component in Net Periodic Benefit (Cost) Credit**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanActuarialGainLossImmediateRecognitionAsComponentInNetPeriodicBenefit:*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)\(4\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)\(4\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 35 Subsequent Measurement > General, 35-20](#)

### **Defined Benefit Plan, Alternative Method Used to Amortize Gain (Loss), Description {3}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanAlternativeMethodUsedToAmortizeNetGainsAndLosses*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(o\)](#)

**Defined Benefit Plan, Alternative Method Used to Amortize Prior Service Cost, Description {0}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanAlternativeMethodUsedToAmortizePriorServiceAmounts*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(o\)](#)

**Defined Benefit Plan, Amortization of Gain (Loss) {1254}**

[Label and/or reference(s) most recently revised on 08/21/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanAmortizationOfGainsLosses*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)\(4\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)\(4\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Defined Benefit Plan, Amortization of Prior Service Cost (Credit) {1018}**

[Label and/or reference(s) most recently revised on 08/21/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanAmortizationOfPriorServiceCostCredit*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)\(5\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)\(5\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Defined Benefit Plan, Amortization of Transition Asset (Obligation)**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanAmortizationOfTransitionAssetObligation*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)\(6\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)\(6\)](#)

**Defined Benefit Plan, Amount Recognized in Net Periodic Benefit Cost (Credit) and Other Comprehensive (Income) Loss, before Tax {152}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *AmountRecognizedInNetPeriodicBenefitCostAndOtherComprehensiveIncomeLossBeforeTax*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**Defined Benefit Plan, Amounts for Asset (Liability) Recognized in Statement of Financial Position {653}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanAmountsRecognizedInBalanceSheet*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(c)

**Defined Benefit Plan, Assumptions Used Calculating Benefit Obligation, Discount Rate {1369}**

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanAssumptionsUsedCalculatingBenefitObligationDiscountRate*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(k)(1)

**Defined Benefit Plan, Assumptions Used Calculating Benefit Obligation, Rate of Compensation Increase {947}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAssumptionsUsedCalculatingBenefitObligationRateOfCompensationIncre*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(k)(2)

**Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost, Change Due to Subsequent Interim Measurement, Weighted-Average Expected Long-term Rate of Return on Plan Assets**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAssumptionsUsedCalculatingNetPeriodicBenefitCostChangeDueToSubse*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-8](#)

**Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost, Discount Rate {1273}**

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAssumptionsUsedCalculatingNetPeriodicBenefitCostDiscountRate*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(k\)\(1\)](#)

**Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost, Expected Long-term Rate of Return on Plan Assets {1249}**

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAssumptionsUsedCalculatingNetPeriodicBenefitCostExpectedLongTermR*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(k\)\(3\)](#)

**Defined Benefit Plan, Assumptions Used Calculating Net Periodic Benefit Cost, Rate of Compensation Increase {988}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAssumptionsUsedCalculatingNetPeriodicBenefitCostRateOfCompensator*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(k\)\(2\)](#)

**Defined Benefit Plan, Benefit Obligation {1528}**



[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanBenefitObligation*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(a)

### **Defined Benefit Plan, Benefit Obligation, (Increase) Decrease for Curtailment {313}**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanCurtailments*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(a)(10)

### **Defined Benefit Plan, Benefit Obligation, (Increase) Decrease for Remeasurement due to Settlement**

[Label and/or reference(s) most recently revised on 11/22/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanBenefitObligationIncreaseDecreaseForRemeasurementDueToSettlement*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(a)(10)

### **Defined Benefit Plan, Benefit Obligation, (Increase) Decrease for Settlement {420}**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanSettlementsBenefitObligation*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(a)(10)

### **Defined Benefit Plan, Benefit Obligation, Actuarial Gain (Loss) {1407}**

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanActuarialGainLoss*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(a)(4)

**Defined Benefit Plan, Benefit Obligation, Benefits Paid**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanBenefitObligationBenefitsPaid*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(a)(6)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4

**Defined Benefit Plan, Benefit Obligation, Business Combination {206}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanBusinessCombinationsAndAcquisitionsBenefitObligation*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(a)(8)

**Defined Benefit Plan, Benefit Obligation, Contributions by Plan Participant**

[Label and/or reference(s) most recently revised on 08/12/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanBenefitObligationContributionsByPlanParticipant*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(a)(3)

**Defined Benefit Plan, Benefit Obligation, Divestiture {65}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanDivestituresBenefitObligation*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(a)(9)

**Defined Benefit Plan, Benefit Obligation, Foreign Currency Translation Gain (Loss) {604}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanForeignCurrencyExchangeRateChangesBenefitObligation*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(a\)\(5\)](#)

### **Defined Benefit Plan, Benefit Obligation, Increase (Decrease) for Plan Amendment {581}**

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAmendments*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(a\)\(7\)](#)

### **Defined Benefit Plan, Benefit Obligation, Payment for Settlement**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanBenefitObligationPaymentForSettlement*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(a\)\(10\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 15 Scope > Settlements, Curtailments, and Certain Termination Benefits, 15-6\(a\)\(1\)](#)

### **Defined Benefit Plan, Benefit Obligation, Special and Contractual Termination Benefits {115}**

[Label and/or reference(s) most recently revised on 11/22/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanSpecialTerminationBenefits*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(a\)\(10\)](#)

### **Defined Benefit Plan, Cash [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanCashMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(iv\)\(01\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Cash and Cash Equivalents [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanCashAndCashEquivalentsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

### **Defined Benefit Plan, Changes in Benefit Obligation and Plan Assets, Description**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanExplanationOfSignificantChangeInBenefitObligationOrPlanAssetsNotApp.*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(r\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-3\(c\)](#)

### **Defined Benefit Plan, Common Collective Trust [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanCommonCollectiveTrustMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

### **Defined Benefit Plan, Cost of Providing Special and Contractual Termination Benefits {52}**

[Label and/or reference(s) most recently revised on 12/05/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanCostOfProvidingSpecialOrContractualTerminationBenefitRecognizedDuri*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(q\)](#)

### **Defined Benefit Plan, Debt Security [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanDebtSecurityMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

### **Defined Benefit Plan, Debt Security, A Corporate Bond [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanDebtSecurityACorporateBondMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Debt Security, AA Corporate Bond [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanDebtSecurityAaCorporateBondMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Debt Security, Issued by Employer, Related Party [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanDebtSecurityIssuedByEmployerRelatedPartyMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(n\)](#)

**Defined Benefit Plan, Derivative [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanDerivativeMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

**Defined Benefit Plan, Description {32}**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlansGeneralInformation*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**Defined Benefit Plan, Effect of One Percentage Point Decrease on Accumulated Postretirement Benefit Obligation {571}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanEffectOfOnePercentagePointDecreaseOnAccumulatedPostretirementBen*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(m)

**Defined Benefit Plan, Effect of One Percentage Point Decrease on Service and Interest Cost Components {528}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanEffectOfOnePercentagePointDecreaseOnServiceAndInterestCostCompon*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(m)

**Defined Benefit Plan, Effect of One Percentage Point Increase on Accumulated Postretirement Benefit Obligation {584}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanEffectOfOnePercentagePointIncreaseOnAccumulatedPostretirementBene*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(m\)](#)

**Defined Benefit Plan, Effect of One Percentage Point Increase on Service and Interest Cost Components {542}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanEffectOfOnePercentagePointIncreaseOnServiceAndInterestCostCompon*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(m\)](#)

**Defined Benefit Plan, Equity Security [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanEquitySecurityMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Defined Benefit Plan, Equity Security, Class A Common Stock Issued by Employer, Related Party [Member]**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanEquitySecurityClassACommonStockIssuedByEmployerRelatedPartyMem*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(n\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Defined Benefit Plan, Equity Security, Class B Common Stock Issued by Employer, Related Party [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element****Name:** *DefinedBenefitPlanEquitySecurityClassBCommonStockIssuedByEmployerRelatedPartyMem.***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(n)

**Defined Benefit Plan, Equity Security, Common Stock Issued by Employer, Related Party [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element****Name:** *DefinedBenefitPlanEquitySecurityCommonStockIssuedByEmployerRelatedPartyMember***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(n)

**Defined Benefit Plan, Equity Security, Emerging Markets, Growth [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanEquitySecurityEmergingMarketsGrowthMember***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**Defined Benefit Plan, Equity Security, Large Cap [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanEquitySecurityLargeCapMember***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

**Defined Benefit Plan, Equity Security, Mid Cap [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanEquitySecurityMidCapMember*



**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

### **Defined Benefit Plan, Equity Security, Non-US [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanEquitySecurityNonUsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(iv\)\(01\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Equity Security, Non-US, Large Cap, Value [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanEquitySecurityNonUsLargeCapValueMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Equity Security, Preferred Stock Issued by Employer, Related Party [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanEquitySecurityPreferredStockIssuedByEmployerRelatedPartyMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(n\)](#)

### **Defined Benefit Plan, Equity Security, Small Cap [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanEquitySecuritySmallCapMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**Defined Benefit Plan, Equity Security, US Real Estate [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanEquitySecurityUsRealEstateMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Defined Benefit Plan, Equity Security, US [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanEquitySecurityUsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(iv\)\(01\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Defined Benefit Plan, Equity Security, US, Large Cap [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanEquitySecurityUsLargeCapMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Defined Benefit Plan, Equity Security, US, Mid Cap, Growth [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanEquitySecurityUsMidCapGrowthMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Estimated Future Retirement Benefits Covered by Insurance Contract, Amount**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanEstimatedAmountOfPlanParticipantsFutureBenefitsCoveredByInsuranceC*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(n\)](#)

### **Defined Benefit Plan, Expected Amortization of Gain (Loss), Next Fiscal Year**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanExpectedAmortizationOfGainLossNextFiscalYear*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(s\)](#)

### **Defined Benefit Plan, Expected Amortization of Prior Service Cost (Credit), Next Fiscal Year**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanExpectedAmortizationOfPriorServiceCostCreditNextFiscalYear*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(s\)](#)

### **Defined Benefit Plan, Expected Amortization of Transition Asset (Obligation), Next Fiscal Year**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanExpectedAmortizationOfTransitionAssetObligationNextFiscalYear*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(s\)](#)

**Defined Benefit Plan, Expected Amortization, Next Fiscal Year**

[Label and/or reference(s) most recently revised on 08/11/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanExpectedAmortizationNextFiscalYear*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(s)

**Defined Benefit Plan, Expected Future Benefit Payment, Five Fiscal Years Thereafter**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanExpectedFutureBenefitPaymentsFiveFiscalYearsThereafter*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

**Defined Benefit Plan, Expected Future Benefit Payment, Next Twelve Months**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanExpectedFutureBenefitPaymentsNextTwelveMonths*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

**Defined Benefit Plan, Expected Future Benefit Payment, Year Five**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanExpectedFutureBenefitPaymentsYearFive*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

**Defined Benefit Plan, Expected Future Benefit Payment, Year Four**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanExpectedFutureBenefitPaymentsYearFour*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

**Defined Benefit Plan, Expected Future Benefit Payment, Year Three**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanExpectedFutureBenefitPaymentsYearThree*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

**Defined Benefit Plan, Expected Future Benefit Payment, Year Two**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanExpectedFutureBenefitPaymentsYearTwo*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

**Defined Benefit Plan, Expected Future Employer Contributions, Current Fiscal Year**

[Label and/or reference(s) most recently revised on 11/15/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanExpectedFutureEmployerContributionsCurrentFiscalYear*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6(b)

**Defined Benefit Plan, Expected Future Employer Contributions, Next Fiscal Year**

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanExpectedFutureEmployerContributionsNextFiscalYear*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(g)

**Defined Benefit Plan, Expected Future Employer Contributions, Remainder of Fiscal Year**

[Label and/or reference(s) most recently revised on 08/16/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanExpectedFutureEmployerContributionsRemainderOfFiscalYear*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(b\)](#)

### **Defined Benefit Plan, Expected Future Prescription Drug Subsidy Receipt, Next Twelve Months {72}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugSubsidyReceiptsNextTwelveMonths*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(f\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4](#)

### **Defined Benefit Plan, Expected Future Prescription Drug Subsidy Receipt, Year Five {68}**

[Label and/or reference(s) most recently revised on 12/05/2016 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugSubsidyReceiptsYearFive1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(f\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4](#)

### **Defined Benefit Plan, Expected Future Prescription Drug Subsidy Receipt, Year Four {68}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugSubsidyReceiptsYearFour1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(f\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4](#)

**Defined Benefit Plan, Expected Future Prescription Drug Subsidy Receipt, Year Three {67}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugSubsidyReceiptsYearThree1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4

**Defined Benefit Plan, Expected Future Prescription Drug Subsidy Receipt, Year Two {69}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugSubsidyReceiptsYearTwo1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4

**Defined Benefit Plan, Expected Future Prescription Drug Subsidy Receipt, after Year Five {67}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugSubsidyReceiptsAfterYearFive*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4

**Defined Benefit Plan, Expected Return (Loss) on Plan Assets {1332}**

[Label and/or reference(s) most recently revised on 08/21/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanExpectedReturnOnPlanAssets*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)\(3\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)\(3\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Funded (Unfunded) Status of Plan {1278}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanFundedStatusOfPlan*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(c\)](#)

### **Defined Benefit Plan, Funding Status [Extensible List]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanFundingStatusExtensibleList*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)

### **Defined Benefit Plan, Health Care Cost Trend Rate Assumed, Next Fiscal Year**

[Label and/or reference(s) most recently revised on 08/12/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanHealthCareCostTrendRateAssumedNextFiscalYear*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(l\)](#)

### **Defined Benefit Plan, Interest Cost {1518}**

[Label and/or reference(s) most recently revised on 08/21/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanInterestCost*



**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(a\)\(2\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)\(2\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)\(2\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Defined Benefit Plan, Net Periodic Benefit (Cost) Credit, Amortization of Gain (Loss), Statement of Income or Comprehensive Income [Extensible List]**

[Label and/or reference(s) most recently revised on 03/31/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanNetPeriodicBenefitCostCreditAmortizationOfGainLossStatementOfIncome*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)](#)

**Defined Benefit Plan, Net Periodic Benefit (Cost) Credit, Amortization of Transition Asset (Obligation), Statement of Income or Comprehensive Income [Extensible List]**

[Label and/or reference(s) most recently revised on 03/31/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanNetPeriodicBenefitCostCreditAmortizationOfTransitionAssetObligationStatementOfIncome*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)](#)

**Defined Benefit Plan, Net Periodic Benefit (Cost) Credit, Curtailment Gain (Loss), Statement of Income or Comprehensive Income [Extensible List]**

[Label and/or reference(s) most recently revised on 03/31/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanNetPeriodicBenefitCostCreditCurtailmentGainLossStatementOfIncomeOrComprehensiveIncome*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)](#)

### **Defined Benefit Plan, Net Periodic Benefit (Cost) Credit, Expected Return (Loss), Statement of Income or Comprehensive Income [Extensible List]**

[Label and/or reference(s) most recently revised on 03/31/2017 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanNetPeriodicBenefitCostCreditExpectedReturnLossStatementOfIncomeOr*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)](#)

### **Defined Benefit Plan, Net Periodic Benefit (Cost) Credit, Immediate Recognition of Actuarial Gain (Loss), Statement of Income or Comprehensive Income [Extensible List]**

[Label and/or reference(s) most recently revised on 03/31/2017 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanNetPeriodicBenefitCostCreditImmediateRecognitionOfActuarialGainLoss*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)](#)

### **Defined Benefit Plan, Net Periodic Benefit (Cost) Credit, Settlement Gain (Loss), Statement of Income or Comprehensive Income [Extensible List]**

[Label and/or reference(s) most recently revised on 03/31/2017 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanNetPeriodicBenefitCostCreditSettlementGainLossStatementOfIncomeOr*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)](#)

**Defined Benefit Plan, Net Periodic Benefit (Cost) Credit, Settlement and Curtailment Gain (Loss), Statement of Income or Comprehensive Income [Extensible List]**

[Label and/or reference(s) most recently revised on 03/31/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanNetPeriodicBenefitCostCreditSettlementAndCurtailmentGainLossStatem*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)](#)

**Defined Benefit Plan, Net Periodic Benefit Cost (Credit) Excluding Service Cost, Statement of Income or Comprehensive Income [Extensible List]**

[Label and/or reference(s) most recently revised on 04/21/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanNetPeriodicBenefitCostCreditExcludingServiceCostStatementOfIncomeO*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)](#)

**Defined Benefit Plan, Net Periodic Benefit Cost (Credit) {1563}**

[Label and/or reference(s) most recently revised on 08/21/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanNetPeriodicBenefitCost*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Defined Benefit Plan, Net Periodic Benefit Cost (Credit), Amortization of Prior Service Cost (Credit), Statement of Income or Comprehensive Income [Extensible List]**

[Label and/or reference(s) most recently revised on 03/31/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanNetPeriodicBenefitCostCreditAmortizationOfPriorServiceCostCreditStatei*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)](#)

**Defined Benefit Plan, Net Periodic Benefit Cost (Credit), Gain (Loss) Due to Curtailment {347}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanRecognizedNetGainLossDueToCurtailments*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)\(7\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)\(7\)](#)

**Defined Benefit Plan, Net Periodic Benefit Cost (Credit), Gain (Loss) Due to Settlement and Curtailment {256}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanRecognizedNetGainLossDueToSettlementsAndCurtailments1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)\(7\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)\(7\)](#)

**Defined Benefit Plan, Net Periodic Benefit Cost (Credit), Gain (Loss) Due to Settlement {507}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanRecognizedNetGainLossDueToSettlements1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)\(7\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)\(7\)](#)

**Defined Benefit Plan, Net Periodic Benefit Cost (Credit), Increase (Decrease) for Plan Amendment**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanNetPeriodicBenefitCostCreditIncreaseDecreaseForPlanAmendment*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(r)

**Defined Benefit Plan, Net Periodic Benefit Cost (Credit), Interest Cost, Statement of Income or Comprehensive Income [Extensible List]**

[Label and/or reference(s) most recently revised on 03/31/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanNetPeriodicBenefitCostCreditInterestCostStatementOfIncomeOrCompre*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(h)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6(a)

**Defined Benefit Plan, Net Periodic Benefit Cost, Practical Expedient, Comparative Period Disclosure [true false]**

[Label and/or reference(s) most recently revised on 08/16/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanNetPeriodicBenefitCostPracticalExpedientComparativePeriodDisclosure*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 65 Transition > General, 65-3(c)

**Defined Benefit Plan, Pension Plan with Accumulated Benefit Obligation in Excess of Plan Assets, Projected Benefit Obligation {435}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanPensionPlansWithAccumulatedBenefitObligationsInExcessOfPlanAssetsA*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3(a)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

### **Defined Benefit Plan, Pension Plan with Projected Benefit Obligation in Excess of Plan Assets, Accumulated Benefit Obligation**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanPensionPlanWithProjectedBenefitObligationInExcessOfPlanAssetsAccum*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3\(a\)](#)

### **Defined Benefit Plan, Pension Plan with Projected Benefit Obligation in Excess of Plan Assets, Plan Assets**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanPensionPlanWithProjectedBenefitObligationInExcessOfPlanAssetsPlanAs*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3\(a\)](#)

### **Defined Benefit Plan, Pension Plan with Projected Benefit Obligation in Excess of Plan Assets, Projected Benefit Obligation**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanPensionPlanWithProjectedBenefitObligationInExcessOfPlanAssetsProject*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3\(a\)](#)

### **Defined Benefit Plan, Plan Assets {1409}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanFairValueOfPlanAssets*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(b\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(iv\)\(01\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Defined Benefit Plan, Plan Assets Level 3 Reconciliation, Decrease for Sales**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsLevel3ReconciliationDecreaseForSales*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(02)(B)

**Defined Benefit Plan, Plan Assets Level 3 Reconciliation, Decrease for Settlements**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsLevel3ReconciliationDecreaseForSettlements*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(02)(B)

**Defined Benefit Plan, Plan Assets Level 3 Reconciliation, Increase (Decrease) for Actual Return (Loss) on Plan Assets Sold {154}**

[Label and/or reference(s) most recently revised on 08/21/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanActualReturnOnPlanAssetsSoldDuringPeriod*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(02)(A)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**Defined Benefit Plan, Plan Assets Level 3 Reconciliation, Increase (Decrease) for Actual Return (Loss) on Plan Assets Still Held {253}**

[Label and/or reference(s) most recently revised on 08/21/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanActualReturnOnPlanAssetsStillHeld*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(02)(A)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**Defined Benefit Plan, Plan Assets Level 3 Reconciliation, Increase (Decrease) for Assets Transferred into (out of) Level 3 {134}**

[Label and/or reference(s) most recently revised on 08/21/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanTransfersBetweenMeasurementLevels*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(02)(C)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

### **Defined Benefit Plan, Plan Assets Level 3 Reconciliation, Increase (Decrease) for Purchases, Sales, and Settlements {262}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPurchasesSalesAndSettlements*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(02)(B)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

### **Defined Benefit Plan, Plan Assets Level 3 Reconciliation, Increase for Purchases**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsLevel3ReconciliationIncreaseForPurchases*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(02)(B)

### **Defined Benefit Plan, Plan Assets, Accounting Policy Election, Measurement Date {0}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanAccountingPolicyElectionMeasurementDate*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(u)

### **Defined Benefit Plan, Plan Assets, Accounting Policy Election, Measurement Date [Policy Text Block] {0}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]



**Element Name:** *DefinedBenefitPlanAccountingPolicyElectionMeasurementDatePolicyTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(u)

### **Defined Benefit Plan, Plan Assets, Actual Allocation, Percentage {766}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanWeightedAverageAssetAllocations*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(i)

### **Defined Benefit Plan, Plan Assets, Benefits Paid**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsBenefitsPaid*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(b)(5)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4

### **Defined Benefit Plan, Plan Assets, Business Combination {167}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanBusinessCombinationsAndAcquisitionsPlanAssets*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(b)(6)

### **Defined Benefit Plan, Plan Assets, Category [Axis] {1315}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanByPlanAssetCategoriesAxis*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(iv\)\(01\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Plan Assets, Category [Extensible List]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsCategoryExtensibleList*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

### **Defined Benefit Plan, Plan Assets, Change in Valuation Technique and Inputs, Description {0}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanPlanAssetsAtFairValueValuationTechniquesAndInputsChanges*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(iv\)\(03\)](#)

### **Defined Benefit Plan, Plan Assets, Concentration of Risk, Description {5}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanSignificantConcentrationsOfRisk*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(i\)](#)

### **Defined Benefit Plan, Plan Assets, Contributions by Employer {1605}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanContributionsByEmployer*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(b\)\(3\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(iv\)\(01\)](#)

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(b\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Plan Assets, Contributions by Plan Participant**

[Label and/or reference(s) most recently revised on 08/12/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsContributionsByPlanParticipant*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(b\)\(4\)](#)

### **Defined Benefit Plan, Plan Assets, Derivative Use, Description {0}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanDerivativesUse*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(i\)](#)

### **Defined Benefit Plan, Plan Assets, Diversification Use, Description {4}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanDiversification*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(i\)](#)

### **Defined Benefit Plan, Plan Assets, Divestiture**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanDivestituresPlanAssets*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(b\)\(7\)](#)

### **Defined Benefit Plan, Plan Assets, Expected Long-term Rate-of-Return, Description {16}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element****Name:** *DefinedBenefitPlanNarrativeDescriptionOfBasisUsedToDetermineOverallExpectedLongTerm***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iii)

**Defined Benefit Plan, Plan Assets, Expected to be Returned to Employer, Amount**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanAssetsExpectedToBeReturnedToEmployerAmount***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(t)

**Defined Benefit Plan, Plan Assets, Foreign Currency Translation Gain (Loss)**

[Label and/or reference(s) most recently revised on 08/11/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsForeignCurrencyTranslationGainLoss***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(b)(2)

**Defined Benefit Plan, Plan Assets, Increase (Decrease) for Actual Return (Loss) {1255}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanActualReturnOnPlanAssets***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(b)(1)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**Defined Benefit Plan, Plan Assets, Investment Fund Category, Strategies, Description {5}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanInvestmentStrategiesInvestmentFundCategory***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(i\)](#)

### **Defined Benefit Plan, Plan Assets, Investment Goals, Description {9}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanInvestmentGoals*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(i\)](#)

### **Defined Benefit Plan, Plan Assets, Investment Policy and Strategy, Description {8}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanInvestmentPoliciesAndStrategiesNarrativeDescription*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(i\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Plan Assets, Investment within Plan Asset Category, Description**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsInvestmentWithinPlanAssetCategoryDescription*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Plan Assets, Investment within Plan Asset Category, Percentage**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsInvestmentWithinPlanAssetCategoryPercentage*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Plan Assets, Payment for Settlement**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanSettlementsPlanAssets*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(b)(8)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(01)

### **Defined Benefit Plan, Plan Assets, Percentage**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsPercentage*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(i)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

### **Defined Benefit Plan, Plan Assets, Permitted Investment, Description {0}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPermittedInvestments*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(i)

### **Defined Benefit Plan, Plan Assets, Prohibited Investment, Description {2}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanProhibitedInvestments*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(i)

### **Defined Benefit Plan, Plan Assets, Relationship Between Plan Assets and Benefit Obligation, Description {0}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanRelationshipBetweenPlanAssetsAndBenefitObligations*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(i\)](#)

### **Defined Benefit Plan, Plan Assets, Risk Management Practice, Description {2}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanRiskManagementPractices*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(i\)](#)

### **Defined Benefit Plan, Plan Assets, Security Issued by Employer, Related Party, Amount {51}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAmountOfEmployerAndRelatedPartySecuritiesIncludedInPlanAssets*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(n\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Plan Assets, Security Issued by Employer, Related Party, Type [Extensible List]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanPlanAssetsSecurityIssuedByEmployerRelatedPartyTypeExtensibleList*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(n\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Plan Assets, Stock Issued by Employer, Related Party, Number of Shares {43}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanNumberOfSharesOfEquitySecuritiesIssuedByEmployerAndRelatedParties*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(n\)](#)

### **Defined Benefit Plan, Plan Assets, Target Allocation, Description {26}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanTargetAllocationPercentage*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(i\)](#)

### **Defined Benefit Plan, Plan Assets, Target Allocation, Percentage**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsTargetAllocationPercentage*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(i\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Plan Assets, Valuation Inputs [Extensible List]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsValuationInputsExtensibleList*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(iv\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(iv\)\(03\)](#)

### **Defined Benefit Plan, Plan Assets, Valuation Technique [Extensible List]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsValuationTechniqueExtensibleList*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(iv\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(iv\)\(03\)](#)



**Defined Benefit Plan, Plan with Accumulated Benefit Obligation in Excess of Plan Assets, Accumulated Benefit Obligation {541}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanPensionPlansWithAccumulatedBenefitObligationsInExcessOfPlanAssetsA*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3\(a\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3\(b\)](#)

**Defined Benefit Plan, Plan with Accumulated Benefit Obligation in Excess of Plan Assets, Plan Assets {499}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanPensionPlansWithAccumulatedBenefitObligationsInExcessOfPlanAssetsA*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3\(a\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3\(b\)](#)

**Defined Benefit Plan, Related Party Transaction, Description**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanSignificantTransactionsBetweenEmployerOrRelatedPartiesAndPlanDuring*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(n\)](#)

**Defined Benefit Plan, Service Cost {1387}**

[Label and/or reference(s) most recently revised on 08/21/2017 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanServiceCost*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(a\)\(1\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)\(1\)](#)

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)\(1\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Defined Benefit Plan, Special and Contractual Termination Benefits, Description {1}**

[Label and/or reference(s) most recently revised on 12/05/2016 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanDescriptionOfNatureOfEventResultingInSpecialOrContractualTermination*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(q\)](#)

### **Defined Benefit Plan, Sponsor Location [Extensible List]**

[Label and/or reference(s) most recently revised on 11/18/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanSponsorLocationExtensibleList*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-4](#)

### **Defined Benefit Plan, Substantive Commitment Used as Basis for Accounting for Benefit Obligation, Description {1}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanDescriptionOfAnySubstantiveCommitmentUsedAsBasisForAccountingFor*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(p\)](#)

### **Defined Benefit Plan, Tax Status [Extensible List]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanTaxStatusExtensibleList*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)

**Defined Benefit Plan, Type [Extensible List]**

[Label and/or reference(s) most recently revised on 11/18/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanTypeExtensibleList*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4(c)
- 712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4(d)

**Defined Benefit Plan, Ultimate Health Care Cost Trend Rate**

[Label and/or reference(s) most recently revised on 08/12/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanUltimateHealthCareCostTrendRate1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(l)

**Defined Benefit Plan, Year Health Care Cost Trend Rate Reaches Ultimate Trend Rate**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanYearHealthCareCostTrendRateReachesUltimateTrendRate*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(l)

**Defined Benefit Plans and Other Postretirement Benefit Plans Disclosures [Table]**

**Element Name:** *DefinedBenefitPlansAndOtherPostretirementBenefitPlansDisclosuresTable*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-4](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Domestic Plan [Member]**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *DomesticPlanMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)

### **Equity Contract [Member] {94}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *EquityContractMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

### **Equity Funds [Member] {328}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *EquityFundsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

### **Exchange Traded Funds [Member] {63}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ExchangeTradedFundsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [815 Derivatives and Hedging > 10 Overall > 15 Scope > General, 15-1583](#)
- [815 Derivatives and Hedging > 10 Overall > 15 Scope > General, 15-83](#)

**Fair Value Hierarchy and NAV [Axis] {5054}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *FairValueByFairValueHierarchyLevelAxis*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(01)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 820 Fair Value Measurement > 10 Overall > 50 Disclosure > General, 50-2(b)

**Fair Value Measured at Net Asset Value Per Share [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *FairValueMeasuredAtNetAssetValuePerShareMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(01)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 820 Fair Value Measurement > 10 Overall > 35 Subsequent Measurement > General, 35-54B
- 820 Fair Value Measurement > 10 Overall > 50 Disclosure > General, 50-6A

**Fair Value, Inputs, Level 1 [Member] {4420}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *FairValueInputsLevel1Member*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(01)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 820 Fair Value Measurement > 10 Overall > 50 Disclosure > General, 50-2(b)

**Fair Value, Inputs, Level 1, 2 and 3 [Member]**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *FairValueInputsLevel12And3Member*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(01)

**Fair Value, Inputs, Level 2 [Member] {4619}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *FairValueInputsLevel2Member*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(01)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 820 Fair Value Measurement > 10 Overall > 35 Subsequent Measurement > General, 35-48
- 820 Fair Value Measurement > 10 Overall > 50 Disclosure > General, 50-2(b)

**Fair Value, Inputs, Level 3 [Member] {4217}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *FairValueInputsLevel3Member*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(iv)(01)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 820 Fair Value Measurement > 10 Overall > 50 Disclosure > General, 50-2(b)

**Fixed Income Funds [Member] {448}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *FixedIncomeFundsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 815 Derivatives and Hedging > 10 Overall > 15 Scope > General, 15-1583

### **Fixed Income Securities [Member] {469}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *FixedIncomeSecuritiesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

### **Foreign Exchange Contract [Member] {752}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *ForeignExchangeContractMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

### **Foreign Plan [Member]**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *ForeignPlanMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

### **Funded Plan [Member]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *FundedPlanMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

**Hedge Funds [Member] {203}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *HedgeFundsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

**Hedge Funds, Equity [Member] {24}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *HedgeFundsEquityMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**Hedge Funds, Event Driven [Member] {10}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *HedgeFundsEventDrivenMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**Hedge Funds, Global Opportunity [Member] {8}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *HedgeFundsGlobalOpportunityMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**Hedge Funds, Multi-strategy [Member] {32}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *HedgeFundsMultistrategyMember*



**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Interest Rate Contract [Member] {535}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *InterestRateContractMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**Investment Objective [Axis] {30}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *EquitySecuritiesByInvestmentObjectiveAxis*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Japanese Welfare Pension Insurance Law, Government Subsidy**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *JapaneseWelfarePensionInsuranceLawGovernmentSubsidies*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-10\(a\)](#)

**Japanese Welfare Pension Insurance Law, Previously Accrued Salary Progression Derecognition {1}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *JapaneseWelfarePensionInsuranceLawPreviouslyAccruedSalaryProgressionDerecognition*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-10\(b\)](#)

**Liability, Defined Benefit Pension Plan {119}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPensionPlanCurrentAndNoncurrentLiabilities*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(c)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1(SX 210.9-03(15))
- 944 Financial Services—Insurance > 210 Balance Sheet > S99 SEC Materials > General, S99-1(SX 210.7-03(a)(15))

### **Liability, Defined Benefit Pension Plan, Current**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPensionPlanLiabilitiesCurrent*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-3
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(c)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1(SX 210.5-02(20))

### **Liability, Defined Benefit Pension Plan, Noncurrent**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPensionPlanLiabilitiesNoncurrent*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-3
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(c)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02 \(24\)\)](#)

### **Liability, Defined Benefit Plan {411}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

#### **Element**

**Name:** *PensionAndOtherPostretirementDefinedBenefitPlansLiabilitiesCurrentAndNoncurrent*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(c\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.9-03\(15\)\)](#)
- [944 Financial Services—Insurance > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.7-03\(a\)\(15\)\)](#)

### **Liability, Defined Benefit Plan, Current**

[Label and/or reference(s) most recently revised on 12/05/2016 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementDefinedBenefitPlansCurrentLiabilities*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-3](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(c\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02 \(20\)\)](#)

### **Liability, Defined Benefit Plan, Noncurrent {918}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementDefinedBenefitPlansLiabilitiesNoncurrent*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2](#)

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-3](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(c\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02 \(24\)\)](#)

### **Liability, Other Postretirement Defined Benefit Plan**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *OtherPostretirementDefinedBenefitPlanLiabilitiesCurrentAndNoncurrent*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(c\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.9-03\(15\)\)](#)
- [944 Financial Services—Insurance > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.7-03\(a\)\(15\)\)](#)

### **Liability, Other Postretirement Defined Benefit Plan, Noncurrent**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *OtherPostretirementDefinedBenefitPlanLiabilitiesNoncurrent*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-3](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(c\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02 \(24\)\)](#)

### **Liability, Pension and Other Postretirement and Postemployment Benefits, Current**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element**

**Name:** *PensionAndOtherPostretirementAndPostemploymentBenefitPlansLiabilitiesCurrent*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-3](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(c\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02 \(20\)\)](#)
- [712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 25 Recognition > General, 25-4](#)

**Liability, Pension and Other Postretirement and Postemployment Benefits, Noncurrent {93}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element**

**Name:** *PensionAndOtherPostretirementAndPostemploymentBenefitPlansLiabilitiesNoncurrent*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-3](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(c\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [210 Balance Sheet > 10 Overall > S99 SEC Materials > General, S99-1\(SX 210.5-02 \(24\)\)](#)
- [712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 25 Recognition > General, 25-4](#)

**Liability, Retirement and Postemployment Benefits {39}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element**

**Name:** *PensionAndOtherPostretirementAndPostemploymentBenefitPlansLiabilitiesCurrentAndNonc*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(c\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 25 Recognition > General, 25-4](#)
- [942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.9-03\(15\)\)](#)
- [944 Financial Services—Insurance > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.7-03\(a\)\(15\)\)](#)

### **Money Market Funds [Member] {1022}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *MoneyMarketFundsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [946 Financial Services—Investment Companies > 320 Investments—Debt and Equity Securities > S35 Subsequent Measurement > General, S35-3](#)

### **Mortgage-backed Securities, Issued by Private Enterprises [Member] {153}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *MortgageBackedSecuritiesIssuedByPrivateEnterprisesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [320 Investments—Debt and Equity Securities > 10 Overall > 50 Disclosure > General, 50-1B](#)

### **Mortgage-backed Securities, Issued by US Government Sponsored Enterprises [Member] {353}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element**

**Name:** *MortgageBackedSecuritiesIssuedByUSGovernmentSponsoredEnterprisesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

**Mutual Fund [Member] {32}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *MutualFundMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

**Net Periodic Defined Benefits Expense (Reversal of Expense), Excluding Service Cost Component**

[Label and/or reference(s) most recently revised on 06/23/2017 after the last taxonomy release.]

**Element**

**Name:** *NetPeriodicDefinedBenefitsExpenseReversalOfExpenseExcludingServiceCostComponent*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 45 Other Presentation > General, 45-3A(b)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 225 Income Statement > 10 Overall > S99 SEC Materials > General, S99-2(SX 210.5-03(b)(9))
- 942 Financial Services—Depository and Lending > 225 Income Statement > S99 SEC Materials > General, S99-1
- 944 Financial Services—Insurance > 225 Income Statement > S99 SEC Materials > General, S99-1

**Nonqualified Plan [Member]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *NonqualifiedPlanMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

**Other Comprehensive (Income) Loss, Defined Benefit Plan, Prior Service Cost (Credit), Reclassification Adjustment from AOCI, after Tax {373}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element****Name:** *OtherComprehensiveIncomeLossAmortizationAdjustmentFromAOCIPensionAndOtherPostre***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-15

**Other Comprehensive (Income) Loss, Defined Benefit Plan, Prior Service Cost (Credit), Reclassification Adjustment from AOCI, before Tax {633}**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element****Name:** *OtherComprehensiveIncomeLossAmortizationAdjustmentFromAOCIPensionAndOtherPostre***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-15

**Other Comprehensive (Income) Loss, Defined Benefit Plan, Prior Service Cost (Credit), after Reclassification Adjustment, before Tax {139}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element****Name:** *DefinedBenefitPlanAmountsRecognizedInOtherComprehensiveIncomeNetPriorServiceCostC***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A(i)

**Other Comprehensive (Income) Loss, Defined Benefit Plan, Prior Service Cost (Credit), after Tax {199}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]



**Element****Name:** *OtherComprehensiveIncomeDefinedBenefitPlanNetPriorServiceCostsCreditArisingDuringPeri***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A(j)

**Other Comprehensive (Income) Loss, Defined Benefit Plan, Prior Service Cost (Credit), before Tax {344}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element****Name:** *OtherComprehensiveIncomeDefinedBenefitPlanNetPriorServiceCostCreditArisingDuringPeri***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A(j)

**Other Comprehensive (Income) Loss, Defined Benefit Plan, Reclassification Adjustment from AOCI, after Tax {257}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element****Name:** *OtherComprehensiveIncomeLossReclassificationAdjustmentFromAOCIPensionAndOtherPos***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-15

**Other Comprehensive Income (Loss), Defined Benefit Plan, Gain (Loss) Arising During Period, after Tax {558}**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element**

**Name:** *OtherComprehensiveIncomeDefinedBenefitPlansNetUnamortizedGainLossArisingDuringPer*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A(i)

**Other Comprehensive Income (Loss), Defined Benefit Plan, Gain (Loss) Arising During Period, before Tax {640}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *OtherComprehensiveIncomeLossPensionAndOtherPostretirementBenefitPlansNetUnamortiz*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A(i)

**Other Comprehensive Income (Loss), Defined Benefit Plan, Gain (Loss), Reclassification Adjustment from AOCI, after Tax {464}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *OtherComprehensiveIncomeLossReclassificationAdjustmentFromAOCIPensionAndOtherPos*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-15

**Other Comprehensive Income (Loss), Defined Benefit Plan, Gain (Loss), Reclassification Adjustment from AOCI, before Tax {696}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *OtherComprehensiveIncomeLossReclassificationAdjustmentFromAOCIPensionAndOtherPos*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(i\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-15](#)

**Other Comprehensive Income (Loss), Defined Benefit Plan, Gain (Loss), after Reclassification Adjustment, before Tax {294}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanAmountsRecognizedInOtherComprehensiveIncomeLossNetGainLossBefc*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(i\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-10A\(i\)](#)

**Other Comprehensive Income (Loss), Defined Benefit Plan, Settlement and Curtailment Gain (Loss), after Tax {110}**

[Label and/or reference(s) most recently revised on 12/05/2016 after the last taxonomy release.]

**Element**

**Name:** *OtherComprehensiveIncomeLossFinalizationOfPensionAndNonPensionPostretirementPlanVa*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(i\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11](#)
- [220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-15](#)

**Other Comprehensive Income (Loss), Defined Benefit Plan, Settlement and Curtailment Gain (Loss), before Tax {137}**

[Label and/or reference(s) most recently revised on 06/13/2017 after the last taxonomy release.]

**Element**

**Name:** *OtherComprehensiveIncomeLossFinalizationOfPensionAndNonPensionPostretirementPlanVa*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-15

**Other Comprehensive Income (Loss), Defined Benefit Plan, Transition Asset (Obligation), Reclassification Adjustment from AOCI, after Tax {53}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element**

**Name:** *OtherComprehensiveIncomeLossReclassificationAdjustmentFromAOCIPensionAndOtherPos*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-15

**Other Comprehensive Income (Loss), Defined Benefit Plan, Transition Asset (Obligation), Reclassification Adjustment from AOCI, before Tax {102}**

[Label and/or reference(s) most recently revised on 11/14/2016 after the last taxonomy release.]

**Element**

**Name:** *OtherComprehensiveIncomeLossReclassificationAdjustmentFromAOCIPensionAndOtherPos*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(i)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-11
- 220 Comprehensive Income > 10 Overall > 45 Other Presentation > General, 45-15

**Other Contract [Member] {156}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *OtherContractMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

### **Other Postretirement Benefits Cost (Reversal of Cost) {85}**

[Label and/or reference(s) most recently revised on 01/26/2017 after the last taxonomy release.]

**Element Name:** *OtherPostretirementBenefitExpense*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(h)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

### **Other Postretirement Benefits Plan [Member]**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *OtherPostretirementBenefitPlansDefinedBenefitMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4(d)
- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

### **Overfunded Plan [Member]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *OverfundedPlanMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

**Pension Cost (Reversal of Cost) {270}**

[Label and/or reference(s) most recently revised on 01/26/2017 after the last taxonomy release.]

**Element Name:** *PensionExpense*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(h)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

**Pension Plan [Member] {1095}**

[Label and/or reference(s) most recently revised on 11/22/2016 after the last taxonomy release.]

**Element Name:** *PensionPlansDefinedBenefitMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4(c)
- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

**Pension and Other Postretirement Benefits Cost (Reversal of Cost) {410}**

[Label and/or reference(s) most recently revised on 01/26/2017 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementBenefitExpense*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(h)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

**Pension and Other Postretirement Plans, Pensions, Policy [Policy Text Block] {170}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementPlansPensionsPolicy*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-2

### **Pension and Other Postretirement Plans, Policy [Policy Text Block] {665}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementPlansPolicy*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-2

### **Private Equity Fund, Non-US [Member] {29}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *PrivateEquityFundsForeignMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

### **Private Equity Fund, US [Member] {28}**

[Label and/or reference(s) most recently revised on 08/23/2017 after the last taxonomy release.]

**Element Name:** *PrivateEquityFundsDomesticMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

### **Private Equity Funds [Member] {239}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *PrivateEquityFundsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

### **Qualified Plan [Member]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *QualifiedPlanMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

### **Real Estate [Member] {475}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *RealEstateMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

### **Residential Mortgage Backed Securities [Member] {331}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *ResidentialMortgageBackedSecuritiesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**



- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [320 Investments—Debt and Equity Securities > 10 Overall > 50 Disclosure > General, 50-2](#)

### **Residential Real Estate [Member] {238}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *ResidentialRealEstateMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

### **Retirement Benefits, Description {15}**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *GeneralDiscussionOfPensionAndOtherPostretirementBenefits*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

### **Retirement Plan Funding Status [Axis]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *RetirementPlanFundingStatusAxis*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)

### **Retirement Plan Funding Status [Domain]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *RetirementPlanFundingStatusDomain*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)

### **Retirement Plan Name [Axis]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *RetirementPlanNameAxis*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)

### **Retirement Plan Name [Domain]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *RetirementPlanNameDomain*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)

### **Retirement Plan Sponsor Location [Axis]**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *RetirementPlanSponsorLocationAxis*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-4](#)

### **Retirement Plan Sponsor Location [Domain]**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *RetirementPlanSponsorLocationDomain*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-4](#)

### **Retirement Plan Tax Status [Axis]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *RetirementPlanTaxStatusAxis*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)

## Retirement Plan Tax Status [Domain]

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *RetirementPlanTaxStatusDomain*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

## Retirement Plan Type [Axis]

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *RetirementPlanTypeAxis*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4(c)
- 712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4(d)
- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

## Retirement Plan Type [Domain]

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *RetirementPlanTypeDomain*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4(c)
- 712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4(d)
- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

**Schedule of Accumulated Benefit Obligations in Excess of Fair Value of Plan Assets [Table Text Block] {322}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *ScheduleOfAccumulatedBenefitObligationsInExcessOfFairValueOfPlanAssetsTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3(b)

**Schedule of Accumulated and Projected Benefit Obligations [Table Text Block] {164}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfAccumulatedAndProjectedBenefitObligationsTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(e)

**Schedule of Allocation of Plan Assets [Table Text Block] {1043}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfAllocationOfPlanAssetsTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)

**Schedule of Amounts Recognized in Balance Sheet [Table Text Block] {484}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfAmountsRecognizedInBalanceSheetTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(c)

**Schedule of Amounts Recognized in Other Comprehensive Income (Loss) [Table Text Block] {479}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *ScheduleOfAmountsRecognizedInOtherComprehensiveIncomeLossTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(i\)](#)

### **Schedule of Amounts in Accumulated Other Comprehensive Income (Loss) to be Recognized over Next Fiscal Year [Table Text Block] {341}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

#### **Element**

**Name:** *ScheduleOfAmountsInAccumulatedOtherComprehensiveIncomeLossToBeRecognizedOverN*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(s\)](#)

### **Schedule of Assumptions Used [Table Text Block] {1183}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfAssumptionsUsedTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(k\)](#)

### **Schedule of Benefit Obligations in Excess of Fair Value of Plan Assets [Table Text Block] {219}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfBenefitObligationsInExcessOfFairValueOfPlanAssetsTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3\(a\)](#)

### **Schedule of Changes in Accumulated Postemployment Benefit Obligations [Table Text Block] {82}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

#### **Element**

**Name:** *ScheduleOfChangesInAccumulatedPostemploymentBenefitObligationsTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(a\)](#)

### **Schedule of Changes in Fair Value of Plan Assets [Table Text Block] {308}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfChangesInFairValueOfPlanAssetsTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(b)

### **Schedule of Changes in Projected Benefit Obligations [Table Text Block] {302}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfChangesInProjectedBenefitObligationsTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(a)

### **Schedule of Costs of Retirement Plans [Table Text Block] {161}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfCostsOfRetirementPlansTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1

### **Schedule of Defined Benefit Plans Disclosures [Table Text Block] {566}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfDefinedBenefitPlansDisclosuresTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-4
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

### **Schedule of Defined Benefit Plans Disclosures [Table]**

**Element Name:** *ScheduleOfDefinedBenefitPlansDisclosuresTable*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-3](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-4](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17](#)

**Schedule of Effect of One-Percentage-Point Change in Assumed Health Care Cost Trend Rates [Table Text Block] {431}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *ScheduleOfEffectOfOnePercentagePointChangeInAssumedHealthCareCostTrendRatesTable*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(m\)](#)

**Schedule of Effect of Significant Unobservable Inputs, Changes in Plan Assets [Table Text Block] {376}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *ScheduleOfEffectOfSignificantUnobservableInputsChangesInPlanAssetsTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(4\)](#)

**Schedule of Expected Benefit Payments [Table Text Block] {1242}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfExpectedBenefitPaymentsTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(f\)](#)

**Schedule of Health Care Cost Trend Rates [Table Text Block] {213}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfHealthCareCostTrendRatesTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(l\)](#)

### **Schedule of Net Benefit Costs [Table Text Block] {1260}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfNetBenefitCostsTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)

### **Schedule of Net Funded Status [Table Text Block] {404}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfNetFundedStatusTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(c\)](#)

### **Schedule of Net Periodic Benefit Cost Not yet Recognized [Table Text Block] {262}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfNetPeriodicBenefitCostNotYetRecognizedTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(j\)](#)

### **Special Termination Benefits [Member] {39}**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *SpecialTerminationBenefitsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(q\)](#)

### **US Government Agencies Debt Securities [Member] {698}**



[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *USGovernmentAgenciesDebtSecuritiesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1(SX 210.9-03.6(a)(1))

### **US Government-sponsored Enterprises Debt Securities [Member] {251}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *USGovernmentSponsoredEnterprisesDebtSecuritiesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1(SX 210.9-03.6(a)(1))

### **US States and Political Subdivisions Debt Securities [Member] {634}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *USStatesAndPoliticalSubdivisionsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)

### **US Treasury Securities [Member] {630}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *USTreasurySecuritiesMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(d)(5)(ii)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 55 Implementation > General, 55-17

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.9-03.6\(a\)\(1\)\)](#)

### **US Treasury and Government [Member] {597}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *USTreasuryAndGovernmentMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [942 Financial Services—Depository and Lending > 210 Balance Sheet > S99 SEC Materials > General, S99-1\(SX 210.9-03.6\(a\)\(1\)\)](#)

### **Underfunded Plan [Member]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *UnderfundedPlanMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)

### **Unfunded Plan [Member]**

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *UnfundedPlanMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)

### **Venture Capital Funds [Member] {31}**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

**Element Name:** *VentureCapitalFundsMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(d\)\(5\)\(ii\)](#)

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## 715-20-S00 Status

**General Note:** The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

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### General

**715-20-S00-1** The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
<a href="#">715-20-S99-1</a>	Amended	<a href="#">Accounting Standards Update No. 2010-04</a>	01/15/2010

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## 715-20-S50 Disclosure

**General Note:** The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

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### General

#### > **Determination of Vested Benefit Obligation for a Defined Benefit Pension Plan**

**715-20-S50-1** See paragraph [715-20-S99-2](#), SEC Observer Comment: Determination of Vested Benefit Obligation for a Defined Benefit Pension Plan, for SEC Staff views on disclosures pertaining to the method chosen to measure the vested benefit obligation for a defined benefit pension plan.

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## 715-20-S55 Implementation Guidance and Illustrations

**General Note:** The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and circumstances in relation to the requirements of the Subtopic.

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### General

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#### > Selection of Discount Rate Used for Measuring Defined Benefit Pension Obligation and Obligations of Postretirement Plans Other Than Pensions

**715-20-S55-1** See paragraph [715-20-S99-1](#), SEC Staff Announcement: Selection of Discount Rate Used for Measuring Defined Benefit Obligation and Obligations of Postretirement Plans Other than Pensions, for SEC Staff views on the selection of discount rates used for measuring defined benefit pension obligations and obligations of postretirement benefit plans other than pensions.

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## 715-20-S75 XBRL Elements

**General Note:** This section contains a list of XBRL elements that reference paragraphs in this Subtopic. For additional details regarding changes to the development version of the US GAAP Financial Reporting Taxonomy, refer to the [FASB taxonomy review and comment system](#) on the FASB web site.

### **Defined Benefit Plan, Method to Determine Vested Benefit Obligation, Description {1}**

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPensionMethodToDetermineVestedBenefitObligation*

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## 715-20-S99 SEC Materials

**General Note:** As more fully described in *About the Codification*, the Codification includes selected SEC and SEC Staff content for reference by public companies. The Codification does not replace or affect how the SEC or SEC Staff issues or updates SEC content. SEC Staff content does not constitute Commission-approved rules or interpretations of the SEC.

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## General

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### > SEC Staff Guidance

#### > > Announcements Made by SEC Staff at Emerging Issues Task Force (EITF) Meetings

##### > > > SEC Staff Announcement: Selection of Discount Rate Used for Measuring Defined Benefit Pension Obligation and Obligations of Postretirement Plans Other Than Pensions

**715-20-S99-1** The following is the text of SEC Staff Announcement: Selection of Discount Rate Used for Measuring Defined Benefit Pension Obligation and Obligations of Postretirement Plans Other than Pensions.

The SEC Observer made the following announcement of the SEC staff's position on the selection of discount rates used for purposes of measuring defined benefit pension obligations under paragraph [715-30-35-44](#) and obligations of postretirement benefit plans other than pensions under paragraph [715-60-35-80](#). Those paragraphs provide guidance for selecting discount rates to measure obligations for pension benefits and postretirement benefits other than pensions.

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.).

#### > > Comments Made by SEC Observer at EITF Meetings

##### > > > SEC Observer Comment: Determination of Vested Benefit Obligation for a Defined Benefit Pension Plan

**715-20-S99-2** The following is the text of SEC Observer Comment: Determination of Vested Benefit Obligation for a Defined Benefit Pension Plan.

Under the guidance in paragraph [715-30-35-41](#), an entity has the option of determining whether the vested benefit obligation for a defined benefit pension plan is the actuarial present value of the vested benefits to which the employee is entitled if the employee separates immediately or the actuarial present value of the vested benefits to which the employee is currently entitled but based on the employee's expected date of separation of retirement. The method used should be disclosed.

## 715 Compensation—Retirement Benefits

### 30 Defined Benefit Plans—Pension

#### 715-30-00 Status

**General Note:** The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

#### General

**715-30-00-1** The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Updates	Date
<b>Actuarial Funding Method</b>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Actuarial Gain or Loss</b>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Actuarial Gain or Loss</b>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Allocated Contract</b>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Amortization</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Amortization</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Assumptions</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Assumptions</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Attribution</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Attribution</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Benefit Approach</b>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Benefit Approach</b>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Benefits</b>	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<b>Benefits</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Benefits</b> (3rd def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014

<b>Contributory Plan</b>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Contributory Plan</b> (2nd def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Contributory Plan</b> (3rd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Cost Approach</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Cost-Compensation Approach</b>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Defined Benefit Pension Plan</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Defined Benefit Plan</b>	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Defined Contribution Plan</b>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Discount Rate</b>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Expected Long-Term Rate of Return on Plan Assets</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Expected Long-Term Rate of Return on Plan Assets</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Expected Return on Plan Assets</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Expected Return on Plan Assets</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Funding Method</b>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Funding Policy</b>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Funding Policy</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Funding Policy</b> (3rd def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Gain or Loss</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Gain or Loss</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Implicit Approach to Assumptions</b>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Loss</b>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Multiple-Employer Plan</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Multiple-Employer Plan</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Net Periodic Pension Cost</b>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Participant</b> (2nd def.)	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014

<b>Participating Insurance</b>	Added	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<b>Participation Right</b> (1st def.)	Superseded	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<b>Participation Right</b> (2nd def.)	Added	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<b>Pension Fund</b>	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Plan Amendment</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Plan Amendment</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Plan Assets Available for Benefits</b>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Plan Termination</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Plan Termination</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Prior Service Cost</b> (2nd def.)	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Single-Employer Plan</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Single-Employer Plan</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Sponsor</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<b>Unallocated Contract</b>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-30-05-1</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-05-2</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-30-05-3</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-05-4</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-30-05-5</a>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-30-05-6</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-30-05-7</a>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-30-05-8</a>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-30-05-8</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-05-9</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-30-05-9</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014



<a href="#">715-30-05-10</a>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-30-05-11</a>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-30-15-3</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-15-4A</a>	Added	<a href="#">Accounting Standards Update No. 2012-04</a>	10/01/2012
<a href="#">715-30-25-6</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-25-7</a>	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<a href="#">715-30-35-1A</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-4</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-7</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-7A</a>	Added	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-30-35-10</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-18</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-21</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-22</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-42</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-44</a>	Amended	<a href="#">Accounting Standards Update No. 2012-04</a>	10/01/2012
<a href="#">715-30-35-47</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-53</a>	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<a href="#">715-30-35-59</a>	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<a href="#">715-30-35-63A</a>	Added	<a href="#">Accounting Standards Update No. 2015-04</a>	04/15/2015
<a href="#">715-30-35-63B</a>	Added	<a href="#">Accounting Standards Update No. 2015-04</a>	04/15/2015
<a href="#">715-30-35-66A</a>	Added	<a href="#">Accounting Standards Update No. 2015-04</a>	04/15/2015
<a href="#">715-30-35-66B</a>	Added	<a href="#">Accounting Standards Update No. 2015-04</a>	04/15/2015
<a href="#">715-30-35-70</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-75</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014

<a href="#">715-30-35-76</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-79</a>	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<a href="#">715-30-35-79</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-88</a>	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<a href="#">715-30-35-90</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-35-91</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-45-1</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-55-3 through 55-7</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-55-18</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-55-40</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-55-46</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-55-62</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-55-63</a>	Amended	<a href="#">Accounting Standards Update No. 2015-10</a>	06/12/2015
<a href="#">715-30-55-63</a>	Amended	<a href="#">Accounting Standards Update No. 2011-09</a>	09/21/2011
<a href="#">715-30-55-64</a>	Amended	<a href="#">Accounting Standards Update No. 2011-09</a>	09/21/2011
<a href="#">715-30-55-128</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-55-132</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-55-133</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-55-153</a>	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<a href="#">715-30-55-160</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-55-176</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-55-188</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-55-190</a>	Amended	<a href="#">Maintenance Update 2016-11</a>	06/27/2016
<a href="#">715-30-55-191</a>	Superseded	<a href="#">Accounting Standards Update No. 2015-01</a>	01/09/2015
<a href="#">715-30-55-192</a>	Superseded	<a href="#">Accounting Standards Update No. 2015-01</a>	01/09/2015

<a href="#">715-30-55-195</a>	Amended	<a href="#">Accounting Standards Update No. 2014-08</a>	04/10/2014
<a href="#">715-30-55-196</a>	Amended	<a href="#">Accounting Standards Update No. 2014-08</a>	04/10/2014
<a href="#">715-30-55-242</a>	Amended	<a href="#">Accounting Standards Update No. 2014-08</a>	04/10/2014
<a href="#">715-30-55-248</a>	Amended	<a href="#">Accounting Standards Update No. 2014-08</a>	04/10/2014
<a href="#">715-30-60-1</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-30-60-2</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-30-60-8</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014

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## 715-30-05 Overview and Background

**General Note:** The Overview and Background Section provides overview and background material for the guidance contained in the Subtopic. It does not provide the historical background or due process. It may contain certain material that users generally consider useful to understand the typical situations addressed by the standards. The Section does not summarize the accounting and reporting requirements.

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### General

**715-30-05-1** This Subtopic provides guidance on defined benefit pension accounting for an employer that offers **pension benefits** to its employees. This Subtopic focuses on an employer's accounting for a single-employer **defined benefit pension plan**.

**715-30-05-2** Many of the provisions in this Subtopic are the same as or are similar to the provisions of Subtopic [715-60](#). Consequently, the guidance provided in that Subtopic may be useful in understanding and implementing many of the provisions of this Subtopic. However, there are differences between the specific requirements of the two Subtopics, and therefore the specific guidance in one Subtopic should not be used to override guidance of the other.

**715-30-05-3** The guidance in this Subtopic is presented in the following two Subsections:

- a. General
- b. Settlements, Curtailments, and Certain Termination **Benefits**.

**715-30-05-4** The General Subsections address the fundamentals of defined benefit pension accounting. A pension benefit is part of the compensation paid to an employee for services. Generally, the amount of benefit to be paid depends on a number of future events that are incorporated in the **plan's benefit formula**, often including how long the employee and any

survivors live, how many years of **service** the employee renders, and the employee's compensation in the years immediately before retirement or termination. Conceptually, compensation cost should be recognized in the period in which the employee renders services. Although the complexity and uncertainty of the pension arrangement may preclude complete achievement of that goal, a fundamental objective of this Subtopic is to approximate more closely the recognition of the compensation cost of an employee's pension benefits over that employee's service period.

**715-30-05-5** [Paragraph superseded by Accounting Standards Update No. 2017-07]

**715-30-05-6** The core elements of pension accounting include measurement of net periodic pension cost and benefit obligations (see paragraphs 715-30-35-1A through 35-41), assumptions (see paragraphs 715-30-35-42 through 35-49), and measurement of plan assets (see paragraphs 715-30-35-50 through 35-52).

**715-30-05-7** [Paragraph superseded by Accounting Standards Update No. 2017-07]

**715-30-05-8** [Paragraph superseded by Accounting Standards Update No. 2017-07]

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## Settlements, Curtailments, and Certain Termination Benefits

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**715-30-05-9** The Settlements, Curtailments, and Certain Termination Benefits Subsections establish standards for an employer's accounting for **settlement** of defined benefit pension obligations, for **curtailment** of a **defined benefit pension plan**, and for certain termination benefits, and define the events that require adjustments to assets and liabilities and that require certain amounts previously recognized in accumulated other comprehensive income to be recognized in earnings. The Settlements, Curtailments, and Certain Termination Benefits Subsections provide guidance that results in the net **gain or loss** and **prior service cost**, which were previously recognized in accumulated other comprehensive income, being recognized in income in the period when specific conditions are met.

- a. [Subparagraph superseded by Accounting Standards Update No. 2017-07].
- b. [Subparagraph superseded by Accounting Standards Update No. 2017-07].
- c. [Subparagraph superseded by Accounting Standards Update No. 2017-07].
- d. [Subparagraph superseded by Accounting Standards Update No. 2017-07].
- e. [Subparagraph superseded by Accounting Standards Update No. 2017-07].
- f. [Subparagraph superseded by Accounting Standards Update No. 2017-07].

**715-30-05-10** [Paragraph superseded by Accounting Standards Update No. 2017-07]

**715-30-05-11** [Paragraph superseded by Accounting Standards Update No. 2017-07]

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## 715-30-15 Scope and Scope Exceptions

**General Note:** The Scope and Scope Exceptions Section outlines the items (for example, the entities, transactions, instruments, or events) to which the guidance in the Subtopic does or does not apply. In some cases, the Section may contain definitional or other text to frame the scope.

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## General

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### > Overall Guidance

**715-30-15-1** This Subtopic follows the same Scope and Scope Exceptions as outlined in the Overall Subtopic, see Section [715-10-15](#), with specific qualifications and exceptions noted below.

**715-30-15-2** The General Subsection of this Section establishes the pervasive scope for this Subtopic, with specific exceptions noted in the other Subsections of this Section.

### > Transactions

**715-30-15-3** The guidance in this Subtopic applies to **defined benefit pension plans**, including but not limited to the following types of arrangements:

a. **Cash balance plans**

b. **Benefits** provided in the event of a voluntary or involuntary severance of employment (also called **termination indemnities**) if such an arrangement is in substance a pension plan (for example, if the benefits are paid for virtually all terminations).

**715-30-15-4** The guidance in this Subtopic does not apply to the following types of benefit plans or arrangements:

a. Life insurance benefits provided outside a pension plan or other postretirement health and welfare benefits

b. Health care benefits provided through a pension plan. The accounting for those benefits is set forth in Subtopic [715-60](#).

### > Plans with Characteristics of both a Defined Contribution and a Defined Benefit Plan

**715-30-15-4A** See paragraph [715-70-15-2](#) for guidance for plans with characteristics of both a defined contribution and a defined benefit plan.

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## Settlements, Curtailments, and Certain Termination Benefits

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### > Overall Guidance

**715-30-15-5** The Settlements, Curtailments, and Certain Termination Benefits Subsections follow the same Scope and Scope Exceptions as outlined in the General Subsection of this Subtopic, see paragraph [715-30-15-1](#), with specific exceptions noted below.

## > Transactions

**715-30-15-6** The guidance in the Settlements, Curtailments, and Certain Termination Benefits Subsections applies to the following transactions and activities:

- a. If all or part of the plan's pension benefit obligation is settled or the plan is curtailed:
  1. Plan settlements. Examples of transactions that constitute a **settlement** include making lump-sum cash payments to plan participants in exchange for their rights to receive specified **pension benefits** and purchasing nonparticipating annuity contracts to cover **vested benefits**.
  2. **Plan curtailments**, which include:
    - i. Termination of employees' services earlier than expected, which may or may not involve closing a facility or discontinuing a component of an entity.
    - ii. Termination or suspension of a plan so that employees do not earn additional defined benefits for future services. In the latter situation, future **service** may be counted toward vesting of benefits accumulated based on past service.
- b. Termination benefits provided under an ongoing defined benefit pension arrangement.
- c. Other termination benefits not otherwise addressed in the following:
  1. Topic [420](#)
  2. Topic [710](#)
  3. Topic [712](#)
  4. Subtopic [715-60](#).

**715-30-15-7** The guidance in the Settlements, Curtailments, and Certain Termination Benefits Subsections does not apply to the following transactions and activities:

- a. An employer's withdrawal from a multiemployer pension plan
- b. Other termination benefits addressed in the following:
  1. Topic [420](#)
  2. Topic [710](#)
  3. Topic [712](#)
  4. Subtopic [715-60](#).

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## 715-30-20 Glossary

**General Note:** The Master Glossary contains all terms identified as glossary terms throughout the Codification. Clicking on any term in the Master Glossary will display where the term is used. The Master Glossary may contain identical terms with different definitions, some of which may not be appropriate for a particular Subtopic. For any particular Subtopic, users should only use the glossary terms included in the particular Subtopic Glossary Section (Section 20).

### **Accumulated Benefit Obligation**

The actuarial present value of benefits (whether vested or nonvested) attributed, generally by the pension benefit formula, to employee service rendered before a specified date and based on employee service and compensation (if applicable) before that date. The accumulated benefit obligation differs from the projected benefit obligation in that it includes no assumption about future compensation levels. For plans with flat-benefit or non-pay-related pension benefit formulas, the accumulated benefit obligation and the projected benefit obligation are the same.

### **Actual Return on Plan Assets (Component of Net Periodic Pension Cost)**

For a funded plan, the actual return on plan assets is determined as the difference between the fair value of plan assets at the end of the period and the fair value at the beginning of the period, adjusted for contributions and payments of benefits during the period.

### **Actuarial Present Value**

The value, as of a specified date, of an amount or series of amounts payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements for events such as death, disability, withdrawal, or retirement) between the specified date and the expected date of payment.

### **Allocated Contract**

A contract with an insurance entity under which payments to the insurance entity are currently used to purchase immediate or deferred annuities for individual participants. See [Annuity Contract](#).

### **Amortization**

The process of reducing a recognized liability systematically by recognizing gains or by reducing a recognized asset systematically by recognizing losses. In accounting for pension benefits or other postretirement benefits, amortization also means the systematic recognition in net periodic pension cost or other postretirement benefit cost over several periods of amounts previously recognized in other comprehensive income, that is, gains or losses, prior service cost or credits, and any transition obligation or asset.

### **Annuity Contract**

A contract in which an insurance entity unconditionally undertakes a legal obligation to provide specified pension benefits to specific individuals in return for a fixed consideration or premium. An annuity contract is irrevocable and involves the transfer of significant risk from the employer to the insurance entity. Annuity contracts are also called [allocated contracts](#).

### **Asset Group**

An asset group is the unit of accounting for a long-lived asset or assets to be held and used, which represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities.

### **Assumptions**

Estimates of the occurrence of future events affecting pension costs and other postretirement benefit costs (as applicable), such as turnover, retirement age, mortality, withdrawal, disablement, dependency status, per capita claims costs by age, health care cost trend rates, levels of Medicare and other health care providers' reimbursements, changes in compensation and national pension benefits, and discount rates to reflect the time value of money.

**Attribution**

The process of assigning pension or other postretirement benefits or costs to periods of employee service.

**Benefit Formula**

See [Pension Benefit Formula](#).

**Benefit-Years-of-Service Approach**

One of three benefit approaches. Under this approach, an equal portion of the total estimated benefit is attributed to each year of service. The actuarial present value of the benefits is derived after the benefits are attributed to the periods.

**Benefits**

The monetary or in-kind benefits or benefit coverage to which participants may be entitled under a pension plan or a health and welfare plan (which can include active, terminated, and retired employees or their dependents or beneficiaries). Examples of benefits may include, but are not limited to, health care benefits, life insurance, legal, educational, and advisory services, pension benefits, disability benefits, death benefits, and benefits due to termination of employment.

**Captive Insurer**

An insurance entity that does business primarily with related entities.

**Career-Average-Pay Formula**

A benefit formula that bases benefits on the employee's compensation over the entire period of service with the employer. A career-average-pay plan is a plan with such a formula.

**Cash Balance Plan**

A plan with the following characteristics:

- a. A defined principal-crediting rate as a percentage of salary
- b. A defined, noncontingent interest-crediting rate that entitles participants to future interest credits at a stated, fixed rate until retirement.

A cash balance plan communicates to employees a pension benefit in the form of a current account balance that is a function of current and past salary-based principal credits and future interest credits thereon at a stated rate based on those principal credits.

In a cash balance plan, individual account balances are determined by reference to a hypothetical account rather than specific assets, and the benefit is dependent on the employer's promised interest-crediting rate, not the actual return on plan assets. The employer's financial obligation to the plan is not satisfied by making prescribed principal and interest credit contributions—whether in cash or as a hypothetical contribution to participants' accounts—for the period; rather, the employer must fund, over time, amounts that can accumulate to the actuarial present value of the benefit due at the time of distribution to each participant pursuant to the plan's terms. The employer's contributions to a cash balance plan trust and the earnings on the invested plan assets may be unrelated to the principal and interest credits to participants' hypothetical accounts.



A cash balance plan is a defined benefit plan.

### **Component of an Entity**

A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. A component of an entity may be a reportable segment or an operating segment, a reporting unit, a subsidiary, or an asset group.

### **Curtailment**

See Plan Curtailment.

### **Defined Benefit Plan**

A defined benefit plan provides participants with a determinable benefit based on a formula provided for in the plan.

- a. Defined benefit health and welfare plans—Defined benefit health and welfare plans specify a determinable benefit, which may be in the form of a reimbursement to the covered plan participant or a direct payment to providers or third-party insurers for the cost of specified services. Such plans may also include benefits that are payable as a lump sum, such as death benefits. The level of benefits may be defined or limited based on factors such as age, years of service, and salary. Contributions may be determined by the plan's actuary or be based on premiums, actual claims paid, hours worked, or other factors determined by the plan sponsor. Even when a plan is funded pursuant to agreements that specify a fixed rate of employer contributions (for example, a collectively bargained multiemployer plan), such a plan may nevertheless be a defined benefit health and welfare plan if its substance is to provide a defined benefit.
- b. Defined benefit pension plan—A pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service, or compensation. Any pension plan that is not a defined contribution pension plan is, for purposes of Subtopic 715-30, a defined benefit pension plan.
- c. Defined benefit postretirement plan—A plan that defines postretirement benefits in terms of monetary amounts (for example, \$100,000 of life insurance) or benefit coverage to be provided (for example, up to \$200 per day for hospitalization, or 80 percent of the cost of specified surgical procedures). Any postretirement benefit plan that is not a defined contribution postretirement plan is, for purposes of Subtopic 715-60, a defined benefit postretirement plan. (Specified monetary amounts and benefit coverage are collectively referred to as benefits.)

### **Defined Contribution Plan**

A plan that provides an individual account for each participant and provides benefits that are based on all of the following: amounts contributed to the participant's account by the employer or employee; investment experience; and any forfeitures allocated to the account, less any administrative expenses charged to the plan.

- a. Defined contribution health and welfare plans—Defined contribution health and welfare plans maintain an individual account for each plan participant. They have terms that specify the means of determining the contributions to participants' accounts, rather than the amount of benefits the participants are to receive. The benefits a plan participant will receive are limited to the amount contributed to the participant's account, investment experience, expenses, and any forfeitures allocated to the participant's account. These plans also include flexible spending arrangements.

b. Defined contribution postretirement plan—A plan that provides postretirement benefits in return for services rendered, provides an individual account for each plan participant, and specifies how contributions to the individual's account are to be determined rather than specifies the amount of benefits the individual is to receive. Under a defined contribution postretirement plan, the benefits a plan participant will receive depend solely on the amount contributed to the plan participant's account, the returns earned on investments of those contributions, and the forfeitures of other plan participants' benefits that may be allocated to that plan participant's account.

**Discount Rate**

A rate or rates used to reflect the time value of money. Discount rates are used in determining the present value as of the measurement date of future cash flows currently expected to be required to satisfy the pension obligation or other postretirement benefit obligation. See [Actuarial Present Value](#).

**Expected Long-Term Rate of Return on Plan Assets**

An assumption about the rate of return on plan assets reflecting the average rate of earnings expected on existing plan assets and expected contributions to the plan during the period.

**Expected Return on Plan Assets**

An amount calculated as a basis for determining the extent of delayed recognition of the effects of changes in the fair value of plan assets. 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.

**Explicit Approach to Assumptions**

An approach under which each significant assumption used reflects the best estimate of the plan's future experience solely with respect to that assumption. See [Implicit Approach to Assumptions](#).

**Final-Pay Formula**

A benefit formula that bases benefits on the employee's compensation over a specified number of years near the end of the employee's service period or on the employee's highest compensation periods. For example, a plan might provide annual pension benefits equal to 1 percent of the employee's average salary for the last 5 years (or the highest consecutive 5 years) for each year of service. A final-pay plan is a plan with such a formula.

**Flat-Benefit Formula**

A benefit formula that bases benefits on a fixed amount per year of service, such as \$20 of monthly retirement income for each year of credited service. A flat-benefit plan is a plan with such a formula.

**Fund**

Used as a verb, to pay over to a funding agency (as to fund future pension benefits or to fund pension cost). Used as a noun, assets accumulated in the hands of a funding agency for the purpose of meeting pension benefits when they become due.

**Gain or Loss**

A change in the value of either the benefit obligation (projected benefit obligation for pension plans or accumulated postretirement benefit obligation for other postretirement benefit plans) or the plan assets resulting from experience different from that assumed or from a change in an actuarial assumption, or the consequence of a decision to temporarily deviate from the other postretirement benefit substantive plan. Gains or losses that are not recognized in net periodic pension cost or net periodic postretirement benefit cost when they arise are recognized in other

comprehensive income. Those gains or losses are subsequently recognized as a component of net periodic pension cost or net periodic postretirement benefit cost based on the recognition and amortization provisions of Subtopic [715-30](#) or Subtopic [715-60](#).

### **Gain or Loss (Component of Net Periodic Pension Cost)**

The sum of the difference between the actual return on plan assets and the expected return on plan assets and the amortization of the net gain or loss recognized in accumulated other comprehensive income. The gain or loss component is the net effect of delayed recognition of gains and losses in determining net periodic pension cost (the net change in the gain or loss) in accumulated other comprehensive income except that it does not include changes in the projected benefit obligation occurring during the period and deferred for later recognition in net periodic pension cost.

### **Implicit Approach to Assumptions**

An approach under which two or more assumptions do not individually represent the best estimate of the plan's future experience with respect to those assumptions. Instead, the aggregate effect of their combined use is presumed to be approximately the same as that produced by an explicit approach. See [Explicit Approach to Assumptions](#).

### **Interest Cost (Component of Net Periodic Pension Cost)**

The amount recognized in a period determined as the increase in the projected benefit obligation due to the passage of time.

### **Loss**

See [Gain or Loss](#).

### **Market-Related Value of Plan Assets**

A balance used to calculate the expected return on plan assets. The market-related value of plan assets is either fair value or a calculated value that recognizes changes in fair value in a systematic and rational manner over not more than five years. Different ways of calculating market-related value may be used for different classes of assets (for example, an employer might use fair value for bonds and a five-year-moving-average value for equities), but the manner of determining market-related value is required to be applied consistently from year to year for each asset class. For a method to meet the criteria of being systematic and rational, it must reflect only the changes in the fair value of plan assets between various dates.

### **Mortality**

The relative incidence of death in a given time or place.

### **Mortality Rate**

The proportion of the number of deaths in a specified group to the number living at the beginning of the period in which the deaths occur. Actuaries use mortality tables, which show death rates for each age, in estimating the amount of pension benefits that will become payable.

### **Multiple-Employer Plan**

A pension plan or other postretirement benefit plan maintained by more than one employer but not treated as a multiemployer plan. Multiple-employer plans are generally not collectively bargained and are intended to allow participating employers, commonly in the same industry, to pool their plan assets for investment purposes and to reduce the cost of plan administration. A multiple-employer plan maintains separate accounts for each employer so that contributions provide benefits only for employees of the contributing employer. Multiple-employer plans may have features that allow participating employers to have different benefit formulas, with the employer's contributions to the plan based on the benefit formula selected by the employer.

### **Net Periodic Pension Cost**

The amount recognized in an employer's financial statements as the cost of a pension plan for a period. Components of net periodic pension cost are service cost, interest cost, actual return on plan assets, gain or loss, amortization of prior service cost or credit, and amortization of the transition asset or obligation existing at the date of initial application of Subtopic 715-30. The term net periodic pension cost is used instead of net pension expense because part of the cost recognized in a period may be capitalized along with other costs as part of an asset such as inventory.

**Note:** The following definition is Pending Content; see Transition Guidance in paragraph 715-20-65-3.

The amount recognized in an employer's financial statements as the cost of a pension plan for a period. Components of net periodic pension cost are service cost, interest cost, actual return on plan assets, gain or loss, amortization of prior service cost or credit, and amortization of the transition asset or obligation existing at the date of initial application of Subtopic 715-30. The term net periodic pension cost is used instead of net pension expense because the service cost component recognized in a period may be capitalized as part of an asset such as inventory.

### **Nonparticipating Annuity Contract**

An annuity contract that does not provide for the purchaser to participate in the investment performance or in other experience of the insurance entity.

### **Not-for-Profit Entity**

An entity that possesses the following characteristics, in varying degrees, that distinguish it from a business entity:

- a. Contributions of significant amounts of resources from resource providers who do not expect commensurate or proportionate pecuniary return
- b. Operating purposes other than to provide goods or services at a profit
- c. Absence of ownership interests like those of business entities.

Entities that clearly fall outside this definition include the following:

- a. All investor-owned entities
- b. Entities that provide dividends, lower costs, or other economic benefits directly and proportionately to their owners, members, or participants, such as mutual insurance entities, credit unions, farm and rural electric cooperatives, and employee benefit plans.

### **Operating Segment**

A component of a public entity. See Section 280-10-50 for additional guidance on the definition of an operating segment.

### **Participant**

Any employee or former employee, or any member or former member of a trade or other employee association, or the beneficiaries of those individuals, for whom there are pension plan benefits or other accumulated plan benefits.

### **Participating Annuity Contract**

An annuity contract that provides for the purchaser to participate in the investment performance and possibly other experience (for example, mortality experience) of the insurance entity. Under a participating annuity contract, the insurance entity ordinarily pays dividends to the purchaser.

**Participating Insurance**

Insurance in which the policyholder is entitled to participate in the earnings or surplus of the insurance entity. The participation occurs through the distribution of dividends to policyholders.

**Participation Right**

A purchaser's right under a participating insurance contract to receive future dividends or retroactive rate credits from the insurance entity.

**Pension Benefit Formula**

The basis for determining payments to which participants may be entitled under a pension plan. Pension benefit formulas usually refer to the employee's service or compensation or both. Sometimes referred to as a plan's benefit formula or benefit formula.

**Pension Benefits**

Periodic (usually monthly) payments made pursuant to the terms of the pension plan to a person who has retired from employment or to that person's beneficiary.

**Pension Fund**

The assets of a pension plan held by a funding agency.

**Plan Amendment**

A change in the existing terms of a plan or the initiation of a new plan. A plan amendment may increase benefits (a positive plan amendment), or reduce or eliminate benefits (a negative plan amendment), including those benefits attributed to years of service already rendered.

**Plan Assets**

Assets—usually stocks, bonds, and other investments—that have been segregated and restricted, usually in a trust, to provide for pension benefits. The amount of plan assets includes amounts contributed by the employer, and by employees for a contributory plan, and amounts earned from investing the contributions, less benefits paid. Plan assets ordinarily cannot be withdrawn by the employer except under certain circumstances when a plan has assets in excess of obligations and the employer has taken certain steps to satisfy existing obligations. Assets not segregated in a trust or otherwise effectively restricted so that they cannot be used by the employer for other purposes are not plan assets even though it may be intended that such assets be used to provide pensions. If a plan has liabilities other than for benefits, those nonbenefit obligations may be considered as reductions of plan assets. Amounts accrued by the employer but not yet paid to the plan are not plan assets. Securities of the employer held by the plan are includable in plan assets provided they are transferable.

**Plan Curtailment**

An event that significantly reduces the expected years of future service of present employees or eliminates for a significant number of employees the accrual of defined benefits for some or all of their future services.

**Plan Suspension**

An event in which the pension plan is frozen and no further benefits accrue. Future service may continue to be the basis for vesting of nonvested benefits existing at the date of suspension. The plan may still hold assets, pay benefits already accrued, and receive additional employer contributions for any unfunded benefits. Employees may or may not continue working for the employer.

**Plan Termination**

An event in which the pension plan or postretirement benefit plan ceases to exist and all benefits are settled by the purchase of insurance contracts (for example, annuities) or by other means.

The plan may or may not be replaced by another plan. A plan termination with a replacement plan may or may not be in substance a plan termination for accounting purposes.

**Plan's Benefit Formula**

See Pension Benefit Formula.

**Prior Service Cost**

The cost of retroactive benefits granted in a plan amendment. Retroactive benefits are benefits granted in a plan amendment (or initiation) that are attributed by the benefit formula to employee services rendered in periods before the amendment.

**Probable**

The future event or events are likely to occur.

**Projected Benefit Obligation**

The actuarial present value as of a date of all benefits attributed by the pension benefit formula to employee service rendered before that date. The projected benefit obligation is measured using assumptions as to future compensation levels if the pension benefit formula is based on those future compensation levels (pay-related, final-pay, final-average-pay, or career-average-pay plans).

**Reporting Unit**

The level of reporting at which goodwill is tested for impairment. A reporting unit is an operating segment or one level below an operating segment (also known as a component).

**Service**

Employment taken into consideration under a pension plan. Years of employment before the inception of a plan constitute an employee's past service; years thereafter are classified in relation to the particular actuarial valuation being made or discussed. Years of employment (including past service) before the date of a particular valuation constitute prior service; years of employment following the date of the valuation constitute future service; a year of employment adjacent to the date of valuation, or in which such date falls, constitutes current service.

**Service Cost (Component of Net Periodic Pension Cost)**

A component of net periodic pension cost recognized in a period determined as the actuarial present value of benefits attributed by the pension benefit formula to services rendered by employees during that period.

The service cost component is a portion of the projected benefit obligation and is unaffected by the funded status of the plan.

**Settlement of a Pension or Postretirement Benefit Obligation**

A transaction that is an irrevocable action, relieves the employer (or the plan) of primary responsibility for a pension or postretirement benefit obligation, and eliminates significant risks related to the obligation and the assets used to effect the settlement.

**Single-Employer Plan**

A pension plan or other postretirement benefit plan that is maintained by one employer. The term also may be used to describe a plan that is maintained by related parties such as a parent and its subsidiaries.

**Termination Benefits**

Benefits provided by an employer to employees in connection with their termination of employment. They may be either special termination benefits offered only for a short period of

time or contractual benefits required by the terms of a plan only if a specified event, such as a plant closing, occurs.

### **Termination Indemnities**

Arrangements, usually or more frequently encountered outside the United States, that are also referred to as termination allowances or severance indemnities. Termination indemnities are amounts payable to eligible employees upon termination of employment. Eligibility may be determined by law, by local custom, by the employer's policy, or by contract with the employer. Plans may or may not be in writing. Termination indemnities are normally, but not exclusively, associated with preretirement severance of employment. They are usually payable as a lump sum, or occasionally in a few payments over a short period of time.

### **Turnover**

Termination of employment for a reason other than death or retirement.

### **Unfunded Projected Benefit Obligation**

The excess of the projected benefit obligation over plan assets.

### **Vested Benefit Obligation**

The actuarial present value of vested benefits.

### **Vested Benefits**

Benefits for which the employee's right to receive a present or future pension benefit is no longer contingent on remaining in the service of the employer. (Other conditions, such as inadequacy of the pension fund, may prevent the employee from receiving the vested benefit.) Under graded vesting, the initial vested right may be to receive in the future a stated percentage of a pension based on the number of years of accumulated credited service; thereafter, the percentage may increase with the number of years of service or of age until the right to receive the entire benefit has vested.

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## 715-30-25 Recognition

**General Note:** The Recognition Section provides guidance on the required criteria, timing, and location (within the financial statements) for recording a particular item in the financial statements. Disclosure is not recognition.

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## General

### **> Recognition of Liabilities and Assets**

**715-30-25-1** If the **projected benefit obligation** exceeds the fair value of **plan assets**, the employer shall recognize in its statement of financial position a liability that equals the **unfunded projected benefit obligation**. If the fair value of plan assets exceeds the projected benefit obligation, the employer shall recognize in its statement of financial position an asset that equals the overfunded projected benefit obligation.

**715-30-25-2** The employer shall aggregate the statuses of all overfunded plans and recognize that amount as an asset in its statement of financial position. It also shall aggregate the statuses

of all underfunded plans and recognize that amount as a liability in its statement of financial position.

**715-30-25-3** The asset or liability that is recognized pursuant to paragraph [715-30-25-1](#) may result in a temporary difference, as defined in Subtopic [740-10](#). The deferred tax effects of any temporary differences shall be recognized in income tax expense or benefit for the year and shall be allocated to various financial statement components, including other comprehensive income, pursuant to Section [740-20-45](#).

**715-30-25-4** If a new determination of the funded status of a plan to be recognized as an asset or a liability in the employer's statement of financial position is made (see paragraphs [715-30-35-62](#) through [35-69](#)), or when net gains or losses, prior **service** costs or credits, or the net transition asset or obligation existing at the date of initial application of this Subtopic are amortized as components of **net periodic pension cost**, the related balances for those net gains or losses, prior service costs or credits, and transition asset or obligation in accumulated other comprehensive income shall be adjusted as necessary and reported in other comprehensive income.

**715-30-25-5** Sometimes, an entity remeasures both plan assets and benefit obligations during the fiscal year. Paragraph [715-30-35-66](#) provides an example of some events that may require a remeasurement. Upon remeasurement, a business entity shall adjust its statement of financial position in a subsequent interim period to reflect the overfunded or underfunded status of the plan consistent with that measurement date.

**715-30-25-6** An employer that sponsors two or more separate **defined benefit pension plans** shall determine net periodic pension cost, liabilities, and assets by separately applying the provisions of this Subtopic to each plan. In particular, unless an employer clearly has a right to use the assets of one plan to pay **benefits** of another, a liability required to be recognized pursuant to paragraph [715-30-25-1](#) for one plan shall not be reduced or eliminated because the employer has recognized an asset for another plan that has assets in excess of its projected benefit obligation.

### > **Participation Rights**

**715-30-25-7** If an **annuity contract** with a **participation right** is purchased, the cost of the participation right shall be recognized at the date of purchase as an asset. To the extent that benefits currently earned are covered by annuity contracts, the cost of those benefits shall be the cost of purchasing the contracts, except for the cost of the participation right.

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## Settlements, Curtailments, and Certain Termination Benefits

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### > **Certain Termination Benefits**

**715-30-25-8** This Subsection addresses the accounting for **termination benefits** that are not otherwise addressed in the Subtopic and Topics indicated in paragraph [715-30-15-6c](#).

**715-30-25-9** An employer may provide benefits to employees in connection with their termination of employment. Those benefits may be either special termination benefits offered only for a short period of time or contractual termination benefits required by the terms of a plan only if a specified event, such as a plant closing, causes employees' services to be terminated involuntarily.



**715-30-25-10** Termination benefits may take various forms including lump-sum payments, periodic future payments, or both. They may be paid directly from an employer's assets, an existing pension plan, a new employee benefit plan, or a combination of those means. An employer that offers special termination benefits to employees shall recognize a liability and a **loss** when the employees accept the offer and the amount can be reasonably estimated. An employer that provides contractual termination benefits shall recognize a liability and a loss when it is probable that employees will be entitled to benefits and the amount can be reasonably estimated.

**715-30-25-11** The cost of termination benefits within the scope of this Subsection recognized as a liability and a loss shall include the amount of any lump-sum payments and the present value of any expected future payments. The liability and the loss from the acceptance of the offer of special termination benefits is the difference as of the date the employees accept the offer between the **actuarial present value** of the respective employees' accumulated **pension benefits** without considering the special termination benefits and the actuarial present value of their accumulated pension benefits considering the special termination benefits.

**715-30-25-12** See Example 6 (paragraph [715-30-55-226](#)) for an illustration of the determination of the liability and the losses from employees' acceptance of an offer of special termination benefits.

**715-30-25-13** A situation involving termination benefits may also involve a **curtailment** to be accounted for under paragraphs [715-30-35-92](#) through [35-95](#).

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## 715-30-35 Subsequent Measurement

**General Note:** The Subsequent Measurement Section provides guidance on an entity's subsequent measurement and subsequent recognition of an item. Situations that may result in subsequent changes to carrying amount include impairment, credit losses, fair value adjustments, depreciation and amortization, and so forth.

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### General

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#### > Use of Reasonable Approximations

**715-30-35-1** This Subtopic is intended to specify accounting objectives and results rather than specific computational means of obtaining those results. If estimates, averages, or computational shortcuts can reduce the cost of applying this Subtopic, their use is appropriate, provided the results are reasonably expected not to be materially different from the results of a detailed application.

#### > Benefit Obligations

**715-30-35-1A** The **projected benefit obligation** as of a date is the **actuarial present value** of all **benefits** attributed by the **plan's benefit formula** to employee **service** rendered before that date. The projected benefit obligation is measured using an **assumption** as to future compensation levels if the pension **benefit formula** is based on those future compensation

levels. Plans for which the pension benefit formula is based on future compensation are sometimes called pay-related, **final-pay**, final-average-pay, or **career-average-pay** plans. Plans for which the pension benefit formula is not based on future compensation levels are called non-pay-related or **flat-benefit plans**. The projected benefit obligation is a measure of benefits attributed to service to date assuming that the plan continues in effect and that estimated future events (including compensation increases, **turnover**, and **mortality**) occur.

**715-30-35-2** The **accumulated benefit obligation** as of a date is the actuarial present value of benefits attributed by the pension benefit formula to employee service rendered before that date and based on current and past compensation levels. The accumulated benefit obligation differs from the projected benefit obligation in that it includes no assumption about future compensation levels. For plans with flat-benefit or non-pay-related pension benefit formulas, the accumulated benefit obligation and the projected benefit obligation are the same. The accumulated benefit obligation and the **vested benefit obligation** provide information about the obligation the employer would have if the plan were discontinued.

### > **Components of Net Periodic Pension Cost**

**715-30-35-3** **Net periodic pension cost** has often been viewed as a single homogeneous amount, but in fact it is made up of several components that reflect different aspects of the employer's financial arrangements as well as the cost of benefits earned by employees. The cost of a benefit can be determined without regard to how the employer decides to finance the plan.

**715-30-35-4** All of the following components shall be included in the net pension cost recognized for a period by an employer sponsoring a **defined benefit pension plan**:

- a. **Service cost**
- b. **Interest cost**
- c. **Actual return on plan assets**, if any
- d. **Amortization** of any **prior service cost** or credit included in accumulated other comprehensive income
- e. **Gain or loss** (including the effects of changes in assumptions), which includes, to the extent recognized (see paragraph [715-30-35-26](#)), amortization of the net gain or loss included in accumulated other comprehensive income
- f. Amortization of any net transition asset or obligation existing at the date of initial application of this Subtopic and remaining in accumulated other comprehensive income.

**715-30-35-5** Note that both the **return on plan assets** and interest cost components are in substance financial items rather than employee compensation costs. An employer may have net periodic pension cost that is a net credit (that is, net periodic pension income) as noted in paragraph [715-30-55-3](#).

### > > **Service Cost**

**715-30-35-6** The service cost component of net periodic pension cost is the actuarial present value of benefits attributed by the plan's benefit formula to services rendered by employees during the period. The service cost component is conceptually the same for an unfunded plan, a plan with minimal funding, and a well-funded plan.

**715-30-35-7** The measurement of the service cost component requires use of an **attribution** method and assumptions. That measurement is discussed in paragraphs [715-30-35-29 through 35-46](#).

#### **715-30-35-7A**

Pending Content:

**Transition Date:** *(P) December 16, 2017; (N) December 16, 2018* | **Transition Guidance:** [715-20-65-3](#)

The service cost component shall be the only component of net periodic pension cost eligible to be capitalized as part of the cost of inventory or other assets.

#### **> > Interest Cost**

**715-30-35-8** The interest cost component of net periodic pension cost is interest on the projected benefit obligation, which is a discounted amount. Measuring the projected benefit obligation as a present value requires accrual of an interest cost at rates equal to the assumed **discount rates**.

**715-30-35-9** The interest cost component of net periodic pension cost shall not be considered interest for purposes of applying Subtopic [835-20](#).

#### **> > Prior Service Costs**

**715-30-35-10 Plan amendments** (including initiation of a plan) often include provisions that grant increased benefits based on services rendered in prior periods. Because plan amendments are granted with the expectation that the employer will realize economic benefits in future periods, this Subtopic does not require the cost of providing such retroactive benefits (that is, prior service cost) to be included in net periodic pension cost entirely in the year of the amendment, absent the conditions addressed in paragraph [715-30-35-16](#), but provides for recognition during the future service periods of those employees active at the date of the amendment who are expected to receive benefits under the plan.

**715-30-35-11** A plan amendment that retroactively increases benefits (including benefits that are granted to retirees) increases the projected benefit obligation. The cost of the benefit improvement shall be recognized as a charge to other comprehensive income at the date of the amendment. Except as specified in paragraphs [715-30-35-13 through 35-16](#), that prior service cost shall be amortized as a component of net periodic pension cost by assigning an equal amount to each future period of service of each employee active at the date of the amendment who is expected to receive benefits under the plan. If all or almost all of a plan's participants are inactive, the cost of retroactive plan amendments affecting benefits of inactive participants shall be amortized based on the remaining life expectancy of those participants instead of based on the remaining service period. Other comprehensive income is adjusted each period as prior service cost is amortized.

**715-30-35-12** See Example 1 (paragraph [715-30-55-93](#)) for an illustration of this guidance to amortize prior service cost.

**715-30-35-13** To reduce the complexity and detail of the computations required, consistent use of an alternative approach that more rapidly amortizes the cost of retroactive amendments is acceptable. For example, a straight-line amortization of the cost over the average remaining service period of employees expected to receive benefits under the plan is acceptable.

**715-30-35-14** In some situations a history of regular plan amendments and other evidence may indicate that the period during which the employer expects to realize economic benefits from an amendment granting retroactive benefits is shorter than the entire remaining service period of the active employees. Identification of such situations requires an assessment of the individual circumstances and the substance of the particular plan situation. In those circumstances, the amortization of prior service cost shall be accelerated to reflect the more rapid expiration of the employer's economic benefits and to recognize the cost in the periods benefited.

**715-30-35-15** Once a schedule of amortization of prior service cost from a specific retroactive plan amendment has been established, that schedule generally should not be revised. The initial schedule shall be revised only if a **curtailment** occurs (see paragraph [715-30-35-92](#)) or if events indicate that the period during which the employer expects to realize future economic benefits from the retroactive plan amendment giving rise to the prior service cost is shorter than originally estimated or the future economic benefits have been impaired. The schedule shall not be revised because of ordinary variances in expected service lives of employees, nor shall the schedule be revised so that the prior service cost is recognized in net periodic pension cost more slowly.

**715-30-35-16** Prior service cost is recognized immediately in other comprehensive income, unless, based on an assessment of the facts and circumstances, the employer does not expect to realize any future economic benefits from that retroactive plan amendment (see paragraph [715-30-35-14](#)). However, this Subtopic does not permit an accounting policy to recognize immediately as a component of net periodic pension cost the cost of all plan amendments that grant increased benefits for services rendered in prior periods. Adopting an accounting policy to recognize prior service cost immediately in net periodic pension cost would preclude making that assessment for future plan amendments as they occur.

**715-30-35-17** A plan amendment that retroactively reduces, rather than increases, benefits decreases the projected benefit obligation. The reduction in benefits shall be recognized as a credit (prior service credit) to other comprehensive income that shall be used first to reduce any remaining prior service cost included in accumulated other comprehensive income. Any remaining prior service credit shall be amortized as a component of net periodic pension cost on the same basis as the cost of a benefit increase.

## > > **Gains and Losses**

**715-30-35-18** As established in the definition of the term, a gain or loss results from a change in the value of either the projected benefit obligation or the **plan assets** resulting from experience different from that assumed or from a change in an actuarial assumption. This Subtopic generally does not distinguish between gains and losses that result from experience different from that assumed or from changes in assumptions. Gains and losses include amounts that have been realized, for example by sale of a security, as well as amounts that are unrealized.

**715-30-35-19** Because gains and losses may reflect refinements in estimates as well as real changes in economic values and because some gains in one period may be offset by losses in another or vice versa, this Subtopic does not require recognition of gains and losses as components of net pension cost of the period in which they arise.

**715-30-35-20** However, immediate recognition of gains and losses as a component of net periodic pension cost is permitted if that method is applied consistently, and is applied to all gains and losses on both plan assets and obligations.

**715-30-35-21** Gains and losses that are not recognized immediately as a component of net periodic pension cost shall be recognized as increases or decreases in other comprehensive income as they arise. Accounting for **plan terminations** and **curtailments** and other

circumstances in which recognition of gains and losses as a component of net periodic pension cost might not be delayed is addressed in the Settlements, Curtailments, and Certain Termination Benefits Subsection of this Section.

**715-30-35-22** Asset gains and losses are differences between the actual return on plan assets during a period and the **expected return on plan assets** for that period. Asset gains and losses include both changes reflected in the **market-related value of plan assets** and changes not yet reflected in the market-related value (that is, the difference between the fair value of assets and the market-related value). Gains or losses on transferable securities issued by the employer and included in plan assets are also included in asset gains and losses. Asset gains and losses not yet reflected in market-related value are not required to be amortized under paragraphs [715-30-35-24](#) through [35-25](#).

**715-30-35-23** In other words, the expected return on plan assets generally will be different from the actual return on plan assets for the year. This Subtopic provides for recognition of that difference (a net gain or loss) in other comprehensive income in the period it arises. The amount recognized in other comprehensive income is also a component of net periodic pension cost for the current period. Thus, the amount recognized in other comprehensive income and the actual return on plan assets, when aggregated, equal the expected return on plan assets. The amount recognized in accumulated other comprehensive income affects future net periodic pension cost through subsequent amortization, if any, of the net gain or loss.

**715-30-35-24** As a minimum, amortization of a net gain or loss included in accumulated other comprehensive income (excluding asset gains and losses not yet reflected in market-related value) shall be included as a component of net pension cost for a year if, as of the beginning of the year, that net gain or loss exceeds 10 percent of the greater of the projected benefit obligation or the market-related value of plan assets. If amortization is required, the minimum amortization shall be that excess divided by the average remaining service period of active employees expected to receive benefits under the plan. The amortization must always reduce the beginning-of-the-year balance. Amortization of a net gain results in a decrease in net periodic pension cost; amortization of a net **loss** results in an increase in net periodic pension cost. If all or almost all of a plan's participants are inactive, the average remaining life expectancy of the inactive participants shall be used instead of average remaining service.

**715-30-35-25** Any systematic method of amortizing gains or losses may be used in lieu of the minimum specified in the preceding paragraph provided that all of the following conditions are met:

- a. The minimum is used in any period in which the minimum amortization is greater (reduces the net balance included in accumulated other comprehensive income by more).
- b. The method is applied consistently.
- c. The method is applied similarly to both gains and losses.

**715-30-35-26** The **gain or loss component of net periodic pension cost** shall consist of both of the following:

- a. The difference between the actual return on plan assets and the expected return on plan assets
- b. Amortization of the net gain or loss included in accumulated other comprehensive income.

**715-30-35-27** Consequently, as stated in the definition of the term, the gain or loss component is the net effect of delayed recognition of gains and losses in determining net periodic pension cost (the net change in the gain or loss) in accumulated other comprehensive income except that it does not include changes in the projected benefit obligation occurring during the period and deferred for later recognition in net periodic pension cost.

**715-30-35-28** See Example 2 (paragraph [715-30-55-101](#)) for an illustration of this guidance on gains and losses.

## > **Measurement of Costs and Obligations**

**715-30-35-29** Any method of pension accounting that recognizes cost before the payment of benefits to retirees must deal with two problems stemming from the nature of the defined benefit pension contract. First, estimates or assumptions must be made concerning the future events that will determine the amount and timing of the benefit payments. Second, some approach to attributing the cost of **pension benefits** to individual years of service must be selected. Thus, the assumptions and the attribution of cost to periods of employee service are fundamental to the measurements of net periodic pension cost and pension obligations required by this Subtopic. For example, the service component of net periodic pension cost, the projected benefit obligation, and the accumulated benefit obligation are based on an attribution of pension benefits to periods of employee service and on the use of actuarial assumptions to calculate the actuarial present value of those benefits.

**715-30-35-30** Paragraph [715-30-35-42](#) requires use of explicit assumptions, each of which individually represents the best estimate of a particular future event. This Subtopic also requires use of the terms of the pension plan itself, specifically the plan's benefit formula, as a basis for attributing benefits earned and their cost to periods of employee service.

**715-30-35-31** The service cost component of net periodic pension cost and the projected benefit obligation shall reflect future compensation levels to the extent that the pension benefit formula defines pension benefits wholly or partially as a function of future compensation levels (that is, for a final-pay plan or a career-average-pay plan). Future increases for which a present commitment exists as described in paragraph [715-30-35-34](#) shall be similarly considered. Assumed compensation levels shall reflect an estimate of the actual future compensation levels of the individual employees involved, including future changes attributed to general price levels, productivity, seniority, promotion, and other factors. All assumptions shall be consistent to the extent that each reflects expectations of the same future economic conditions, such as future rates of inflation. Measuring service cost and the projected benefit obligation based on estimated future compensation levels entails considering indirect effects, such as changes under existing law in social security benefits or benefit limitations that would affect benefits provided by the plan, for example, those currently imposed by Section 415 of the Internal Revenue Code. However, possible amendments of the law shall not be considered in determining those pension measurements. Assumed compensation levels shall be consistent with assumed discount rates to the extent that both incorporate expectations of the same future economic conditions. Paragraphs [715-30-55-20](#) through [55-22](#) discuss and provide examples of applying this guidance.

**715-30-35-32** The accumulated benefit obligation shall be measured based on employees' history of service and compensation without an estimate of future compensation levels. Excluding estimated future compensation levels also means excluding indirect effects of future changes such as increases in the social security wage base. In measuring the accumulated benefit obligation, projected years of service shall be a factor only in determining employees' expected eligibility for particular benefits, such as any of the following:

- a. Increased benefits that are granted provided a specified number of years of service are rendered (for example, a pension benefit that is increased from \$9 per month to \$10 per

month for each year of service if 20 or more years of service are rendered)

- b. Early retirement benefits
- c. Death benefits
- d. Disability benefits.

**715-30-35-33** [Paragraph not used]

**> > Substantive and Contractual Commitments**

**715-30-35-34** In some situations a history of regular increases in non-pay-related benefits or benefits under a career-average-pay plan and other evidence may indicate that an employer has a present commitment to make future amendments and that the substance of the plan is to provide benefits attributable to prior service that are greater than the benefits defined by the written terms of the plan. In those situations, the substantive commitment shall be the basis for the accounting.

**715-30-35-35** Automatic benefit increases specified by the plan (for example, automatic cost-of-living increases) that are expected to occur shall be included in measurements of the projected, accumulated, and vested benefit obligations, and the service cost component required by this Subtopic. Also, retroactive plan amendments shall be included in the computation of the projected and accumulated benefit obligations once they have been contractually agreed to, even if some provisions take effect only in future periods. For example, if a plan amendment grants a higher benefit level for employees retiring after a future date, the higher benefit level shall be included in current-period measurements for employees expected to retire after that date.

**> > Attribution**

**715-30-35-36** For purposes of this Subtopic, pension benefits ordinarily shall be attributed to periods of employee service based on the plan's benefit formula to the extent that the formula states or implies an attribution. For example, if a plan's formula provides for a pension benefit of \$10 per month for life for each year of service, the benefit attributed to each year of an employee's service is \$10 times the number of months of life expectancy after retirement, and the cost attributable to each year is the actuarial present value of that benefit. For plan benefit formulas that define benefits similarly for all years of service, that attribution is a **benefit-years-of-service approach** because it attributes the same amount of the pension benefit to each year of service. For final-pay and career-average-pay plans, that attribution is also the same as the projected unit credit or unit credit with service prorate actuarial cost method. For a flat-benefit plan, it is the same as the unit credit actuarial cost method.

**715-30-35-37** Some plans define different benefits for different years of service. For example, a step-rate plan might provide a benefit of 1 percent of final pay for each year of service up to 20 years and 1½ percent of final pay for years of service in excess of 20. Another plan might provide 1 percent of final pay for each year of service but limit the total benefit to no more than 20 percent of final pay. For such plans the attribution called for by this Subtopic will not assign the same amount of pension benefit to each year of service.

**715-30-35-38** Some plans may have benefit formulas that attribute all or a disproportionate share of the total benefits provided to later years of service, thereby achieving in substance a delayed vesting of benefits. For example, a plan that provides no benefits for the first 19 years of service and a vested benefit of \$10,000 for the 20th year is substantively the same as a plan that provides \$500 per year for each of 20 years and requires 20 years of service before benefits

vest. For such plans the total projected benefit shall be considered to accumulate in proportion to the ratio of the number of completed years of service to the number that will have been completed when the benefit is first fully vested. If a plan's benefit formula does not specify how a particular benefit relates to services rendered, the benefit shall be considered to accumulate in either of the following manners:

- a. For benefits of a type includable in **vested benefits** (for example, a supplemental early retirement benefit that is a vested benefit after a stated number of years), in proportion to the ratio of the number of completed years of service to the number that will have been completed when the benefit is first fully vested
- b. For benefits of a type not includable in vested benefits (for example, a death or disability benefit that is payable only if death or disability occurs during active service), in proportion to the ratio of completed years of service to total projected years of service.

**715-30-35-39** Under the attribution approach described in paragraphs 715-30-35-36 through 35-38, the projected benefit obligation will always equal or exceed the accumulated benefit obligation.

### > > **Plan Provisions Affecting Measurement of Vested Benefits**

**715-30-35-40** Under some defined benefit pension plans (typically foreign plans), the actuarial present value of benefits to which an employee is entitled if the employee terminates immediately may exceed the actuarial present value of benefits to which the employee is entitled at the expected date of separation based on service to date. For example, at one point in time, the provisions of one country's severance pay statute required that, in most cases, the benefit an employee had accrued for service to date was payable immediately upon separation. The undiscounted value of that benefit payable currently would exceed the actuarial present value of that benefit if payment was estimated to occur at the employee's expected termination date. Another example arises in another country where legislation required that deferred vested benefits of terminated employees be statutorily revalued from date of separation to normal retirement age. If the vested benefit obligation was determined assuming employee termination at the measurement date, that vested benefit obligation could exceed the accumulated benefit obligation if that obligation was measured giving consideration to a statutory revaluation only after the employee's expected date of termination.

**715-30-35-41** The vested benefit obligation in the situations addressed in the preceding paragraph may be determined as either the actuarial present value of the vested benefits to which the employee is entitled if the employee separates immediately or the actuarial present value of the vested benefits to which the employee is currently entitled but based on the employee's expected date of separation or retirement. Either approach is acceptable for situations not otherwise addressed by this Subtopic in which the facts and circumstances are analogous to those in the preceding paragraph.

### > **Assumptions**

**715-30-35-42** This Subtopic requires an **explicit approach to assumptions**. That is, each significant assumption used shall reflect the best estimate solely with respect to that individual assumption. All assumptions shall presume that the plan will continue in effect in the absence of evidence that it will not continue. Actuarial assumptions reflect the time value of money (discount rate) and the probability of payment (assumptions as to mortality, turnover, early retirement, and so forth).



**> > Discount Rates**

**715-30-35-43** Assumed discount rates shall reflect the rates at which the pension benefits could be effectively settled. It is appropriate in estimating those rates to look to available information about rates implicit in current prices of **annuity contracts** that could be used to effect **settlement** of the obligation (including information about available annuity rates published by the Pension Benefit Guaranty Corporation). In making those estimates, employers may also look to rates of return on high-quality fixed-income investments currently available and expected to be available during the period to maturity of the pension benefits. Assumed discount rates are used in measurements of the projected, accumulated, and vested benefit obligations and the service and interest cost components of net periodic pension cost.

**715-30-35-44** The preceding paragraph permits an employer to look to rates of return on high-quality fixed-income investments in determining assumed discount rates. The objective of selecting assumed discount rates using that method is to measure the single amount that, if invested at the measurement date in a portfolio of high-quality debt instruments, would provide the necessary future cash flows to pay the pension benefits when due. Notionally, that single amount, the projected benefit obligation, would equal the fair value of a portfolio of high-quality zero coupon bonds whose maturity dates and amounts would be the same as the timing and amount of the expected future benefit payments. Because cash inflows would equal cash outflows in timing and amount, there would be no reinvestment risk in the yields to maturity of the portfolio. However, in other than a zero coupon portfolio, such as a portfolio of long-term debt instruments that pay semiannual interest payments or whose maturities do not extend far enough into the future to meet expected benefit payments, the assumed discount rates (the yield to maturity) need to incorporate expected reinvestment rates available in the future. Those rates shall be extrapolated from the existing yield curve at the measurement date. The determination of the assumed discount rate is separate from the determination of the expected rate of return on plan assets whenever the actual portfolio differs from the hypothetical portfolio described in this paragraph. Assumed discount rates shall be reevaluated at each measurement date. If the general level of interest rates rises or declines, the assumed discount rates shall change in a similar manner.

**715-30-35-45** Interest rates vary depending on the duration of investments; for example, U.S. Treasury bills, 7-year bonds, and 30-year bonds have different interest rates. Thus, the weighted-average discount rate (interest rate) inherent in the prices of annuities (or a dedicated bond portfolio) will vary depending on the length of time remaining until individual benefit payment dates. A plan covering only retired employees would be expected to have significantly different discount rates from one covering a work force of 30-year-olds. The disclosures required by Subtopic 715-20 regarding components of the pension benefit obligation will be more representationally faithful if individual discount rates applicable to various benefit deferral periods are selected. A properly weighted average rate can be used for aggregate computations such as the interest cost component of net pension cost for the period.

**715-30-35-46** An insurance entity deciding on the price of an annuity contract will consider the rates of return available to it for investing the premium received and the rates of return expected to be available to it for reinvestment of future cash flows from the initial investment during the period until benefits are payable. That consideration is indicative of a relationship between rates inherent in the prices of annuity contracts and rates available in investment markets. Therefore, it is appropriate for employers to consider that relationship and information about investment rates in estimating the discount rates required for application of this Subtopic. Thus a current settlement rate best meets that objective and is consistent with measurement of plan assets at fair value for purposes of recognizing as a net asset or a net liability, and disclosing the plan's funded status. Each year the discount rates shall be reevaluated to determine whether they reflect the best estimate of the current effective settlement rates. As established in paragraph 715-30-35-44, if interest rates generally decline or rise, the assumed discount rates shall change.

## > > **Expected Long-Term Rate of Return**

**715-30-35-47** The **expected long-term rate of return on plan assets** shall reflect the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the projected benefit obligation. In estimating that rate, appropriate consideration shall be given to the returns being earned by the plan assets in the **fund** and the rates of return expected to be available for reinvestment. The expected long-term rate of return on plan assets is used (with the market-related value of assets) to compute the expected return on assets. In the context of its use in this paragraph, funds to be invested refers only to the reinvestment of returns on existing plan assets.

**715-30-35-48** The expected return on plan assets shall take into consideration the availability of all plan assets for investment throughout the year. Therefore, the amount and timing of pension plan contributions and benefit payments expected to be made during the year shall be considered in determining the expected return on plan assets for that year. For example, if the employer's pension plan contribution for the year is expected to be made two months before the next measurement date, then the expected return on plan assets shall include an amount related to the expected return on that contribution only for those two months.

**715-30-35-49** However, the expected return on future years' contributions to a pension plan shall not be considered in determining the expected long-term rate of return on plan assets. The expected long-term rate of return on plan assets shall reflect long-term earnings expectations only on existing plan assets and those contributions expected to be received during the current year.

## > **Measurement of Plan Assets**

**715-30-35-50** For purposes of applying the **plan-asset-related** provisions of paragraph 715-30-25-1 and for purposes of the disclosures required by paragraphs 715-20-50-1 and 715-20-50-5, plan investments, whether equity or debt securities, real estate, or other, shall be measured at their fair value as of the measurement date. The fair value of an investment shall be reduced by brokerage commissions and other costs normally incurred in a sale if those costs are significant (similar to fair value less cost to sell).

**715-30-35-51** For purposes of determining the expected return on plan assets and accounting for asset gains and losses pursuant to paragraphs 715-30-35-18 through 35-26, a **market-related asset value** is used.

**715-30-35-52** Plan assets used in plan operations (for example, buildings, equipment, furniture and fixtures, and leasehold improvements) shall be measured at cost less accumulated depreciation or amortization for all purposes.

## > **Annuity and Other Contracts**

**715-30-35-53** Paragraph 715-30-25-7 provides that to the extent that benefits currently earned are covered by annuity contracts, the cost of those benefits shall be the cost of purchasing the contracts, except for the cost of the **participation right** when participating annuity contracts are used (see paragraph 715-30-35-57). That is, if all the benefits attributed by the plan's benefit formula to service in the current period are covered by nonparticipating annuity contracts, the cost of the contracts determines the service cost component of net pension cost for that period. Benefits covered by annuity contracts shall be excluded from the projected benefit obligation and the accumulated benefit obligation. Except for participation rights, annuity contracts shall be excluded from plan assets.

**715-30-35-54** If the insurance entity obligated under an annuity contract is a **captive insurer**, or if there is any reasonable doubt that the insurance entity will meet its obligations under the contract, the contract is not an annuity contract for purposes of this Subsection.

**715-30-35-55** Benefits provided by the pension benefit formula beyond benefits provided by annuity contracts (for example, benefits related to future compensation levels) shall be accounted for according to the provisions of this Subtopic applicable to plans not involving insurance contracts.

**715-30-35-56** Some contracts provide for a refund of premiums if an employee for whom an annuity is purchased does not render sufficient service for the benefit to vest under the terms of the plan. Such a provision shall not by itself preclude a contract from being treated as an annuity contract for purposes of this Subtopic.

**715-30-35-57** Participating annuity contracts provide that the purchaser (either the plan or the employer) may participate in the experience of the insurance entity. Under those contracts, the insurance entity ordinarily pays dividends to the purchaser, the effect of which is to reduce the cost of the plan. The purchase price of a **participating annuity contract** ordinarily is higher than the price of an equivalent contract without participation rights. The difference is the cost of the participation right.

**715-30-35-58** In subsequent periods, the participation right shall be measured at its fair value if the contract is such that fair value is reasonably estimable. Otherwise, the participation right shall be measured at its amortized cost (not in excess of its net realizable value), and the cost shall be amortized systematically over the expected dividend period under the contract.

**715-30-35-59** If the substance of a **participating insurance** contract is such that the employer remains subject to all or most of the risks and rewards associated with the benefit obligation covered and the assets transferred to the insurance entity, that contract is not an annuity contract for purposes of this Subtopic.

**715-30-35-60** Insurance contracts that are in substance equivalent to the purchase of annuities shall be accounted for as such. Other contracts with insurance entities shall be accounted for as investments and measured at fair value. For some contracts, the best available evidence of fair value may be contract value. If a contract has a determinable cash surrender value or conversion value, that is presumed to be its fair value.

**715-30-35-61** Paragraph [715-30-35-54](#) identifies attributes related to the issuers of annuity contracts that preclude accounting for the contracts as annuity contracts. The Settlements, Curtailments, and Certain Termination Benefits Subsections of this Subtopic define attributes related to annuity contracts differently for purposes of accounting for them as annuity contracts. The effect of the difference is that paragraph [715-30-35-85](#) excludes from settlement accounting those annuity contracts purchased from an entity that is controlled by the employer, whereas this Subsection excludes from annuity contracts those purchased from a captive insurer.

## > **Timing of Measurement**

**715-30-35-62** The measurements of plan assets and benefit obligations required by this Subtopic shall be as of the date of the employer's fiscal year-end statement of financial position except in both of the following cases:

- a. The plan is sponsored by a subsidiary that is consolidated using a fiscal period that differs from its parent's, as permitted by paragraph [810-10-45-12](#).
- b. The plan is sponsored by an investee that is accounted for using the equity method of accounting under paragraph [323-10-35-6](#), using financial statements of the investee for a

fiscal period that is different from the investor's, as permitted by that Subtopic.

**715-30-35-63** If the exceptions in the preceding paragraph apply, the employer shall measure the subsidiary's plan assets and benefit obligations as of the date used to consolidate the subsidiary's statement of financial position and shall measure the investee's plan assets and benefit obligations as of the date of the investee's financial statements used to apply the equity method. For example, if a calendar year-end parent consolidates a subsidiary using the subsidiary's September 30 financial statements, the funded status of the subsidiary's benefit plan included in the consolidated financial statements shall be measured as of September 30.

#### **715-30-35-63A**

Pending Content:

**Transition Date:** *(P) December 16, 2015; (N) December 16, 2016* | **Transition Guidance:** [715-10-65-1](#)

If an employer's fiscal year-end does not coincide with a month-end, the employer may measure plan assets and benefit obligations using the month-end that is closest to the employer's fiscal year-end. That election shall be applied consistently from year to year. The election shall be applied consistently to all of its defined benefit plans if an employer has more than one defined benefit plan.

#### **715-30-35-63B**

Pending Content:

**Transition Date:** *(P) December 16, 2015; (N) December 16, 2016* | **Transition Guidance:** [715-10-65-1](#)

If an employer measures plan assets and benefit obligations in accordance with paragraph [715-30-35-63A](#) and a contribution or significant event caused by the employer (such as a plan amendment, settlement, or curtailment that calls for a remeasurement) occurs between the month-end date used to measure plan assets and benefit obligations and the employer's fiscal year-end, the employer shall adjust the fair value of plan assets and the actuarial present value of benefit obligations so that those contributions or significant events are recognized in the period in which they occurred. An employer shall not adjust the fair value of plan assets and the actuarial present value of benefit obligations for other events occurring between the month-end date used to measure plan assets and benefit obligations and the employer's fiscal year-end that may be significant to the measurement of defined benefit plan assets and obligations, but are not caused by the employer (for example, changes in market prices or interest rates).

**715-30-35-64** Requiring that the pension measurements be as of a particular date is not intended to require that all procedures be performed after that date. As with other financial statement items requiring estimates, much of the information can be prepared as of an earlier date and projected forward to account for subsequent events (for example, employee service).

**715-30-35-65** Unless an entity remeasures both its plan assets and benefit obligations during the fiscal year, the funded status it reports in its interim-period statement of financial position shall be the same asset or liability recognized in the previous year-end statement of financial position adjusted for both of the following:

- a. Subsequent accruals of net periodic pension cost that exclude the amortization of amounts previously recognized in other comprehensive income (for example, subsequent

accruals of service cost, interest cost, and return on plan assets)

b. Contributions to a funded plan, or benefit payments.

**715-30-35-66** Paragraph [715-30-25-5](#) notes that, sometimes, an entity remeasures both plan assets and benefit obligations during the fiscal year, for example, when a significant event such as a plan amendment, settlement, or curtailment occurs that calls for a remeasurement.

#### **715-30-35-66A**

Pending Content:

**Transition Date:** (P) December 16, 2015; (N) December 16, 2016 | **Transition Guidance:** [715-10-65-1](#)

If a significant event caused by the employer (such as a plan amendment, settlement, or curtailment) that requires an employer to remeasure both plan assets and benefit obligations does not coincide with a month-end, the employer may remeasure plan assets and benefit obligations using the month-end that is closest to the date of the significant event.

#### **715-30-35-66B**

Pending Content:

**Transition Date:** (P) December 16, 2015; (N) December 16, 2016 | **Transition Guidance:** [715-10-65-1](#)

If an employer remeasures plan assets and benefit obligations during the fiscal year in accordance with paragraph [715-30-35-66A](#), the employer shall adjust the fair value of plan assets and the actuarial present value of benefit obligations for any effects of the significant event that may or may not be captured in the month-end measurement (for example, if the closest month-end is before the date of a partial settlement, then the measurement of plan assets may include assets that are no longer part of the plan). An employer shall not adjust the fair value of plan assets and the actuarial present value of benefit obligations for other events occurring between the month-end date used to measure plan assets and benefit obligations and the employer's fiscal year-end that may be significant to the measurement of defined benefit plan assets and obligations, but are not caused by the employer (for example, changes in market prices or interest rates).

**715-30-35-67** As required by paragraph [715-30-25-5](#), upon remeasurement, an entity shall adjust its statement of financial position in a subsequent interim period to reflect the overfunded or underfunded status of the plan consistent with that measurement date.

**715-30-35-68** Measurements of net periodic pension cost for both interim and annual financial statements shall be based on the assumptions used for the previous year-end measurements unless more recent measurements of both plan assets and obligations are available or a significant event occurs, such as a plan amendment, that would ordinarily call for such measurements.

### **> Employers with Two or More Plans**

**715-30-35-69** Net periodic pension cost, liabilities, and assets are determined on a plan-by-plan basis. Paragraph [715-30-25-6](#) requires that an employer that sponsors two or more

separate defined benefit pension plans determine net periodic pension cost, liabilities, and assets by separately applying the provisions of this Subtopic to each plan.

#### > **Multiple-Employer Plans**

**715-30-35-70** Some pension plans to which two or more unrelated employers contribute are not multiemployer plans. Rather, they are in substance aggregations of **single-employer plans** combined to allow participating employers to pool their assets for investment purposes and to reduce the costs of plan administration. Those **multiple-employer plans** ordinarily do not involve collective-bargaining agreements. They may also have features that allow participating employers to have different benefit formulas, with the employer's contributions to the plan based on the benefit formula selected by the employer. Such plans shall be considered single-employer plans rather than multiemployer plans for purposes of this Subtopic, and each employer's accounting shall be based on its respective interest in the plan.

#### > **Cash Balance Plans**

**715-30-35-71** The benefit promise in a cash balance arrangement for a **cash balance plan** as described in the definition of the term, is not pay-related, and use of a projected unit credit method is neither required nor appropriate for purposes of measuring the benefit obligation and annual cost of benefits earned under this Subtopic. The appropriate cost attribution approach, therefore, is the traditional unit credit method. See paragraphs [715-30-35-36 through 35-39](#) and [715-30-55-7 through 55-15](#) for guidance on attribution approaches.

**715-30-35-72** The determination of whether a plan is pay-related and the appropriate benefit attribution approach for a cash balance plan with other characteristics or for other types of defined benefit pension plans depend on an evaluation of the specific features of those benefit arrangements.

#### > **Transfer of Excess Pension Assets to a Retiree Health Care Benefits Account**

**715-30-35-73** The transfer of excess pension assets to a retiree health care account or plan (whether or not the transfer of assets is made pursuant to applicable laws or regulations) shall be recognized as a negative contribution to (withdrawal of funds from) the pension plan and a positive contribution to the retiree health care plan. No gain or loss arises from the transfer of the excess pension assets.

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## Settlements, Curtailments, and Certain Termination Benefits

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#### > **Relationship of Settlements and Curtailments to Other Events**

**715-30-35-74** A **settlement** and a **curtailment** may occur separately or together.

**715-30-35-75** This Subsection does not establish a proper sequence of events to follow in measuring the effects of a settlement and a curtailment that are to be recognized at the same time. Although the sequence selected can affect the determination of the aggregate **gain or loss** recognized, the selection of the event to be measured first (settlement or curtailment) is an arbitrary decision and neither order is demonstrably superior to the other. However, an employer shall consistently apply the same sequence of events in determining the effects of all settlements and curtailments that are to be recognized at the same time.

**715-30-35-76** If **benefits** to be accumulated in future periods are reduced (for example, because half of a work force is dismissed or a plant is closed) but the plan remains in existence and continues to pay benefits, to invest assets, and to receive contributions, a curtailment has occurred but not a settlement.

**715-30-35-77** If an employer purchases nonparticipating annuity contracts for **vested benefits** and continues to provide defined benefits for future **service**, either in the same plan or in a successor plan, a settlement has occurred but not a curtailment.

**715-30-35-78** If a plan is terminated (that is, the obligation is settled and the plan ceases to exist) and not replaced by a successor defined benefit plan, both a settlement and a curtailment have occurred (whether or not the employees continue to work for the employer). See Example 1 (paragraph [715-30-55-198](#)) for an illustration of this situation.

## > Settlements

**715-30-35-79** The maximum gain or loss subject to recognition in earnings when a pension obligation is settled is the net gain or loss remaining in accumulated other comprehensive income plus any transition asset remaining in accumulated other comprehensive income from initial application of this Subtopic. That maximum amount includes any gain or **loss** first measured at the time of settlement. The maximum amount shall be recognized in earnings if the entire **projected benefit obligation** is settled. If only part of the projected benefit obligation is settled, the employer shall recognize in earnings a pro rata portion of the maximum amount equal to the percentage reduction in the projected benefit obligation. If the purchase of a **participating annuity contract** constitutes a settlement under the guidance in paragraphs [715-30-35-85 through 35-89](#), the maximum gain (but not the maximum loss) shall be reduced by the cost of the **participation right** before determining the amount to be recognized in earnings.

**715-30-35-80** See Example 2 (paragraph [715-30-55-202](#)) for illustrations of the settlement related guidance presented in this Subsection.

**715-30-35-81** **Plan assets** and the projected benefit obligation shall be measured as of the date the settlement occurs (that is, as of the date that the criteria for a settlement are met and settlement accounting becomes appropriate) to determine the maximum gain or loss subject to pro rata recognition in earnings and the percentage reduction in the projected benefit obligation. The effects of a settlement can be reliably measured only if based on measures of plan assets and the projected benefit obligation as of the date of the settlement because intervening events (such as investment gains or losses, or gains or losses from changes in interest rates) after a prior measurement date could change the relevant amounts.

**715-30-35-82** Recognition in earnings of gains or losses from settlements is required if the cost of all settlements during a year is greater than the sum of the service cost and interest cost components of **net periodic pension cost** for the pension plan for the year. However, if the cost of all settlements in a year is less than or equal to the sum of the service cost and interest cost components of net periodic pension cost for the plan for the year, gain or loss recognition in earnings is permitted but not required for those settlements. The accounting policy adopted for recognition in earnings of gains or losses from settlements shall be applied consistently from year to year.

**715-30-35-83** The cost of a settlement is determined as follows for each of the different settlement types:

- a. For a cash settlement, the amount of cash paid to employees
- b. For a settlement using nonparticipating annuity contracts, the cost of the contracts

c. For a settlement using participating annuity contracts, the cost of the contracts less the amount attributed to participation rights. See paragraph [715-30-35-57](#).

## > > Using Annuity Contracts in Settlement Transactions

**715-30-35-84** The intent of the guidance in this Subsection is that if the substance of an insurance contract is such that the employer remains subject to all or most of the risks and rewards associated with the covered pension benefit obligation or the assets transferred to the insurance entity, the purchase of the contract does not constitute a settlement. The circumstances under which an employer shall recognize in earnings the net gain or loss included in accumulated other comprehensive income are limited and such recognition shall not occur if the settlement transaction is between an employer and an entity that it controls because such a transaction merely shifts the risks from one part of the entity to another part of the same entity.

**715-30-35-85 Annuity contracts** purchased from an entity that is controlled by the employer are excluded from settlement accounting. Therefore, an employer that purchases annuity contracts from an insurance entity that it controls shall not recognize any settlement gain or loss associated with the transaction (that is, the transaction does not qualify for settlement accounting).

**715-30-35-86** If there is any reasonable doubt that the insurance entity will meet its obligations under the annuity contract, the purchase of the contract does not constitute a settlement.

**715-30-35-87** If the substance of a **participating annuity contract** is such that the employer remains subject to all or most of the risks and rewards associated with the benefit obligation covered or the assets transferred to the insurance entity, the purchase of the contract does not constitute a settlement.

**715-30-35-88** It may be difficult to determine the extent to which a participating annuity contract exposes the purchaser to the risk of unfavorable experience, which would be reflected in lower than expected future dividends. Additionally, under some annuity contracts described as participating, the purchaser might remain subject to all or most of the same risks and rewards related to future experience that would have existed had the contract not been purchased. Some **participating insurance** contracts may require or permit payment of additional premiums if experience is unfavorable. Accordingly, if a participating insurance contract requires or permits payment of additional premiums because of experience losses, or if the substance of the contract is such that the purchaser retains all or most of the related risks and rewards, the purchase of that contract does not constitute a settlement.

**715-30-35-89** An employer may decide to make up a deficiency in annuity contract payments following a settlement and subsequent insolvency by the insurance entity. The following guidance addresses how the employer shall account for the cost of making up the deficiency in annuity payments to the retirees.

**715-30-35-90** The following circumstances identify the fact pattern to which the required accounting would apply. An employer sponsors a **defined benefit pension plan**. The employer settles its pension obligation through the purchase of insurance annuity contracts from an insurance entity. The employer may or may not terminate the defined benefit pension plan. The employer appropriately applies the guidance in this Subsection. Subsequently, the insurance entity becomes insolvent and is unable to meet all of its obligations under the annuity contracts. The employer decides to make up some portion or all of any deficiency in annuity payments to the retirees.

**715-30-35-91** The employer shall recognize a loss in the circumstances described in the preceding paragraph at the time the deficiency is assumed by the employer if any gain was



recognized on the original settlement. The loss recognized would be the lesser of any gain recognized on the original settlement or the amount of the benefit obligation assumed by the employer. The excess of the obligation assumed by the employer over the loss recognized shall be accounted for as a **plan amendment** or plan initiation in accordance with paragraphs [715-30-35-10 through 35-17](#). Subsequent accounting shall be in accordance with the provisions of this Subtopic.

## > **Curtailments**

**715-30-35-92** The **prior service cost** included in accumulated other comprehensive income associated with years of service no longer expected to be rendered as the result of a **curtailment** is a loss. For example, if a curtailment eliminates half of the estimated remaining future years of service of those who were employed at the date of a prior plan amendment and were expected to receive benefits under the plan, then the loss associated with the curtailment is half of the prior service cost included in accumulated other comprehensive income related to that amendment that has not been amortized as a component of net periodic pension cost. For purposes of applying the provisions of this paragraph, prior service cost includes the cost of retroactive plan amendments (see paragraphs [715-30-35-10 through 35-11](#)) and any transition obligation remaining in accumulated other comprehensive income from initial application of this Subtopic. The calculation of prior service cost associated with services of terminated employees is illustrated in Example 3 (see paragraph [715-30-55-212](#)).

**715-30-35-93** The projected benefit obligation, exclusive of increases that reflect termination benefits that are excluded from the scope of this paragraph (see paragraphs [715-30-25-9 through 25-13](#)), may be decreased (a gain) or increased (a loss) by a curtailment. To the extent that such a gain exceeds any net loss included in accumulated other comprehensive income (or the entire gain, if a net gain exists), it is a curtailment gain. To the extent that such a loss exceeds any net gain included in accumulated other comprehensive income (or the entire loss, if a net loss exists), it is a curtailment loss. For purposes of applying the provisions of this paragraph, any transition asset remaining in accumulated other comprehensive income from initial application of this Subtopic shall be treated as a net gain and shall be combined with the net gain or loss arising thereafter. See Example 4 (paragraph [715-30-55-216](#)) for an illustration of a curtailment if there is a remaining transition asset included in accumulated other comprehensive income.

**715-30-35-94** If the sum of the effects identified in the preceding two paragraphs is a net loss, it shall be recognized in earnings when it is probable that a curtailment will occur and the effects described are reasonably estimable. If the sum of those effects is a net gain, it shall be recognized in earnings when the related employees terminate or the **plan suspension** or amendment is adopted.

**715-30-35-95** If a situation also involves termination benefits, the change in the projected benefit obligation due to the curtailment is the difference between the projected benefit obligation for the respective employees before their acceptance of the offer of termination benefits and the projected benefit obligation determined for those employees by applying the normal pension plan formula and assuming no future service because of their termination. See Examples 5 through 6 (paragraphs [715-30-55-222 through 55-230](#)) for an illustration of this guidance.

**715-30-35-96** See also Example 7 (paragraph [715-30-55-231](#)) for more illustrations of the curtailment-related guidance presented in this Subsection.

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## 715-30-45 Other Presentation Matters

**General Note:** The Other Presentation Matters Section provides guidance on other presentation matters not addressed in the Recognition, Initial Measurement, Subsequent Measurement, and Derecognition Sections. Other presentation matters may include items such as current or long-term balance sheet classification, cash flow presentation, earnings per share matters, and so forth. The FASB Codification also contains Presentation Topics, which provide guidance for general presentation and display items. See those Topics for general guidance.

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### General

**715-30-45-1** See paragraph [715-30-25-4](#) for guidance on reporting changes in a plan's funded status and the effect of certain **amortization** components of **net periodic pension cost** in other comprehensive income.

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## 715-30-50 Disclosure

**General Note:** The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

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### General

**715-30-50-1** See Section [715-20-50](#) for disclosure requirements applicable to matters in the scope of this Subtopic.

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## Settlements, Curtailments, and Certain Termination Benefits

**715-30-50-2** See Section [715-20-50](#) for disclosure requirements applicable to matters in the scope of this Subtopic.

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## 715-30-55 Implementation Guidance and Illustrations

**General Note:** The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The

implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and circumstances in relation to the requirements of the Subtopic.

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## General

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**715-30-55-1** This Subsection is an integral part of the requirements of this Subtopic. This Subsection provides additional guidance and illustrations that address the application of accounting requirements to specific aspects of accounting for matters related to defined benefit pension plans. The guidance and illustrations that follow may be based on provisions of law that are subject to change. These assumptions about the law are for illustrative purposes only.

### > **Implementation Guidance**

**715-30-55-2** This implementation guidance is organized into the following categories:

- a. Net periodic pension cost
- b. Attribution
- c. Substantive commitment
- d. Assumptions
- e. Selection of discount rates
- f. Plan assets
- g. Insurance contracts
- h. Amounts included in accumulated other comprehensive income
- i. Timing of measurements
- j. Multiemployer, multiple-employer, and single-employer plans
- k. Pension arrangements outside the United States
- l. Combining and dividing plans.

### > > **Net Periodic Pension Cost**

**715-30-55-3** Paragraph [715-30-35-4](#) provides that **net periodic pension cost** is an aggregation of various pension cost components, some of which are expenses or losses (which increase net periodic pension cost) and some of which are revenues or gains (which decrease net periodic pension cost). It is possible for the revenue or gain components to exceed the expense or **loss** components, resulting in net periodic pension income. For example, a pension plan may have an **expected return on plan assets** or **amortization** of a transition asset remaining in accumulated other comprehensive income that exceeds the other net periodic pension cost components.

**715-30-55-4** An employer sponsoring a pension plan that is overfunded may have net periodic pension cost that is a net credit (that is, net periodic pension income) and the employer may

make no contribution to the pension plan because it cannot currently deduct that amount for tax purposes. In this situation, the difference between net periodic pension income and the tax-deductible amount is a temporary difference as discussed in paragraphs [740-10-25-18 through 25-20](#). The difference between net periodic pension income and the tax-deductible amount represents the origination or reversal of a portion of the overall temporary difference related to a pension plan for which deferred taxes should be provided. Ultimately, the employer's cost of providing **pension benefits** to employees equals the net amount funded, which is equal to the total **benefits** paid less earnings on plan assets. Thus, cumulative pension cost for accounting purposes will equal the cumulative amount recognized for tax purposes.

**715-30-55-5** The overall temporary difference discussed in the preceding paragraph will reverse in one of two ways. First, at some future time the pension plan may not be so overfunded because of poor investment performance or because of increases in the obligation due to a decline in interest rates, additional pension benefits earned for future years of **service**, or amendments to the pension plan that increase pension benefits. In this case, net periodic pension cost for future years would eventually exceed amounts funded in those years. Second, if the pension plan remains overfunded and continually generates investment returns in excess of increases in the pension obligation, the employer may terminate the pension plan to recapture excess assets. In this case, the gain for accounting purposes from the pension **plan termination** would be less than the taxable amount resulting from that event. Although the reversal of the temporary difference may be far in the future and may be somewhat under the employer's control, there is a temporary difference for which deferred taxes should be provided.

**715-30-55-6** An employer may withdraw excess plan assets (cash) from a pension plan, not be required to settle a pension benefit obligation as part of an asset reversion transaction, and, as provided for in paragraph [715-30-55-145](#), no net **gain or loss** included in accumulated other comprehensive income would be immediately recognized in earnings. However, the withdrawal of excess plan assets shall be recorded as a negative contribution. That is, the employer shall record a debit to cash and a credit to the net pension asset or liability, as appropriate.

## > > Attribution

**715-30-55-7** The following attribution-related implementation guidance illustrates the application of the guidance in paragraph [715-30-35-36](#) that establishes that pension benefits ordinarily shall be attributed to periods of employee service based on the **plan's benefit formula** to the extent that the formula states or implies an **attribution**.

**715-30-55-8** Under the paragraph [715-30-35-36](#) guidance, if a pension plan's formula provides an annual pension benefit equal to 1 percent of each year's salary (that is, it does not base pension benefits for the current year on any future salary level), the projected unit credit method should be used to attribute the service cost component of net periodic pension cost over employees' service periods because a pension plan that describes the pension benefits earned as 1 percent of current pay for each year of service is the same as a pension plan that describes the pension benefits earned as 1 percent of total career pay. Both are, in effect, a career-average-pay pension plan. Because similar pension benefits could be provided by a final-pay pension plan that includes almost the entire service period (for example, service period minus the first year) in determining the average final pay on which pension benefits are based, the line between career-average-pay and final-pay pension plans would need to be an arbitrary one if the two types of formulas were to be treated differently.

**715-30-55-9** A career-average-pay pension plan may have a formula that provides pension benefits equal to 1 percent of each year's salary for that year's service with, for example, prospective (flat-benefit) plan amendments granted every 3 years as part of union negotiations (for example, a negotiated increase may provide that additional benefits of \$360 per year are earned for each of the following 3 years of service). In such a plan, the projected unit credit method should not be used for both the career-average-pay and the flat-benefit portions of the

pension benefits provided under the pension plan. Rather, the projected unit credit method should be used to attribute the career-average-pay portion of the pension benefits over employees' service periods, and the unit credit method should be used for the flat-benefit portion for the limited service period, which, in this example, is three years.

**715-30-55-10** In a pension plan that provides a pension benefit of 1 percent of final pay for each year of service up to a maximum of 20 years of service with, for example, final pay frozen at the 20th year, the employer should not attribute the total projected benefits under the pension plan for an employee over the employee's expected service period even if that service period is anticipated to exceed the 20-year limitation. Although total projected benefits ordinarily should be attributed to years of service based on the pension plan's formula, paragraph [715-30-35-38](#) explains that some pension plans have formulas that attribute a disproportionate share of those pension benefits to later years of service and requires attribution of those pension benefits ratably over the service period (which would be faster than the pension plan formula). However, no basis exists for attribution of pension benefits to years of service more slowly than the pension plan's formula. In this example, the service cost component of net periodic pension cost for the employee should be zero after Year 20. However, interest cost should continue to accrue on the **projected benefit obligation**. If the pension plan's formula in this example provided a pension benefit of 1 percent of final pay for each year of service up to a maximum of 20 years of service and final pay is not frozen at the 20th year, the result is the same except that gains or losses will occur after the 20-year period if experience is different from that assumed regarding the final level of compensation.

**715-30-55-11** A pension plan may have more than one formula with an employee's pension benefits determined based on the formula that provides the greatest pension benefit at the time the employee terminates or retires. For example, if the employee terminates in Year 10, the pension plan's **flat-benefit formula** provides a greater pension benefit than does the pension plan's pay-related formula, while if the employee terminates in Year 11, the pension plan provides that same employee with a greater benefit under its pay-related formula than under its flat-benefit formula. In a pension plan that effectively has a formula that defines different benefits for different years of service, an attribution approach that does not assign the same amount of pension benefit to each year of an employee's service may be required.

**715-30-55-12** If a pension plan has more than one formula, the **accumulated benefit obligation** shall be based on the greatest of the pension benefits determined by applying each of the plan's formulas to service to date. The projected benefit obligation shall be determined based on the same formula until an allocation of incremental pension benefits for the remaining expected service period using another formula provides a greater pension benefit allocated to service in the current year. As indicated in the preceding paragraph, that may result in differing levels of benefits attributed to different years of an employee's service.

**715-30-55-13** See Example 3 (paragraph [715-30-55-108](#)) for an illustration of how an employer would determine the accumulated and projected benefit obligations for a pension plan that has more than one benefit formula.

**715-30-55-14** An employer may sponsor both a qualified pension plan (for tax purposes) and an excess benefit plan (sometimes referred to as a top-hat pension plan) during an employee's service period and the employee may be expected to receive a pension benefit under the excess benefit pension plan (that is, the employee's pension benefit at retirement is expected to exceed the limitations imposed by the U.S. Internal Revenue Code). In this situation, the projected benefit obligation should be attributed to the qualified pension plan (for tax purposes) until it equals the assumed benefit limitations imposed by the U.S. Internal Revenue Code. See paragraph [715-30-55-21](#) for considerations of future changes in limitations. Any incremental projected benefits for subsequent years of service should then be attributed to the excess benefit pension plan. Until an employee's projected benefits for service already rendered reach the benefit limitations of the underlying qualified pension plan, the employee is not eligible for

benefits under an excess benefit pension plan and no cost or obligation should be attributed to that pension plan.

**715-30-55-14A** In most circumstances involving excess benefit pension plans, the plan assets of a qualified pension plan (for tax purposes) are segregated and restricted to provide pension benefits only under that pension plan. Therefore, unless an employer clearly has a legal right to use the plan assets of the qualified pension plan to pay directly the pension benefits of the nonqualified pension plan (a right that generally does not exist), the determination of net periodic pension cost, including amortization periods and patterns for recognition in earnings of the cost of retroactive plan amendments and gains or losses should be on a plan-by-plan basis. Also, the disclosures required by paragraph [715-20-50-2](#) may need to be made separately for each plan.

**715-30-55-14B** The fact that an employer could fund less to the qualified pension plan and use those withheld funds to pay the benefits of the nonqualified pension plan or engage in an asset reversion transaction of the qualified pension plan and use those withdrawn funds to pay the pension benefits of the nonqualified pension plan does not, in itself, allow the pension plans to be reported as a single pension plan. An additional reason that excess benefit pension plans should be viewed as separate pension plans is that sometimes those pension plans cover employees of several different qualified pension plans, in which case it would not be possible to sustain a one-plan view.

**715-30-55-15** See Example 4 (paragraph [715-30-55-118](#)) for an illustration of attribution of pension benefits to a qualified pension plan (for tax purposes) and an excess benefit pension plan.

## > > **Substantive Commitment**

**715-30-55-16** Paragraph [715-30-35-34](#) describes circumstances under which a substantive commitment is the basis for accounting beyond the written terms of a pension plan.

**715-30-55-17** The determination of whether a substantive commitment exists to provide pension benefits for employees beyond the written terms of the pension plan's formula requires careful consideration of all the facts and circumstances surrounding the pension plan. Actions of the employer, including communications to the employees, can demonstrate the existence of that commitment.

**715-30-55-18** However, a history of retroactive **plan amendments** is not enough, in isolation, to establish a substantive commitment. Absent other evidence of a substantive commitment, such a history should be considered in determining the appropriate amortization periods for **prior service cost** as discussed in paragraph [715-30-35-14](#). An employer's accounting for its pension plan should not anticipate a retroactive plan amendment that is not part of a series of retroactive plan amendments necessary to effect a substantive commitment to have a formula greater than its written form.

**715-30-55-19** An employer may have a substantive commitment to have a formula greater than the pension plan's written formula. There may be a difference between the effects of a retroactive plan amendment that were anticipated as part of that substantive commitment and the effects of the actual retroactive plan amendment. If that difference results from an intended modification of the formula for which there is a substantive commitment, the accounting shall be that prescribed in paragraphs [715-30-35-10](#) through [35-17](#) for a retroactive plan amendment. Otherwise, that difference is a gain or loss subject to the accounting specified in paragraphs [715-30-35-18](#) through [35-27](#).

## > > Assumptions

**715-30-55-20** Paragraph 715-30-35-31 provides guidance on how the service cost component of net periodic pension cost shall reflect estimates of future compensation levels. It is not always necessary for assumed compensation levels to change each time assumed discount rates (and expectations of future inflation rates inherently contained in the assumed discount rates) change. Rather, that paragraph requires consistency based on the incorporation of expectations of the same future economic conditions. That paragraph does not require that both assumptions contain the same future inflation component unless that would be appropriate under the circumstances to reflect the best estimate of the pension plan's future experience. For example, an employer that competes with significant foreign entities may not increase its assumed compensation levels even though assumed discount rates increase because the employer expects that it could not successfully compete in the future if its labor costs increased at a rate greater than that already assumed. Another employer would increase its assumed compensation levels if assumed discount rates increased because changes in that employer's labor costs over time have been highly correlated with changes in inflation rates and the employer expects that correlation to continue.

**715-30-55-21** Changes under existing law in benefit limitations, for example, such as those imposed by Section 415 of the U.S. Internal Revenue Code, that would affect benefits provided by a pension plan should be anticipated in measuring the service cost component of net periodic pension cost and the projected benefit obligation. If the existing law provides for indexing or has a schedule of changes inherent in it, those effects should be considered in determining the service cost component of net periodic pension cost and the projected benefit obligation to the extent consistent with other assumptions (that is, salary and inflation).

**715-30-55-22** Provisions of a law, for example, Section 415 of the U.S. Internal Revenue Code, may be incorporated by reference into a pension plan's formula thereby limiting certain participants' accumulated benefits. In such cases, the determination of the pension plan's accumulated benefit obligation should not reflect the current limitation of the law if the pension plan's formula requires automatic increases in accumulated benefits as each change in the limitation under existing law occurs and future service is not a prerequisite for participants to receive those increases. The determination of the pension plan's accumulated benefit obligation should reflect those increases in the limitation under existing law that would be consistent with the pension plan's other assumptions. As described, the pension plan formula incorporates the type of automatic benefit increases addressed in paragraph 715-30-35-35. However, if employees would not automatically receive those pension benefit increases should they retire or terminate their service, then that paragraph would proscribe anticipating those increases and, therefore, the current limitation would be used in determining the accumulated benefit obligation in that situation.

## > > Selection of Discount Rates

**715-30-55-23** Paragraphs 715-30-35-43 through 35-46 establish the requirements for discount rates to be used in measurements of the vested, accumulated, and projected benefit obligations and the service and interest cost components of net periodic pension cost.

**715-30-55-24** The assumed discount rates used to discount the vested, accumulated, and projected benefit obligations may be different if the employer can justify such differences in terms of the paragraph 715-30-35-46 requirement to make the best estimate of the assumed discount rates. For example, different rates should be used to measure the pension obligations for active and retired employees if necessary to reflect differences in the maturity and duration of pension benefit payments. The assumed discount rates for pension benefits that mature in a particular year shall not differ, however, regardless of whether the obligation for those pension benefits is presently classified as a vested, accumulated, or projected benefit obligation.

**715-30-55-25** An employer shall not select arbitrarily the assumed discount rates from within a range but shall select the best estimate of the interest rates at which the pension benefits could be effectively settled at that point in time.

**715-30-55-26** A change in the basis of estimating assumed discount rates, for example, by using high-quality bond rates for one year and annuity rates for the following year, is not a change in method of applying an accounting principle because of the objective of selecting assumed discount rates to determine the interest rates inherent in the price at which the pension benefits could be effectively settled—currently.

**715-30-55-27** If an employer that previously used AA bond rates believes in a subsequent year that, in consideration of its pension plan's particular facts and circumstances, the interest rates that would be inherent in an effective **settlement** of the pension benefits are now more closely reflected by the rates implicit in current prices of annuity contracts, then those rates should be used and the change is viewed as a change in estimate; the estimate being the determination of the effective settlement rates. The key is that the employer is using the rates implicit in current prices of annuity contracts as the basis to determine the best estimate of the effective settlement rates. The decision to use a particular methodology in a particular year does not mean that the employer must use that methodology in subsequent years. A change in the facts and circumstances may warrant the use of a different source that better reflects the rates at which the obligation could be effectively settled—currently. A position that holds such a change as a change in accounting principle would lend credence to the view that there are two or more acceptable alternatives. That is not the case. The objective is to select the best estimate of the effective settlement rates.

**715-30-55-28** Another aspect of this estimation issue is determining when to change the basis of estimation from one particular methodology to another, for example, AA bond rates to rates implicit in current prices of annuity contracts. There is no prescribed mathematical formula for making that decision. As indicated in the preceding paragraph, the emphasis in selecting assumed discount rates shall be the use of the best estimate. Changes in the methodology used to determine that best estimate should be made when facts or circumstances change, for example, a general decline or rise in interest rates that has not yet been reflected in the rates implicit in the current prices of annuity contracts. If the facts and circumstances do not change from year to year, it would be inappropriate to change the basis of selection, particularly if the intent in changing the basis is to avoid a change in the assumed discount rates.

**715-30-55-29** A pension plan may have a bond portfolio that was dedicated at a yield significantly higher or lower than current interest rates. The historical rates of return as of the dedication date are not acceptable for use in discounting the projected and accumulated benefit obligations to their present value. Although it is acceptable for an employer to look to rates of return on high-quality fixed-income investments in selecting the assumed discount rates, it is the current rates of return on those investments, not the historical rates of return as of the dedication date, that are relevant.

**715-30-55-30** Use of assumed discount rates based on historical rates of return is inconsistent with the paragraph [715-30-35-50](#) requirement to value plan assets at fair value. If interest rates decline or rise, the effect of the requirement to use current rates is to increase or decrease the present value of the projected benefit obligation. That increase or decrease in the obligation is a loss or gain that would be offset to the extent of the gain or loss in the fair value of the plan's dedicated portfolio of fixed-income investments. Any net gain or loss is subject to amortization as a component of net periodic pension cost.

**715-30-55-31** Ordinarily, an employer would not want to purchase annuities for that portion of the pension benefit obligation related to future compensation levels and an insurance entity would be unwilling to undertake an unconditional obligation based on future compensation levels without charging increased premiums for the additional risk. Even though a current settlement of the portion of the projected benefit obligation that relates to future compensation levels is



unlikely, an employer shall not use those interest rates implicit in current prices of annuity contracts to determine the accumulated benefit obligation, and use interest rates expected to be implicit in future prices of annuity contracts to determine the pension obligation in excess of the accumulated benefit obligation. The use of rates implicit in future annuity prices is not consistent with the requirements of paragraph [715-30-35-46](#) to use current settlement rates.

**715-30-55-32** Those factors that are relevant for determining the timing and amount of estimated future annuity payments shall not be reflected by an implicit approach to selecting discount rates. Once the estimated future annuity payments are determined, the discounting process using an explicit approach does not consider anything other than the time value of money for purposes of determining the single sum that, if invested at the measurement date, would generate the necessary cash flows to pay the pension benefits when due (the sum necessary to settle effectively the pension obligation assuming no future experience gains or losses).

**715-30-55-33** As required by paragraph [715-30-35-43](#), the assumed discount rates used to determine the projected, accumulated, and vested benefit obligations shall reflect the interest rates inherent in the price at which the pension benefits could be effectively settled—currently. However, how the accumulated benefit obligation or the projected benefit obligation (before discounting) is determined, that is, whether assumptions as to future inflation or compensation levels are considered, is not relevant in selecting discount rates.

**715-30-55-34** See paragraph [715-60-55-4](#) for a discussion of the relationship of discount rates used to measure a pension benefit obligation to discount rates used to measure an other postretirement benefit obligation.

## > > Plan Assets

**715-30-55-35** The definition of **plan assets** excludes amounts accrued by the employer but not yet paid to the plan if the exclusion is intended to relate to a recognized pension liability. However, if transferable securities issued by the employer are included in plan assets, the measurement of plan assets should also include the interest accrued but not yet received on those securities.

**715-30-55-36** An employer may have a nonqualified pension plan (for tax purposes) that is funded with life insurance policies owned by the employer. The cash surrender value of life insurance policies, if the employer is the owner or beneficiary, do not qualify as plan assets and the accounting for those policies should be in accordance with Subtopic [325-30](#).

**715-30-55-37** An employer may have several pension plans with similar plan assets and may elect to use a market-related value approach to value those plan assets. While paragraph [715-30-35-69](#) provides for the separate application of the guidance in this Subtopic to each plan, an employer should use different asset valuation methods for similar plan assets only if the pension plans' inherent facts and circumstances justify the difference in methodology. Otherwise, the use of a variety of asset valuation methods for similar plan assets is inconsistent with the objective of enhancing the comparability of reported pension information.

**715-30-55-38** The asset valuation method selected for each class of plan assets should accomplish the objective of recognizing changes in the fair value of those plan assets in a systematic and rational manner over not more than five years. Once that method is selected, it should be applied consistently for that class of plan assets as should the method for dividing plan assets into classes. There is no limitation on the number of classes into which plan assets may be divided for purposes of selecting asset valuation methods for determining the **market-related value of plan assets**.

**715-30-55-39** The use of a market-related value of plan assets affects the determination of net periodic pension cost in two ways. First, the market-related value of plan assets is the basis

on which the expected return on plan assets is computed. Second, to the extent that gains or losses based on the fair value of plan assets are not yet reflected in the market-related value of plan assets, such amounts are excluded from the net gain or loss included in accumulated other comprehensive income that is subject to amortization beginning in the following year. Although those excluded gains or losses eventually affect net periodic pension cost, their impact is delayed through use of a market-related value of plan assets.

**715-30-55-40** The definition of market-related value of plan assets contemplates the use of systematic and rational methodology that reflects only the changes in fair value of plan assets between various dates. An example of an unacceptable method for determining the market-related value of plan assets follows. It is not acceptable because it introduces a factor (see layer [b]) that can be unrelated to the change in the fair value of plan assets. This example of an unacceptable market-related value of plan assets is determined with a total return-on-plan asset component consisting of three layers:

- a. An expected return-on-plan asset component based on the beginning-of-year market-related value of plan assets, cash flow during the year, and the **expected long-term rate of return on plan assets**
- b. An amount equal to the change in the accumulated benefit obligation that resulted from any change during the year in the assumed discount rates used to determine the accumulated benefit obligation (The amount is reduced pro rata if plan assets are less than the accumulated benefit obligation.)
- c. A variance component equal to a percentage (for example, 20 percent if a 5-year-averaging period is used) of the difference between the **actual return on plan assets** based on the fair values of those plan assets and the expected return on plan assets derived from component layers (a) and (b).

## > > Insurance Contracts

**715-30-55-41** Paragraph [715-30-35-60](#) provides guidance on accounting for insurance contracts and distinguishes between insurance contracts that are in substance the equivalent purchases of annuities and other contracts. Paragraph [715-30-35-61](#) explains that certain attributes of annuity contracts result in accounting that is different in this Subsection from the accounting specified in the Settlements, Curtailments, and Certain Termination Benefits Subsections in this Subtopic.

**715-30-55-42** Guaranteed investment contracts are not annuity contracts because they transfer only investment risk to the insurer. The insurer does not unconditionally undertake a legal obligation to provide specified pension benefits to specific individuals. For a guaranteed investment contract with a specified maturity date and for which there is no intent to liquidate the contract before that date, evidence of the fair value of the guaranteed investment contract might be obtained by looking to current yields on fixed-maturity securities having similar risk characteristics and duration.

**715-30-55-43** In an immediate participation guarantee investment contract, the market value adjustment should be considered in determining its fair value because, in effect, the contract value adjusted for any such market value adjustment represents the cash surrender value referred to in paragraph [715-30-35-60](#). If an immediate participation guarantee investment contract can be converted into an **annuity contract**, the conversion value of the contract should be considered in determining its fair value. The evidence of fair value noted for guaranteed investment contracts in the preceding paragraph should also be considered for immediate participation guarantee investment contracts.

**> > Amounts Included in Accumulated Other Comprehensive Income**

**715-30-55-44** The following implementation guidance addresses issues related to amounts that are included in accumulated other comprehensive income.

**> > > Determining Amortization Periods for Amounts Included in Accumulated Other Comprehensive Income**

**715-30-55-45** The future service periods of employees expected to receive benefits is one of the inputs into amortization calculations specified in paragraphs 715-30-35-4 through 35-26.

**715-30-55-46** In determining the periods for amortization of prior service cost included in accumulated other comprehensive income, minimum amortization of net gain or loss included in accumulated other comprehensive income, or amortization of the transition asset or obligation remaining in accumulated other comprehensive income, an employer shall not include the service periods of employees who are expected to receive only a return of their contributions (plus interest, if applicable) to a contributory **defined benefit pension plan** in determining the future service periods of employees expected to receive benefits under that pension plan. Only the future service periods of those employees who are expected to receive an employer-provided benefit shall be included.

**715-30-55-47** The service periods of employees expected to terminate before their benefits are vested shall also not be included in the determination of the average remaining service period of employees expected to receive benefits under the pension plan. Only the service periods of those employees working as of the date for which the determination is made and who are expected to actually receive employer-provided benefits are included.

**715-30-55-48** If all or almost all of a plan's participants are inactive, paragraphs 715-30-35-11 and 715-30-35-24 provide for the average remaining life expectancy of the inactive participants to be used instead of average remaining service periods. There is no specific threshold for determining if a pension plan has almost all inactive participants for purposes of selecting the amortization period for certain components of net periodic pension cost. The threshold for using the average life expectancy of inactive participants requires judgment based on the facts and circumstances of the particular pension plan.

**715-30-55-49** In the event that all or almost all of a pension plan's participants are inactive due to a temporary suspension of the pension plan (that is, for a limited period of time, employees will not earn additional defined benefits), the minimum amortization of a net gain or loss included in accumulated other comprehensive income shall not be determined based on the average remaining life expectancy of the temporarily inactive participants. Instead, the minimum amortization of a net gain or loss included in accumulated other comprehensive income shall be determined based on the average remaining service period of the temporarily inactive participants expected to receive benefits under the pension plan.

**715-30-55-50** In the event that all employees covered by a pension plan are terminated but not retired, the minimum amortization of a net gain or loss included in accumulated other comprehensive income shall be determined based on the average remaining life expectancy of the inactive participants. The situation described could arise, for example, if a division with its own pension plan is sold by the employer thus terminating the related employees, but the pension plan remains in existence and it retains the obligation for benefits accrued to the date of sale. In that situation, the minimum amortization of a net gain or loss included in accumulated other comprehensive income should be determined based on the average remaining life expectancy of the inactive participants.

**715-30-55-51** Paragraph 715-30-35-14 identifies the need to assess the individual circumstances and the substance associated with regular plan amendments. If an employer has

a history of granting retroactive plan amendments every three years, for example, as part of union negotiations, the period benefited may be three years. If employees expect the pattern to continue, the future economic benefits to be obtained from a retroactive plan amendment may not continue if the pattern is broken; effectively, the future economic benefit of each retroactive plan amendment may expire over the period of the union contract (in this case, three years). In that situation, amortization of prior service cost included in accumulated other comprehensive income over a three-year period would be appropriate. Whether three years is the appropriate amortization period for a retroactive plan amendment that is part of a three-year amendment pattern shall be determined based on the facts and circumstances of the particular situation.

**715-30-55-52** There may be a transition asset remaining in accumulated other comprehensive income that is reduced when a settlement gain is recognized. Similarly, a transition asset or obligation remaining in accumulated other comprehensive income may be reduced as part of the accounting for a **curtailment**. The balance of the transition asset remaining in accumulated other comprehensive income after a settlement gain or the balance of the transition asset or obligation remaining in accumulated other comprehensive income after a curtailment, shall be amortized on a straight-line basis over the remainder of the amortization period determined at transition.

**715-30-55-53** In the event that a pension plan curtailment occurs causing almost all of the pension plan's participants to become inactive, the employer shall continue to amortize any transition asset or obligation remaining in accumulated other comprehensive income (the amount remaining after the employer accounts for the curtailment as required by paragraphs [715-30-35-92 through 35-93](#)) using the same amortization period determined at transition.

### > > > **The Effect of Plan Amendments on Prior Service Costs Included in Accumulated Other Comprehensive Income**

**715-30-55-54** An employer may grant a retroactive plan amendment that reduces the projected benefit obligation (a negative retroactive plan amendment). Paragraph [715-30-35-17](#) indicates that the reduction in benefits shall be used first to reduce any prior service cost included in accumulated other comprehensive income. If several prior retroactive plan amendments in the aggregate have resulted in prior service costs included in accumulated other comprehensive income that exceed the effects of the negative retroactive plan amendment, unless the retroactive plan amendment that reduces benefits can be specifically related to a prior retroactive plan amendment, any systematic and rational method (for example, last-in, first-out [LIFO]; first-in, first-out [FIFO]; or pro rata), applied on a consistent basis, is acceptable for use to apply the guidance.

**715-30-55-55** An employer may amend a pension plan to delete a provision that a percentage of the employee's accumulated benefits be paid to the employee's spouse upon death of the employee before a specified age. Such a reduction in benefits shall be accounted for as a retroactive plan amendment.

### > > **Timing of Measurements**

**715-30-55-56** Paragraph [715-30-35-68](#) provides guidance on measuring net periodic pension cost when measurements more recent than the previous year-end are available and establishes that the measurement of net periodic pension cost shall be based on the most recent measurements of plan assets and obligations.

**715-30-55-57** It may be necessary to have an actuarial valuation as of the employer's fiscal year-end (for example, December 31) in addition to the actuarial valuation made as of the pension plan's preceding year-end (for example, June 30). In such an example, net periodic pension cost for the year should be the sum of two six-month measurements (January 1-June

30, determined as of the preceding December 31; July 1-December 31, determined as of the preceding June 30).

**715-30-55-58** If an employer that has a December 31 financial report date measures its plan assets and obligations as of an interim date during its fiscal year, for example, because of a significant retroactive plan amendment, net periodic pension cost for the remainder of the fiscal year should be based on the most recent pension measurements. Net periodic pension cost for the preceding interim periods should not be adjusted.

**715-30-55-59** An employer may use a measurement date of December 31 but not complete the actual measurements until some time later, for example, in January. In this situation, the determination of the pension obligations should not be based on the assumed discount rates and other actuarial assumptions as of January. The employer should use the actuarial assumptions, including assumed discount rates, that were appropriate as of the measurement date of December 31 because the objective is to determine the various pension measurements, including plan assets, as of that date.

**715-30-55-60** The projected benefit obligation reflects the **actuarial present value** of all benefits attributed to employee service rendered before the date of the employer's fiscal year-end statement of financial position, with limited exceptions as addressed in paragraphs 715-30-35-62 through 35-68. The measurement of that obligation shall be based on actuarial assumptions appropriate for the date of the employer's fiscal year-end statement of financial position (for example, **turnover, mortality, discount rates**, and so forth) and census data as of that date.

**715-30-55-61** If an actuarial valuation is made as of a pension plan's year-end and that date precedes the date of the employer's fiscal year-end statement of financial position, it is, however, not always necessary to have another actuarial valuation made as of that date. If an employer is assured that the reliability of the measurement of that obligation determined by rolling forward data based on a valuation before the date of the employer's fiscal year-end statement of financial position is sufficiently high so that the amount of the pension obligation is substantially the same as would be determined by an actuarial valuation as of that date, then another actuarial valuation is not required. This is analogous to the acceptability of having an annual physical inventory taken as of a date before the financial report date if it has been demonstrated that reliance can be placed on perpetual records or another system that reflects subsequent events.

## > > **Multiemployer, Multiple-Employer, and Single-Employer Plans**

**715-30-55-62** Subtopic 715-80 provides guidance on multiemployer plans. Paragraph 715-30-35-70 provides guidance on **multiple-employer plans** that distinguishes multiemployer from multiple-employer plans and requires that multiple-employer plans be viewed as in-substance aggregations of **single-employer plans**. The following example illustrates the guidance in that paragraph.

**715-30-55-63** Assume a not-for-profit entity (NFP) has a defined benefit pension plan that covers employees at the national and all local chapters and each chapter is required to contribute to the pension plan based on a predetermined formula (for example, on a percentage-of-salary basis), plan assets are not segregated or restricted on a chapter-by-chapter basis, and if a chapter withdraws from the pension plan, the pension obligations for its employees are retained by the pension plan as opposed to being allocated to the withdrawing chapter. This arrangement should be accounted for as a single-employer pension plan in the NFP's financial statements. However, in each chapter's separate financial statements (if issued) the arrangement should be accounted for as a multiemployer pension plan. It is unclear how an allocation of net periodic pension cost or the overfunded or underfunded status of the defined benefit pension plan would be made if each chapter were to view its respective participation as a

single-employer pension plan because the assets are not segregated or restricted by chapter and obligations are not assumed by a withdrawing chapter. Accounting for the pension plan as a multiemployer pension plan requires that a chapter's contribution for the period (in this example, the amount required to be contributed to the pension plan based on a percentage of its employees' salaries) be recognized as net periodic pension cost. A liability would be recognized for any contributions due and unpaid. The disclosures required by Section 715-80-50 do not apply in this situation. Instead, each chapter should disclose the name of the plan in which it participates and the amount of contributions it made in each annual period for which a statement of income (statement of activities for **not-for-profit entities**) is presented, as well as any related-party disclosures required by Subtopic 850-10.

**715-30-55-64** The conclusions in the preceding paragraph would also be true in a similar parent-subsidiary arrangement if the subsidiaries issue separate financial statements. In a similar arrangement, each subsidiary should account for its participation in the overall single-employer pension plan as a participation in a multiemployer pension plan. The disclosures required by Section 715-80-50 do not apply in this situation. Instead, each subsidiary should disclose the name of the plan in which it participates and the amount of contributions the subsidiary made in each period for which a statement of income or statement of activities is presented. The parent entity should, of course, account for the pension plan as a single-employer pension plan in its consolidated financial statements.

#### > > **Pension Arrangements Outside the United States**

**715-30-55-65** Paragraphs 715-10-15-6 through 15-7 establish that there are no special provisions applicable to plans or arrangements outside the United States and specifies that, to the extent that those arrangements are in substance similar to plans in the United States, they are subject to the provisions of this Topic.

**715-30-55-66** A non-U.S. pension plan may provide death and disability benefits that are greater than the incidental death and disability benefits allowed in U.S. tax-qualified pension plans. The relative level of death and disability benefits paid by a plan that provides primarily pension benefits should not, in itself, cause the pension plan to be in substance different from a U.S. pension plan.

**715-30-55-67** Under certain plans (typically non-U.S. plans) the actuarial present value of the benefits to which an employee is entitled if the employee terminates immediately may exceed the actuarial present value of the benefits to which the employee is entitled at the employee's expected date of separation based on service to date. In those situations, to determine the **vested benefit obligation**, the employer may record either the actuarial present value of **vested benefits** to which the employee is entitled if the employee separates or the actuarial present value of the vested benefits to which the employee is currently entitled based on the employee's expected date of separation or retirement as provided for in paragraphs 715-30-35-40 through 35-41.

**715-30-55-68** The following guidance addresses the accounting for certain arrangements in Japan and Germany.

#### > > > **Accounting for the Transfer to the Japanese Government of the Substitutional Portion of Employee Pension Fund Liabilities**

**715-30-55-69** The following guidance refers to provisions of the Japanese Welfare Pension Insurance Law; however, it shall not be considered a definitive interpretation of that law for any purpose.

**715-30-55-70** In Japan, many large entities have Employees' Pension Fund plans, which are defined benefit pension plans established under the Japanese Welfare Pension Insurance Law. These plans are composed of both of the following components:

- a. A substitutional portion based on the pay-related part of the old-age pension benefits prescribed by Japanese Welfare Pension Insurance Law (similar to social security benefits in the United States)
- b. An entity portion based on a contributory defined benefit pension arrangement established at the discretion of each employer.

**715-30-55-71** An employer with an Employees' Pension Fund and its employees are exempted from contributions to Japanese Pension Insurance that would otherwise be required if they had not elected to fund the substitutional portion of the benefit through an Employees' Pension Fund arrangement. The Employees' Pension Fund, in turn, pays both the entity and the substitutional pension benefits to retired beneficiaries out of its plan assets. Benefits of the substitutional portion are based on a standard remuneration schedule as determined by Japanese Welfare Pension Insurance Law, but the benefits of the entity portion are based on a formula determined by each employer or Employees' Pension Fund. The plan assets of an Employees' Pension Fund are managed and invested as a single portfolio for the entire Employees' Pension Fund and are not statutorily attributed to the substitutional and entity portions. The significance of the substitutional portion to the entire Employees' Pension Fund varies. In some plans, the substitutional portion may account for as little as 10 percent of the total projected benefit obligation, while in others it may account for as much as 60 percent of the total projected benefit obligation.

**715-30-55-72** Employees' Pension Fund arrangements shall be accounted for as single-employer defined benefit plans using a single plan approach.

**715-30-55-73** In June 2001, the Japanese Welfare Pension Insurance Law was amended to permit each employer/Employees' Pension Fund to separate the substitutional portion from its Employees' Pension Fund and transfer the obligation and related assets to the government. Upon completion of the separation, the remaining substitutional obligation and related plan assets, determined pursuant to a government formula, are transferred to a government agency, and the employer/Employees' Pension Fund is released from paying the remaining substitutional portion of the benefits to Employees' Pension Fund beneficiaries. After the separation, both the employer and the employees are required to make periodic contributions to Japanese Pension Insurance, and the Japanese government is responsible for all benefit payments earned under Japanese Welfare Pension Insurance Law. The remaining portion of the Employees' Pension Fund (that is, the entity portion) continues to exist exclusively as a defined benefit pension plan, although, from a legal or regulatory perspective, the Employees' Pension Fund is deemed to have been dissolved and a defined benefit pension plan is deemed newly established when the separation process is completed. After the separation process, an employer may transfer the remaining entity portion of an Employees' Pension Fund into a defined contribution plan.

**715-30-55-74** The process of separating the substitutional portion from the entity portion occurs in four phases, but the employer/Employees' Pension Fund may not complete only certain parts of the separation process. Essentially, once an employer/Employees' Pension Fund obtains Phase 2 approval, it must complete the entire separation process. Likewise, assuming the employer/Employees' Pension Fund has obtained the requisite approval from the employees' representative, the separation is subject only to administrative processing by the government. The four phases are as follows:

- a. Phase 1—An employer/Employees' Pension Fund makes an application to the Japanese government for an exemption from the obligation to pay benefits for future employee service related to the substitutional portion. As a prerequisite to making that application, the

representative of the employees covered by the plan must agree to the separation.

b. Phase 2—On or after April 1, 2002 (when the June 2001 amendment to the Japanese Welfare Pension Insurance Law became effective), the Japanese government gives each employer/Employees' Pension Fund an approval of exemption from the obligation for benefits related to future employee service under the substitutional portion. Once that approval is obtained, the employer begins making Japanese Pension Insurance payments directly to the government.

c. Phase 3—After obtaining an approval of exemption from the obligation for benefits related to future employee service under the substitutional portion, the employer/Employees' Pension Fund must make another application for separation of the remaining substitutional portion (that is, the benefit obligation related to past services).

d. Phase 4—Within two and a half years from the enactment date of the Japanese Welfare Pension Insurance Law amendment (June 15, 2001), the Japanese government will grant each employer/Employees' Pension Fund the final approval of separation. On obtaining that approval, the remaining benefit obligation of the substitutional portion (that amount earned by past services) as well as the related government-specified portion of the plan assets of the Employees' Pension Fund will be transferred to Japanese Pension Insurance.

**715-30-55-75** The entire separation process shall be accounted for upon completion of the transfer to the government of the substitutional portion of the benefit obligation and related plan assets (Phase 4) as the culmination of a series of steps in a single settlement transaction. This guidance is limited to the accounting for the separation of the substitutional portion of the benefit obligation from the entity portion of the benefit obligation in a Japanese Employees' Pension Fund arrangement and the transfer of the substitutional portion and related assets to the Japanese government pursuant to the June 2001 Japanese Welfare Pension Insurance Law amendment.

**715-30-55-76** At the time the assets are transferred to the government in an amount sufficient to complete the separation process, the transaction is considered to be complete and the elimination of the entire substitutional portion of the benefit obligation shall be accounted for as a settlement at that time. Immediately before the separation, in accordance with the guidance in the Settlements, Curtailments, and Certain Termination Benefits Subsections in this Subtopic, the entire projected benefit obligation would be remeasured at fair value, including the effects of anticipated future salary increases. That remeasurement would include the effects of any changes in actuarial assumptions as well as actual experience since the previous measurement date. The obligation would be measured at current market rates of interest that could be obtained in a transaction with a third-party, nongovernmental entity to settle the obligation. On the basis that the government had accepted responsibility for all substitutional benefits earned after Phase 2 approval, the remeasurement of the projected benefit obligation shall include only benefits earned under the substitutional arrangement before Phase 2 approval.

**715-30-55-77** In accounting for the settlement of the substitutional portion of the obligation, a proportionate amount of the net gain or loss included in accumulated other comprehensive income related to the entire Employees' Pension Fund would be recognized as a settlement gain or loss. The proportionate amount of the net gain or loss to be recognized would be determined based on the proportion of the projected benefit obligation settled to the total projected benefit obligation, both of which would exclude the previously accrued salary progression for purposes of that calculation. After the separation, the remaining assets and obligation of the Employees' Pension Fund, along with the prior service costs included in accumulated other comprehensive income and gains and losses included in accumulated other comprehensive income would continue to be accounted for pursuant to the requirements of this Subtopic.



**715-30-55-78** The difference between the obligation settled and the assets transferred to the government, determined pursuant to the government formula, shall be accounted for as a subsidy from the government pursuant to applicable generally accepted accounting principles (GAAP). The derecognition of previously accrued salary progression at the time of settlement, discussed in the preceding paragraph, shall be accounted for separately from the government subsidy.

**715-30-55-79** See Example 5 (paragraph [715-30-55-121](#)) for an illustration of the application of this guidance on a transfer to the Japanese government of the substitutional portion of employee pension fund liabilities.

### > > > **Accounting for the German Altersteilzeit Arrangement**

**715-30-55-80** The following guidance refers to provisions of German legislation related to an early retirement program; however, it shall not be considered a definitive interpretation of that legislation for any purpose.

**715-30-55-81** The Altersteilzeit arrangement is an early retirement program in Germany designed to create an incentive for employees, within a certain age group, to transition from (full - or part-time) employment into retirement before their legal retirement age. The program was created by legislation in 1996 and through subsequent extensions is now scheduled to expire in 2009. Employers taking advantage of this legislation must sign a contract under the legal framework outlined in the legislation with the workers' council or unions or with the individual employees (for employees not within a workers' council or union) to qualify for subsidies from the government. The German government provides a subsidy (reimbursement) to an employer for the bonuses paid to the employee and the additional contributions paid into the German government pension scheme under an Altersteilzeit arrangement for a maximum of six years. To receive this subsidy, an employer must meet certain criteria (typically, an employer must hire replacement employees from currently registered unemployed persons or former trainees).

**715-30-55-82** This guidance addresses specific features in Altersteilzeit arrangements. This guidance may also apply to other types of benefit arrangements with the same or similar terms.

**715-30-55-83** Typical features of an Altersteilzeit arrangement include the following:

- a. To enroll in an Altersteilzeit arrangement, an employee must sign an Altersteilzeit contract with the employer. The employee can sign the Altersteilzeit contract before being eligible to begin working under the Altersteilzeit arrangement. An employee may begin working under the Altersteilzeit arrangement only upon attaining the age such that upon completion of the Altersteilzeit period he or she will be eligible for the normal government retirement benefits (typically 63 years old for men and 62 years old for women). The Altersteilzeit period consists of the period from when the employee begins to work under the Altersteilzeit arrangement until the employee is no longer under a legal work arrangement with the employer (terminated from the entity). This period is generally one to six years, depending on the specific Altersteilzeit arrangement and the age of the **participant**.
- b. An employer is required to allow participation in the Altersteilzeit arrangement without restriction until participation reaches 5 percent of the total work force. After 5 percent participation is achieved, an employer has, at its discretion, the right to determine whether employees are accepted into the Altersteilzeit arrangement. However, in some situations, a lower mandatory participation cap is agreed to between an employer and the workers' council.
- c. In most cases, an employee is required to work for a minimum period of time with any employer before being eligible for the Altersteilzeit arrangement; prior employment with the

present employer is not necessary.

d. The arrangement typically offers two alternative arrangements for participating employees:

1. Type I: participant works 50 percent of the normal full-time schedule for each year of the entire *Altersteilzeit* period and receives 50 percent of his or her salary each year.
2. Type II: participant works full-time for half of the *Altersteilzeit* period, the active period, and then does not work for the remaining half, the inactive period, and receives 50 percent of his or her salary each year during the entire *Altersteilzeit* period.

Under both alternatives, participants receive an annual bonus, which varies by employer, but will generally equal 10-15 percent of their most recent regular pay before the start of the *Altersteilzeit* period; thus, the regular combined paid compensation will normally equal about 60-65 percent of the participant's most recent regular pay before the start of the *Altersteilzeit* period. The employer also will make additional contributions into the German government pension scheme for participants (to compensate for the fact that the employee has not been working at his or her previous level during the *Altersteilzeit* period) during the entire *Altersteilzeit* period. Contributions into the German government pension scheme (as well as length of service) determine the amount of pension benefits the employee will receive from that scheme. Therefore, by making additional contributions into the German government pension scheme during the entire *Altersteilzeit* period, the pension benefits paid to the employees will be higher than they would have been had the contributions been based solely on the employees' active service during the *Altersteilzeit* period.

e. Employees must provide service to the employer for the required portion of the *Altersteilzeit* period (the active period) to receive the full bonus. If a participant dies, voluntarily leaves the entity, or is otherwise terminated before fulfilling the service period requirement, the *Altersteilzeit* contract will be unwound and the total compensation received by the participant will be adjusted to the amount that the participant would have received if he or she had not participated in the *Altersteilzeit* arrangement (salary is contractually set at the amount the employee earned just before the *Altersteilzeit* period). For example, if an employee enters into a four-year Type II *Altersteilzeit* arrangement and leaves the entity after one year, the employee will receive (for the one year worked) all of his or her pre-*Altersteilzeit* period annual salary and will not receive any *Altersteilzeit* bonus.

f. During the inactive period under the Type II *Altersteilzeit* arrangement, participants are legally under a work contract with the employer (considered employees); however, an employee is not permitted to return to active work. Otherwise, the employer would lose any government subsidy.

g. Under the Type I arrangement, the employer can claim the subsidy for a replacement worker hired during the entire *Altersteilzeit* period. Under the Type II arrangement, an employer could only claim the subsidy for a replacement worker hired during the inactive *Altersteilzeit* period. Therefore, under the Type II arrangement, the reimbursement each year during the inactive period would be equivalent to two years of bonus payments and additional contributions made into the German government pension scheme.

**715-30-55-84** The salary components of Type I and Type II *Altersteilzeit* arrangements (excluding the bonus and additional contributions into the German government pension scheme) shall be recognized over the period from the point at which the *Altersteilzeit* period begins until the end of the active service period. Additionally, the portion of the salary that is deferred under a Type II arrangement shall be discounted if payment is expected to be deferred for a period longer than one year.

**715-30-55-85** The bonus feature and the additional contributions into the German government pension scheme (collectively, the additional compensation) under a Type II Altersteilzeit arrangement shall be accounted for as a postemployment benefit under the guidance in Topic [712](#). An entity shall recognize the additional compensation over the period from the point at which the employee signs the Altersteilzeit contract until the end of the active service period.

**715-30-55-86** The employer shall recognize the government subsidy when it meets the necessary criteria and is entitled to the subsidy.

### > > **Combining and Dividing Plans**

**715-30-55-87** The following implementation guidance addresses issues relating to either the combination of two or more of an employer's pension plans into one plan, or the division of one pension plan into two or more separate pension plans.

### > > > **Combining Pension Plans**

**715-30-55-88** An employer may combine several of its pension plans resulting in the assets of each predecessor pension plan being available to satisfy the previously existing obligations of the other. Except for prior service costs included in accumulated other comprehensive income, similar amounts of the predecessor pension plans shall be aggregated, and a single amortization schedule for each of the combined amounts shall be used in this situation. That is, the amortization of the transition asset or obligation remaining in accumulated other comprehensive income shall reflect a reasonably weighted average of the remaining amortization periods used by the separate pension plans for that item and the minimum amortization of the aggregate net gain or loss included in accumulated other comprehensive income shall reflect the average remaining service period of the combined employee group. The prior service cost included in accumulated other comprehensive income of each pension plan at the time of the combination shall continue to be amortized as previously determined based on specific employee groups covered.

**715-30-55-89** See Example 6 (paragraph [715-30-55-122](#)) for an illustration of the accounting when two plans are combined.

### > > > **Dividing Pension Plans**

**715-30-55-90** An employer may divide a pension plan into two or more separate pension plans. Using paragraph [715-30-35-79](#) as guidance, an employer shall allocate the transition asset or obligation remaining in accumulated other comprehensive income and the net gain or loss included in accumulated other comprehensive income, in proportion to the projected benefit obligations of the two surviving plans. Prior service cost included in accumulated other comprehensive income shall be allocated to the surviving plans based on the applicable individuals included in the employee groups covered.

**715-30-55-91** See Example 7 (paragraph [715-30-55-124](#)) for an illustration of the division of one pension plan into separate pension plans.

**715-30-55-92** An employer may incorporate a division of its operations, subsequently spin it off to owners of the entity, and transfer to the new entity's pension plan either a pension benefit obligation related to the employees transferred as part of the spinoff or plan assets. Paragraph [845-10-55-1](#) provides guidance on the accounting for such a transaction in a spinoff of nonmonetary assets to owners.

> **Illustrations**

> > **Example 1: Amortization of Prior Service Cost**

**715-30-55-93** This Example illustrates the prior service cost amortization guidance in paragraphs [715-30-35-11](#) and [715-30-35-13](#) and is based on the expected future years of service of participants active at the date of the amendment.

**715-30-55-94** The following Cases illustrate:

- a. Assignment of equal amounts of cost to future years of service (Case A)
- b. Use of straight line amortization to assign costs over average remaining service period (Case B).

**715-30-55-95** Cases A and B share all of the following calculations and assumptions.

**715-30-55-96** On January 1, 20X0, Entity A grants retroactive credit for prior service pursuant to a plan amendment. The amendment generates prior service cost of \$750,000 that is recognized as an increase in the pension liability and a corresponding charge to other comprehensive income. The prior service cost resulting from the plan amendment is subsequently amortized as a component of net periodic pension cost based on the expected future years of service of active participants. Other comprehensive income is adjusted each period as prior service cost is amortized.

**715-30-55-97** The following table illustrates the calculation of the expected future years of service for the defined benefit plan of Entity A. At the date of the amendment (January 1, 20X0), the entity has 100 employees who are expected to receive benefits under the plan. Five percent of that group (5 employees) are expected to leave (either retire or quit) in each of the next 20 years. Employees hired after that date do not affect the amortization. Initial estimates of expected future years of service related to each amendment are subsequently adjusted only for a curtailment.

Determination of Expected Years of Service  
Service Years Rendered in Each Year

Individuals	Future Service Years	Year																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
A1-A5	5	5																	
B1-B5	10	5	5																
C1-C5	15	5	5	5															
D1-D5	20	5	5	5	5														
E1-E5	25	5	5	5	5	5													
F1-F5	30	5	5	5	5	5	5												
G1-G5	35	5	5	5	5	5	5	5											
H1-H5	40	5	5	5	5	5	5	5	5										
I1-I5	45	5	5	5	5	5	5	5	5	5									
J1-J5	50	5	5	5	5	5	5	5	5	5	5								
K1-K5	55	5	5	5	5	5	5	5	5	5	5	5							
L1-L5	60	5	5	5	5	5	5	5	5	5	5	5	5						
M1-M5	65	5	5	5	5	5	5	5	5	5	5	5	5	5					
N1-N5	70	5	5	5	5	5	5	5	5	5	5	5	5	5	5				
O1-O5	75	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5			
P1-P5	80	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5		
Q1-Q5	85	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	
R1-R5	90	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
S1-S5	95	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
T1-T5	100	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
	1,050																		
Service Years Rendered		100	95	90	85	80	75	70	65	60	55	50	45	40	35	30	25	20	1
		<u>100</u>	<u>95</u>	<u>90</u>	<u>85</u>	<u>80</u>	<u>75</u>	<u>70</u>	<u>65</u>	<u>60</u>	<u>55</u>	<u>50</u>	<u>45</u>	<u>40</u>	<u>35</u>	<u>30</u>	<u>25</u>	<u>20</u>	<u>1</u>
Amortization Fraction		1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,05

**715-30-55-98** Calculation of the expected future years of service considers population decrements based on the actuarial assumptions and is not weighted for benefits or compensation.

**> > > Case A: Assignment of Equal Amounts of Cost to Future Years of Service**

**715-30-55-99** In this Case, each expected future service year is assigned an equal share of the initially determined prior service cost. The portion of prior service cost to be recognized in net periodic pension cost in each of the future years is determined by the service years rendered in that year.

**Employers' Accounting for Pensions Amortization of Prior Service Cost**

<u>Year</u>	<u>Beginning-of-Year Balance</u>	<u>Amortization Rate</u>	<u>Amortization</u>	<u>End-of-Year Balance</u>
20X0	\$ 750,000	100/1050	\$ 71,429	\$ 678,571
20X1	678,571	95/1050	67,857	610,714
20X2	610,714	90/1050	64,286	546,428
20X3	546,428	85/1050	60,714	485,714
20X4	485,714	80/1050	57,143	428,571
20X5	428,571	75/1050	53,571	375,000
20X6	375,000	70/1050	50,000	325,000
20X7	325,000	65/1050	46,429	278,571
20X8	278,571	60/1050	42,857	235,714
20X9	235,714	55/1050	39,286	196,428
20Y0	196,428	50/1050	35,714	160,714
20Y1	160,714	45/1050	32,143	128,571
20Y2	128,571	40/1050	28,571	100,000
20Y3	100,000	35/1050	25,000	75,000
20Y4	75,000	30/1050	21,429	53,571
20Y5	53,571	25/1050	17,857	35,714
20Y6	35,714	20/1050	14,286	21,428
20Y7	21,428	15/1050	10,714	10,714
20Y8	10,714	10/1050	7,143	3,571
20Y9	3,571	5/1050	3,571	-

**> > > Case B: Use of Straight-Line Amortization to Assign Costs over Average Remaining Service Period**

**715-30-55-100** To reduce the complexity and detail of the computations shown in Case A, alternative amortization approaches that recognize the cost of retroactive amendments as a component of net periodic pension cost more quickly may be consistently used under the guidance in paragraph 715-30-35-13. In this Case, Entity A elects to use straight-line amortization over the average remaining service period of employees expected to receive benefits (1,050 future service years/100 employees = 10.5 years), resulting in the following amortization.

**Amortization of Prior Service Cost**

<u>Year</u>	<u>Beginning-of-Year Balance</u>	<u>Amortization <sup>(a)</sup></u>	<u>End-of-Year Balance</u>
20X0	\$ 750,000	\$ 71,429	\$ 678,571
20X1	678,571	71,429	607,142
20X2	607,142	71,429	535,713
20X3	535,713	71,429	464,284
20X4	464,284	71,429	392,855
20X5	392,855	71,429	321,426
20X6	321,426	71,429	249,997
20X7	249,997	71,429	178,568
20X8	178,568	71,429	107,139
20X9	107,139	71,429	35,710
20Y0	35,710	35,710	-

(a)  $750,000 \div 10.5 = 71,429$

## > > Example 2: Delayed Recognition in Net Periodic Pension Cost of Gains or Losses

**715-30-55-101** This Example illustrates the guidance in paragraphs 715-30-35-18 through 35-27 applicable to gains and losses. This Subtopic provides for delayed recognition in net periodic pension cost of the effects of a number of types of events that change the measures of the projected benefit obligation and the fair value of plan assets. Those events include retroactive plan amendments and gains and losses. Gains and losses include the effects of changes in assumptions.

**715-30-55-102** The following Cases illustrate the accounting for different types of gains and losses:

- a. Liability loss (Case A)
- b. Asset gain (Case B)
- c. Asset loss and liability gain (Case C).

**715-30-55-103** Each of the following Cases starts with an assumed beginning-of-the-year funded status and shows how a series of events changes the projected benefit obligation or the plan assets and how the effects of those events are recognized in the financial statements. Any change in the projected benefit obligation or the plan assets (other than contributions and benefit payments) either is initially recognized in other comprehensive income or is included in net periodic pension cost for the period. Employer contributions to a funded plan decrease a recognized pension liability or increase a recognized pension asset. Benefit payments from a funded plan reduce the pension obligation and the plan assets equally, with no effect on the employer's statement of financial position.

**715-30-55-104** For simplicity, all illustrations ignore the effects of income taxes, and all contributions and benefit payments are assumed to occur on the last day of the year. Also, assumed discount rates and expected long-term rates of return are included for illustrative purposes only and are not meant to represent assumptions that would be appropriate at any given time. In all Cases, the service cost component is assumed as an input rather than calculated as part of the illustration.

### > > > Case A: Liability Loss

**715-30-55-105** When Entity B's plan assets and obligations were measured at December 31, 20X1, the amount of the projected benefit obligation was not equal to the expected amount. Because the discount rate had declined to 9 percent and for various other reasons not specifically identified, the projected benefit obligation was higher than had been projected (a loss had occurred). The results were as follows.

	<u>Projected for 20X1</u>	<u>Actual for 20X1 and Projected for 20X2</u>
Assumptions:		
Discount rate	10.00%	9.00%
Expected long-term rate of return on plan assets	10.00%	10.00%
Average remaining service	10 years	10 years

	<u>Actual</u> <u>12/31/X0</u>	<u>For 20X1</u>	<u>Projected</u> <u>12/31/X1</u>	<u>Actual</u> <u>12/31/X1</u>	<u>For 20X2</u>	<u>Projec</u> <u>12/31/</u>
			(Amounts in thousands)			
Projected benefit obligation	\$ (1,000)		\$ (1,060)	\$(1,200)		\$ (1,200)
Plan assets at fair value	800		880	880		880
Funded status and recognized liability	<u>\$ (200)</u>		<u>\$ (180)</u>	<u>\$ (320)</u>		<u>\$ (320)</u>
Amounts recognized in accumulated other comprehensive income:						
Transition obligation	\$ 200		\$ 180	\$ 180		\$ 180
Prior service cost	-		-	-		-
Net (gain) or loss	<u>-</u>		<u>-</u>	140		<u>140</u>
	<u>\$ 200</u>		<u>\$ 180</u>	<u>\$ 320</u>		<u>\$ 320</u>
Service cost component		\$ 60			\$ 72	
Interest cost component		100			108	
Expected return on assets		(80)			(88)	
Market-related value of assets	\$ 800			\$ 880		
Actual return on assets— (increase) decrease				(80)		
Amortization of:						
Transition obligation		20			20	
Prior service cost		-			-	
Net (gain) or loss		<u>- (c)</u>			<u>2 (c)</u>	
Net periodic pension cost		<u>\$ 100</u>			<u>\$ 114</u>	
Contribution		\$ 100			\$ 114	
Benefits paid		\$ 100			\$ 114	

(a) (Actual projected benefit obligation at December 31, 20X1) + (service component) + (interest component) - (benefits paid)

(b) (Actual plan assets at December 31, 20X1) + (expected return on assets) + (contributions) - (benefits paid).

(c) The minimum amortization of the net gain or loss included in beginning accumulated other comprehensive income (see paragraph 715-30-35-24) is calculated as follows.

	<u>20X1</u>	<u>20X2</u>
Net (gain) or loss included in beginning accumulated other comprehensive income	\$ -	\$ 140
Plus asset gain or less asset loss not yet in market-related value of assets at 1/1--(fair value of plan assets) - (market-related value of plan assets)	<u>-</u>	<u>-</u>
Net (gain) or loss included in beginning accumulated other comprehensive income subject to amortization	-	140
Corridor = 10% of the greater of projected benefit obligation or market-related value of assets at 1/1	<u>100</u>	<u>120</u>
Net (gain) or loss included in beginning accumulated other comprehensive income outside corridor	-	20
x 1/average remaining service	<u>0.10</u>	<u>0.10</u>
Amortization recognized in net periodic pension cost	<u>\$ -</u>	<u>\$ 2</u>



**> > > Case B: Asset Gain**

**715-30-55-106** When Entity B's plan assets and obligations were measured at December 31, 20X2, the amount of plan assets was not equal to the expected amount because of market performance better than the expected or assumed 10 percent. The results were as follows.

	<u>Projected for 20X2</u>	<u>Actual for 20X2 and Projected for 20X3</u>
Assumptions:		
Discount rate	9.00%	9.00%
Expected long-term rate of return on plan assets	10.00%	10.00%
Average remaining service	10 years	10 years

	<u>Actual</u> <u>12/31/X1</u>	<u>For</u> <u>20X2</u>	<u>Projected</u> <u>12/31/X2</u>	<u>Actual</u> <u>12/31/X2</u>	<u>For</u> <u>20X3</u>
			(Amounts in thousands)		
Projected benefit obligation	\$(1,200)		\$ (1,266)	\$(1,266)	
Plan assets at fair value	880		968	1,068	
Funded status and recognized liability	<u>\$ (320)</u>		<u>\$ (298)</u>	<u>\$ (198)</u>	
Amounts recognized in accumulated other comprehensive income:					
Transition obligation	\$ 180		\$ 160	\$ 160	
Prior service cost	-		-	-	
Net (gain) or loss	<u>140</u>		<u>138</u>	<u>38</u>	
	<u>\$ 320</u>		<u>\$ 298</u>	<u>\$ 198</u>	
Service cost component		\$ 72			\$ 76
Interest cost component		108			114
Expected return on assets		(88)			(99) <sup>(a)</sup>
Market-related value of assets	\$ 880			\$ 988 <sup>(b)</sup>	
Actual return on assets—(increase) decrease	(80)			(188)	
Amortization of:					
Transition obligation		20			20
Prior service cost		-			-
Net (gain) or loss		<u>2</u> <sup>(c)</sup>			<u>-</u> <sup>(c)</sup>
Net periodic pension cost		<u>\$114</u>			<u>\$ 111</u>
Contribution		\$114			\$ 111
Benefits paid		\$114			\$ 111

- (a) Expected return on plan assets = (expected long-term rate of return on plan assets) × (market-related value of plan contributions occurred other than at the end of the year, market-related value would consider those amounts)
- (b) Market-related asset values may be calculated in a variety of ways. This Case uses an approach that adds in 20 p each of the last 5 years' gains and losses. The only objective of the market-related calculation is to reduce the volc periodic pension cost.

Market-related value of assets at 1/1	\$ 880
Expected return on assets	88
Contributions	114
Benefits paid	(114)
20% of last five years' asset gains and (losses)	<u>20</u>
Market-related value of assets at 12/31	<u>\$ 988</u>

- (c) The minimum amortization of the net gain or loss included in beginning accumulated other comprehensive income paragraph 715-30-35-24) is calculated as follows.

	<u>20X2</u>	<u>20X3</u>
Net (gain) or loss included in beginning accumulated other comprehensive income	\$ 140	\$ 38
Plus asset gain or less asset loss not yet in market-related value of assets at 1/1--(fair value of plan assets) - (market-related value of plan assets)	<u>-</u>	<u>80</u>
Net (gain) or loss included in beginning accumulated other comprehensive income subject to amortization	140	118
Corridor = 10% of the greater of projected benefit obligation or market-related value of assets at 1/1	<u>120</u>	<u>127</u>
Net (gain) or loss included in beginning accumulated other comprehensive income outside corridor	20	-

x 1/average remaining service  
Amortization recognized in net periodic pension cost

0.10	0.10
<u>\$ 2</u>	<u>\$ -</u>

> > > **Case C: Asset Loss and Liability Gain**

**715-30-55-107** When Entity B's plan assets and obligations were measured at December 31, 20X3, both an asset loss and a liability gain were discovered.

	<u>Projected for 20X3</u>	<u>Actual for 20X3 and Projected for 20X4</u>
Assumptions:		
Discount rate	9.00%	9.25%
Expected long-term rate of return on plan assets	10.00%	10.00%
Average remaining service	10 years	10 years

	<u>Actual</u> <u>12/31/X2</u>	<u>For</u> <u>20X3</u>	<u>Projected</u> <u>12/31/X3</u>	<u>Actual</u> <u>12/31/X3</u>	<u>For</u> <u>20X4</u>
			(Amounts in thousands)		
Projected benefit obligation	\$ (1,266)		\$ (1,345)	\$ (1,320)	
Plan assets at fair value	<u>1,068</u>		<u>1,167</u>	<u>1,097</u>	
Funded status and recognized liability	<u>(198)</u>		<u>(178)</u>	<u>(223)</u>	
Amounts recognized in accumulated other comprehensive income:					
Transition obligation	160		140	140	
Prior service cost	-		-	-	
Net (gain) or loss	<u>38</u>		<u>38</u>	<u>83</u>	
	<u>\$ 198</u>		<u>\$ 178</u>	<u>\$ 223</u>	
Service cost component		\$ 76			\$ 79
Interest cost component		114			122
Expected return on assets		(99)			(109)
Market-related value of assets	\$ 988			\$ 1,093 <sup>(a)</sup>	
Actual return on assets—(increase) decrease	(188)			(29)	
Amortization of:					
Transition obligation		20			20
Prior service cost		-			-
Net (gain) or loss		- <sup>(b)</sup>			- <sup>(b)</sup>
Net periodic pension cost		<u>\$111</u>			<u>\$112</u>
Contribution		\$111			\$112
Benefits paid		\$111			\$112

(a) Market-related asset values may be calculated in a variety of ways. This Case uses an approach that adds in 20% of each of the last 5 years' gains and losses. The only objective of the market-related calculation is to reduce the volatility of the periodic pension cost.

Market-related value of assets at 1/1	\$ 988
Expected return on assets	99
Contributions	111
Benefits paid	(111)
20% of last five years' asset gains and (losses) = .20 (100 - 70)	6
Market-related value of assets at 12/31	<u>\$ 1,093</u>

(b) The minimum amortization of the net gain or loss included in beginning accumulated other comprehensive income (paragraph 715-30-35-24) is calculated as follows.

	<u>20X3</u>	<u>20X4</u>
Net (gain) or loss included in beginning accumulated other comprehensive income	\$ 38	\$ 83
Plus asset gain or less asset loss not yet in market-related value of assets at 1/1— (fair value of plan assets) - (market-related value of plan assets)	<u>80</u>	<u>4</u>
Net (gain) or loss included in beginning accumulated other comprehensive income subject to amortization	118	87
Corridor = 10% of the greater of projected benefit obligation or market-related value of assets at 1/1	<u>127</u>	<u>132</u>
Net (gain) or loss included in beginning accumulated other comprehensive income outside corridor x 1/average remaining service	-	-
	<u>0.10</u>	<u>0.10</u>
Amortization recognized in net periodic pension cost	<u>\$ -</u>	<u>\$ -</u>

### > > **Example 3: Determining Benefit Obligations for Plans with More than One Benefit Formula**

**715-30-55-108** This Example illustrates the determination of benefits for a pension plan with a flat-benefit and a pay-related formula following the guidance in paragraphs [715-30-55-11](#) through [55-12](#).

**715-30-55-109** The following Cases illustrate different assumed service periods:

- a. 30-year assumed service period (Case A)
- b. 20-year assumed service period (Case B)
- c. 40-year assumed service period (Case C).

**715-30-55-110** Cases A, B, and C share the following assumptions. An employer has a pension plan that provides a pension benefit that is the greater of two formulas. Formula A provides a flat benefit of \$450 for each of the first 20 years of an employee's service, but no additional benefits are earned for years of service beyond 20 years; Formula B provides a benefit equal to 1 percent of final pay for each year of service. It is assumed that an employee starts at a salary of \$11,000 in Year 1 and receives a \$1,000 increase in salary for each year of service. To simplify the illustration, the actuarial present values of the accumulated benefit obligation and projected benefit obligation have not been determined. Rather, those obligations are expressed in terms of the annual pension benefits that begin when the employee retires.

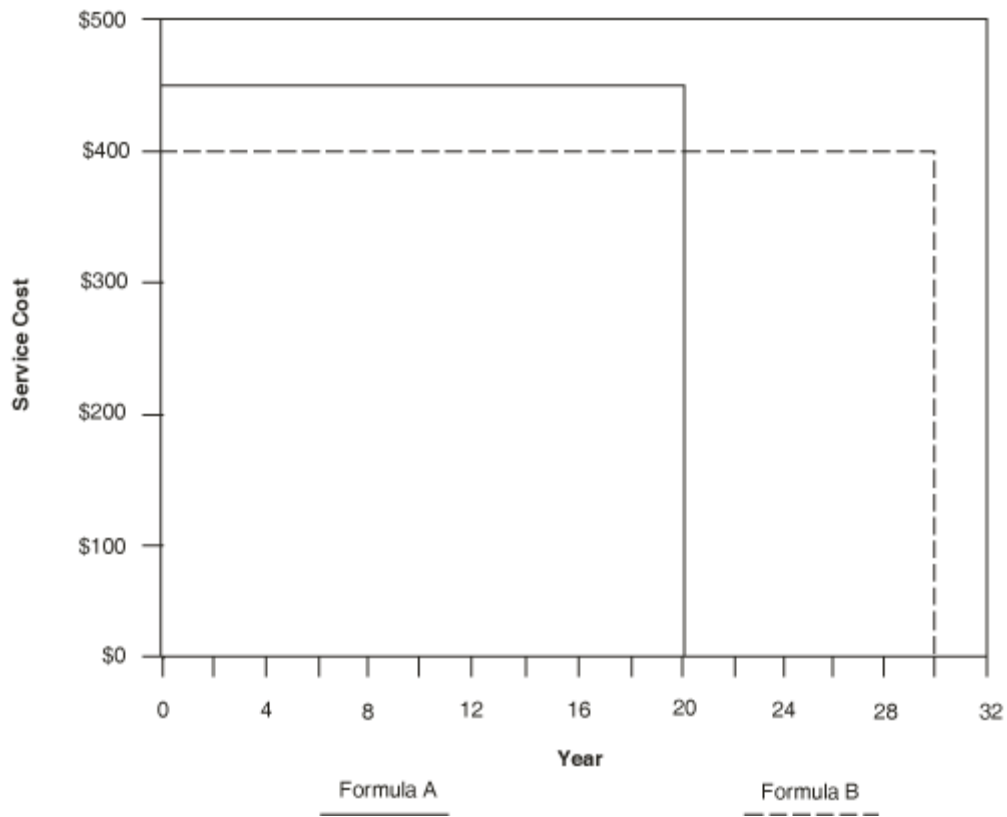
#### > > > **Case A: 30-Year Assumed Service Period**

**715-30-55-111** In this Case, it is assumed that an employee will retire at the end of Year 30 with a final salary of \$40,000. For that employee, Formula A provides an annual pension benefit of \$9,000 for 30 years of service (\$450 for each of the first 20 years of service and no additional benefits for Years 21-30); Formula B provides an annual pension benefit of \$12,000 for 30 years of service ( $30 \times 1\% \times \$40,000$  or \$400 for each year of service). The attribution of pension benefits to years of service for Formulas A and B is presented in the following table.

Chart I

Attribution

Formula A versus Formula B

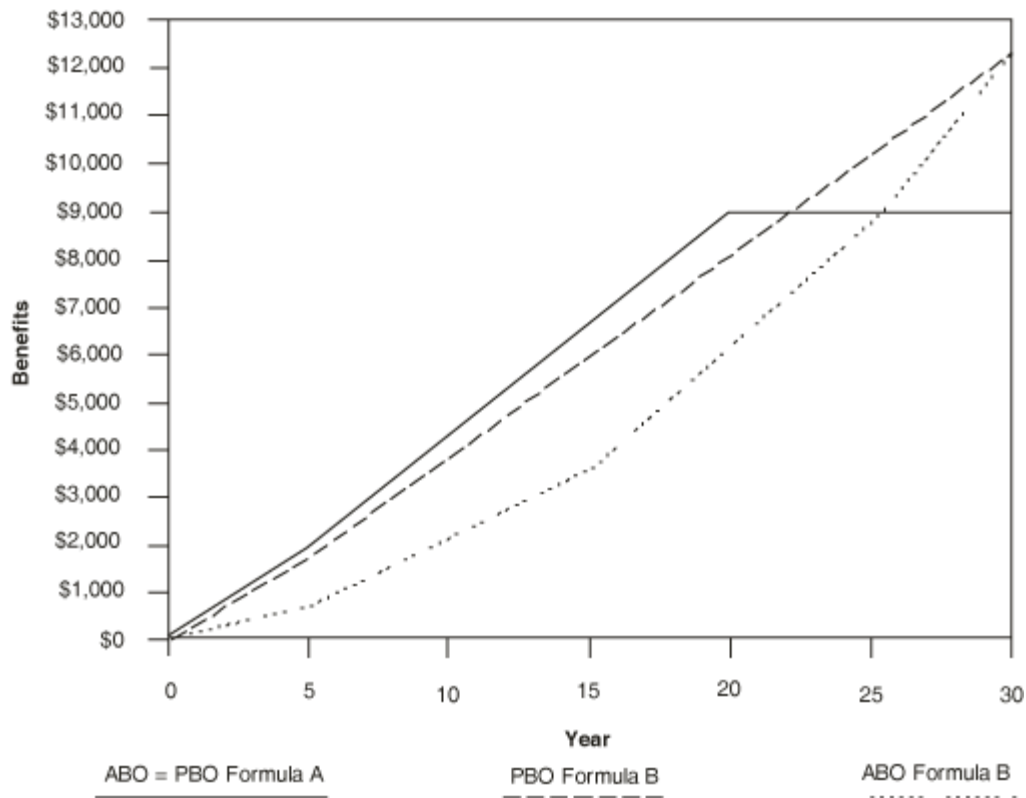


**715-30-55-112** The following table shows the increase in accumulated and projected benefits for each year of service for the employee under Formulas A and B. As can be seen, Formula A provides a greater accumulated and projected benefit for Years 1-20. In the following table and the table in paragraph [715-30-55-114](#), ABO depicts the accumulated benefit obligation and PBO depicts the projected benefit obligation.

Chart II

Accumulated and Projected Benefit Obligation

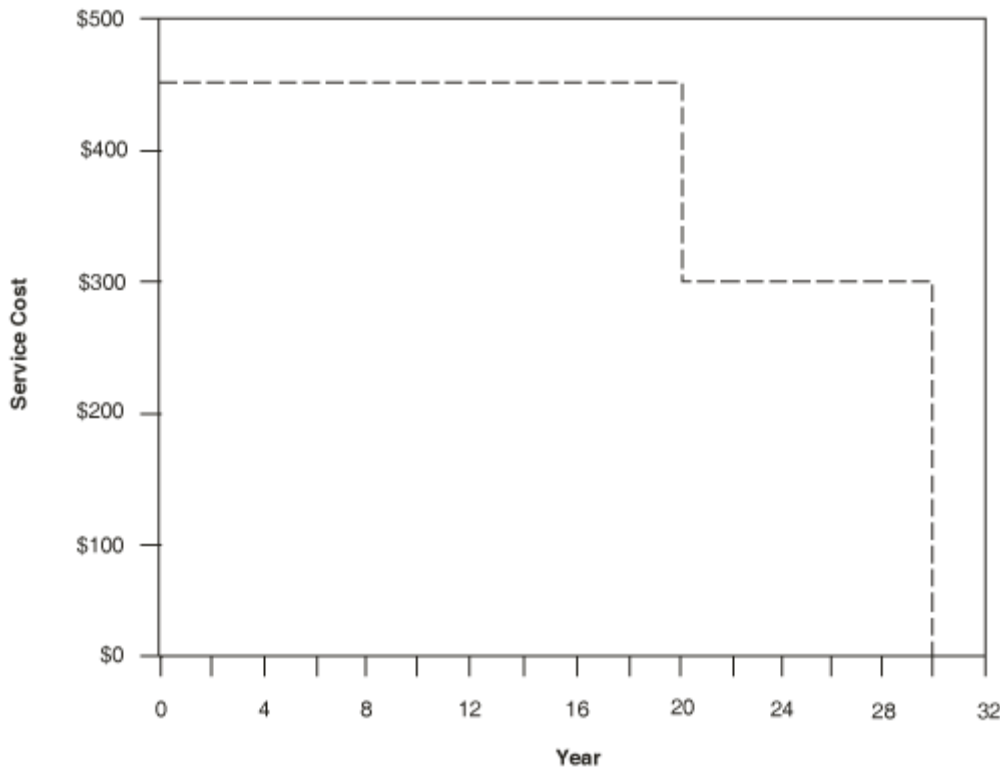
Formula A versus Formula B



**715-30-55-113** Beginning in Year 21, no additional pension benefits are provided under Formula A. At that point, Formula B begins to provide a portion of the total projected benefit attributed to Years 21-30. The additional pension benefit expected to be provided under Formula B for service in Years 21-30 is \$3,000 (\$9,000 accumulated benefit at Year 20 under Formula A as compared with \$12,000 accumulated benefit at Year 30 under Formula B); that additional pension benefit is attributed to service ratably over Years 21-30 (\$300 per year). Note that although no additional pension benefits are earned in Years 21 and 22 (see projected benefit obligation in the preceding table) because the projected benefit under Formula B in those years is less than \$9,000, pension benefits are attributed to those years of service based on the total incremental pension benefit for Years 21-30. Attribution of total projected benefits to years of service is illustrated in the following table.

Chart III

Attribution of Benefits over Service



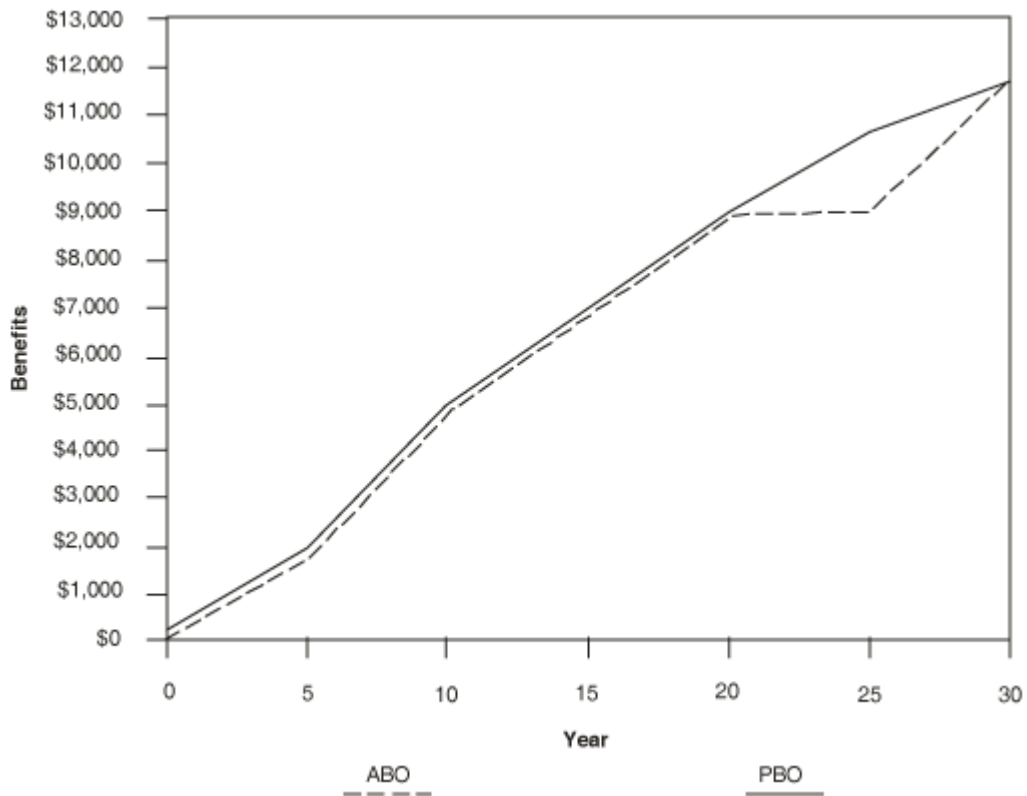
**715-30-55-114** Thus, while the accumulated benefit obligation at any point in time represents the greater of the pension benefits determined under Formulas A and B, the projected benefit obligation is determined on the basis of the formula providing the greater pension benefit (Formula A) until an allocation of incremental pension benefits for the remaining service period using another formula provides a greater pension benefit allocated to service in the current year. In this Case, the allocation of \$3,000 of incremental benefits to Years 21-30 under Formula B provides a greater benefit allocated to service in those years (\$300 per year) than Formula A would allocate (\$0). The following table presents the increase in the accumulated benefit obligation and projected benefit obligation when the plan benefits are the greater of those determined under Formulas A and B.

Chart IV

Accumulated and Projected Benefit Obligation

Greater of Benefit under Formulas A and B





**715-30-55-115** The accumulated and projected benefit obligation for Years 1–30 are as follows.

Year	Accumulated Benefit Obligation	Projected Benefit Obligation
1–19	(a)	(a)
20	\$ 9,000 (a)	\$ 9,000 (a)
21	9,000 (a)	9,300 (b)
22	9,000 (a)	9,600 (b)
23	9,000 (a)	9,900 (b)
24	9,000 (a)	10,200 (b)
25	9,000 (a)	10,500 (b)
26	9,360 (c)	10,800 (b)
27	9,990 (c)	11,100 (b)
28	10,640 (c)	11,400 (b)
29	11,310 (c)	11,700 (b)
30	12,000 (c)	12,000 (b)

(a)  $\$450 \times$  years of service, not to exceed 20 years (Formula A).

(b) Formula A benefits earned through Year 20 plus attribution of additional projected benefits under Formula B (for 21–30 years of service) in proportion to the number of completed years of service to the number of years of service that are expected to be completed for the period during which Formula B is applied.

(c) One percent of salary for the year noted for each year of service already rendered (Formula B).

**> > > Case B: 20-Year Assumed Service Period**

**715-30-55-116** In this Case, it is assumed that an employee will retire at the end of Year 20 with a final salary of \$30,000. For that employee, Formula A provides an annual pension benefit of \$9,000 (\$450 for each year of service); Formula B provides an annual pension benefit of \$6,000 ( $20 \times 1\% \times \$30,000$  or \$300 for each year of service). Since Formula A provides the greater benefit in each year, attribution will be determined under Formula A. The accumulated benefit obligation and projected benefit obligation will be equal in Years 1-20 since Formula A is not pay-related.

**> > > Case C: 40-Year Assumed Service Period**

**715-30-55-117** In this Case, it is assumed that an employee will retire at the end of Year 40 with a final salary of \$50,000. For that employee, Formula A provides an annual pension benefit of \$9,000 for 40 years of service (\$450 for each of the first 20 years of service and no additional benefits for service in Years 21-40); Formula B provides an annual pension benefit payable at retirement of \$20,000 for 40 years of service ( $40 \times 1\% \times \$50,000$  or \$500 for each year of service). Since Formula B provides the greater pension benefit in each year, attribution of the projected benefit obligation will be determined under Formula B for all years of service. The accumulated benefit obligation, however, continues to be determined for each year of service by the formula that provides the greater accumulated benefit.

**> > Example 4: Attribution of Pension Benefits to a Qualified and to an Excess Benefit Pension Plan**

**715-30-55-118** This Example illustrates the guidance in paragraph [715-30-55-14](#) relating to attribution of pension benefits to a qualified and to an excess benefit pension plan.

**715-30-55-119** In this Example, a pension plan's formula is an annual pension benefit of 2 percent of final pay for each year of service. It is assumed that an employee starts at a salary of \$200,000 in Year 1, receives annual salary increases of \$15,000, and retires at the end of 21 years at a salary of \$500,000. It is further assumed that the limitation imposed by the tax law for annual pension benefit payments is \$90,000 in Year 1 and that the limitation under the existing law will increase to permit annual pension benefit payments of \$120,000 for all the years the employee will receive benefit payments.

**715-30-55-120** Attribution of the accumulated benefit obligation and projected benefit obligation for the employee is as follows. To simplify the illustration, the actuarial present values of the accumulated and projected benefit obligation have not been determined. Rather, those obligations are expressed in terms of the annual pension benefits that begin when the employee retires.

Year of Service	Salary	Total		Qualified Pension Plan		Excess Benefit Pe
		Accumulated Benefit Obligation	Projected Benefit Obligation	Accumulated Benefit Obligation	Projected Benefit Obligation	Accumulated Benefit Obligation
1	\$ 200,000	\$ 4,000	\$ 10,000	\$ 4,000	\$ 10,000	
2	215,000	8,600	20,000	8,600	20,000	
3	230,000	13,800	30,000	13,800	30,000	
4	245,000	19,600	40,000	19,600	40,000	
5	260,000	26,000	50,000	26,000	50,000	
6	275,000	33,000	60,000	33,000	60,000	
7	290,000	40,600	70,000	40,600	70,000	
8	305,000	48,800	80,000	48,800	80,000	
9	320,000	57,600	90,000	57,600	90,000	
10	335,000	67,000	100,000	67,000	100,000	
11	350,000	77,000	110,000	77,000	110,000	
12	365,000	87,600	120,000	87,600	120,000	
13	380,000	98,800	130,000	98,800	120,000	
14	395,000	110,600	140,000	110,600	120,000	
15	410,000	123,000	150,000	120,000	120,000	\$ 3,000
16	425,000	136,000	160,000	120,000	120,000	16,000
17	440,000	149,600	170,000	120,000	120,000	29,600
18	455,000	163,800	180,000	120,000	120,000	43,800
19	470,000	178,600	190,000	120,000	120,000	58,600
20	485,000	194,000	200,000	120,000	120,000	74,000
21	500,000	210,000	210,000	120,000	120,000	90,000

**>> Example 5: Transfer to the Japanese Government of the Substitutional Portion of Employee Pension Fund Liabilities**

**715-30-55-121** This Example illustrates the guidance in paragraphs 715-30-55-69 through 55-78 relating to a transfer to the Japanese government of the substitutional portion of employee pension fund liabilities.

<b>Total Employees Pension Fund</b>	<b>Before Separation<sup>(a)</sup></b>	<b>Effect of Separation</b>	<b>After Separation</b>
Accumulated benefit obligation	\$ (10,500)	\$ 5,000 <sup>(b)</sup>	\$ (5,500)
Effects of projected future wage levels	(1,600)	750 <sup>(c)</sup>	(850)
Projected benefit obligation	(12,100)	5,750	(6,350)
Plan assets at fair value	6,420	(3,000) <sup>(d)</sup>	3,420
Funded status	<u>(5,680)</u>	<u>2,750</u> <sup>(e)</sup>	<u>(2,930)</u>
Changes in plan assets and benefit obligations recognized in accumulated other comprehensive income:			
Transition obligation	50	-	50
Prior service cost (credit)	(540)	-	(540)
Net (gain) loss	<u>4,405</u>	<u>(1,941)</u> <sup>(f)</sup>	<u>2,464</u>
Total amount recognized in accumulated other comprehensive income	<u>\$ (3,915)</u>	<u>\$ 1,941</u>	<u>\$ (1,974)</u>

- (a) Employee Pension Fund assets and obligations would be remeasured at fair value immediately before the separation transaction.
- (b) Assumed value of substitutional accumulated benefit obligation for purposes of illustration.
- (c) Assumed value of future salary levels (salary progression) related to substitutional benefit obligation at time of settlement for purposes of this Example.
- (d) Assumed value of assets required to be transferred to the government pursuant to the government formula for purposes of this Example.
- (e) Difference between the fair value of the obligation "settled" with the government and the assets required to be transferred to the government. That amount, less the effect of the reversal of future salary progression (\$750), is the government subsidy that shall be separately accounted for and disclosed.
- (f) Calculated as the ratio of the obligation settled (\$5,000) to the total Employees' Pension Fund obligation immediately before settlement (\$11,350), both of which exclude the effect of future salary progression related to the substitutional portion, times the net gain or loss included in accumulated other comprehensive income immediately before settlement.

## >> Example 6: Combining Two Plans

**715-30-55-122** This Example illustrates the guidance in paragraph [715-30-55-88](#) on the combination of two plans.

**715-30-55-123** In this Example, an employer has two pension plans (Plan A and Plan B) that are combined at December 31, 20X0. The following shows the assumptions and methods of amortizing pension amounts initially recognized in other comprehensive income and the funded status of each pension plan immediately before and after the combination of Plan A and Plan B.

December 31, 20X0—Before Combination of Plan A and Plan B

	<u>Plan A</u>	<u>Plan B</u>
Assumptions:		
Weighted-average discount rate	10%	9.25%
Expected long-term rate of return on plan assets	10%	10%
Average remaining service period	17 years	15 years
Number of employees as of December 31, 20X0 expected to receive benefits under the pension plan	300	420
Amortization method:		
Prior service cost	Straight-line amortization over average remaining service period of employees expected to receive benefits (17 years)	Straight-line amortization over average remaining service period of employees expected to receive benefits (15 years)

	<u>Plan A</u>	<u>Plan B</u>
Projected benefit obligation	\$ (502)	\$ (640)
Plan assets at fair value	804	205
Funded status and recognized asset (liability)	<u>\$ 302</u>	<u>\$ (435)</u>
Amounts recognized in accumulated other comprehensive income:		
Net (gain) loss	\$ (114)	\$ 41
Prior service cost (credit)	120	321
	<u>\$ 6</u>	<u>\$ 362</u>

December 31, 20X0—After Combination of Plan A and Plan B

	<u>Combined Plan AB</u>
Assumptions:	
Weighted-average discount rate	9.6% <sup>(a)</sup>
Expected long-term rate of return on plan assets	10% <sup>(b)</sup>
Average remaining service period	15.8 years <sup>(c)</sup>
Number of employees as of December 31, 20X0 expected to receive benefits under the pension plan	720
Amortization method:	
Prior service cost	The existing prior service costs continue to be amortized on the bases applied before the combination
Net gain or loss	Minimum amortization specified in paragraph 715-30-55-50 (average remaining service period is 15.8 years) <sup>(c)</sup>
Projected benefit obligation	\$ (1,142)
Plan assets at fair value	<u>1,009</u>
Funded status and recognized asset (liability)	<u>\$ (133)</u>
Amounts recognized in accumulated other comprehensive income:	
Net (gain) loss	\$ (73)
Prior service (credit) cost	<u>441</u>
	<u>\$ 368</u>

- (a) The weighted-average assumed discount rate reflects the rates at which the combined pension benefits could be effectively settled. (For purposes of this Example, 9.6 percent is presumed to be the appropriate rate. It was not actually calculated using any of the data for the previously separate plans.)
- (b) The expected long-term rate of return on plan assets does not change because both pension plans used the same rate.
- (c) The average remaining service period of employees expected to receive benefits under the pension plan is weighted by the number of covered employees from each group as follows:  $(17 \text{ years} \times 300 + 720) + (15 \text{ years} \times 420 + 720) = 15.8 \text{ years (rounded)}$ . That should be the same period that would be determined by a new calculation for the combined group.

## > > Example 7: Division of One Pension Plan into Separate Pension Plans

**715-30-55-124** This Example illustrates the guidance in paragraph [715-30-55-90](#) relating to the division of one pension plan into separate pension plans.

**715-30-55-125** In this Example, an employer has a pension plan that covers employees of the parent entity and its consolidated subsidiaries (Subsidiaries B and C). The employer divides its pension plan into three separate pension plans (Plan A, Plan B, and Plan C) that are sponsored by the parent entity and Subsidiaries B and C, respectively.

**715-30-55-126** The following shows the funded status of the pension plans immediately before and after the division.

	Before Division	After Division		
	(Parent) Plan ABC	(Parent) Plan A	(Subsidiary B) Plan B	(Subsidiary C)
Projected benefit obligation	\$ (90,000)	\$ (54,000) <sup>(a)</sup>	\$ (18,000) <sup>(a)</sup>	\$ (24,000) <sup>(a)</sup>
Plan assets at fair value	160,000	132,000 <sup>(b)</sup>	15,000 <sup>(b)</sup>	11,000 <sup>(b)</sup>
Funded status and recognized asset (liability)	<u>\$ 70,000</u>	<u>\$ 78,000</u>	<u>\$ (3,000)</u>	<u>\$ (10,000)</u>
Amounts recognized in accumulated other comprehensive income:				
Net gain	\$ (55,000)	\$ (33,000) <sup>(c)</sup>	\$ (11,000) <sup>(c)</sup>	\$ (11,000) <sup>(c)</sup>
Prior service cost	25,000	17,500 <sup>(d)</sup>	5,000 <sup>(d)</sup>	7,500 <sup>(d)</sup>
Transition asset	(40,000)	(24,000) <sup>(c)</sup>	(8,000) <sup>(c)</sup>	(16,000) <sup>(c)</sup>
	<u>\$ (70,000)</u>	<u>\$ (39,500)</u>	<u>\$ (14,000)</u>	<u>\$ (63,500)</u>

(a) Allocation based on individual employees covered by each plan.

(b) Allocation determined by employer. (Example presumes that no regulatory requirements apply.)

(c) Allocation based on percent of total projected benefit obligation (\$90,000) assumed by each pension plan. For Plans A, B, and C that is 60 percent, 20 percent, and 20 percent, respectively.

(d) Allocation based on applicable individual employees covered by each plan. (Example presumes prior service cost is allocated on the same percentage basis as projected benefit obligation assumed by each pension plan.)

**715-30-55-127** The journal entries to account for the division of the pension plan follow.

#### Parent Entity

Pension asset	\$ 8,000	
Accumulated other comprehensive income	30,500	
Investment in Subsidiary B		\$ 17,000
Investment in Subsidiary C		21,500

To record the transfer of pension assets, obligations, and amounts included in accumulated other comprehensive income from the parent entity to Subsidiaries B and C.

#### Subsidiary B

Stockholder's equity <sup>(a)</sup>	\$ 17,000	
Pension liability		\$ 3,000
Accumulated other comprehensive income		14,000

(a) The accounting within the equity section is not addressed in this Example.

To record the receipt of pension assets, obligations, and amounts included in accumulated other comprehensive income from the parent entity.

#### Subsidiary C

Stockholder's equity <sup>(a)</sup>	\$ 21,500	
Pension liability		\$ 5,000
Accumulated other comprehensive income		16,500

(a) The accounting within the equity section is not addressed in this Example.

To record the receipt of pension assets, obligations, and amounts included in accumulated other comprehensive income from the parent entity.

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## Settlements, Curtailments, and Certain Termination Benefits

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**715-30-55-128** This Subsection is an integral part of the requirements of this Subtopic. This Subsection provides additional guidance and illustrations that address the application of accounting requirements to specific aspects of accounting for matters related to **settlements**, **curtailments**, and certain termination **benefits** related to defined benefit pension plans. The guidance and illustrations that follow may be based on provisions of law that are subject to change. These assumptions about the law are for illustrative purposes only.

### > **Implementation Guidance**

**715-30-55-129** This implementation guidance is organized in the following categories:

- a. Relationship of settlements and curtailments to other events
- b. Settlements
- c. Curtailments
- d. Certain termination benefits
- e. Presentation matters.

### > > **Relationship of Settlements and Curtailments to Other Events**

**715-30-55-130** Paragraphs 715-30-35-74 through 35-78 establish general guidance on the relationship of settlements and curtailments to other events. That guidance is affected by whether there is a successor pension plan. A new pension plan that is established by an employer, or one or more existing pension plans that are amended by the employer, to provide for the accrual of defined **pension benefits** for the future services of present employees that were previously covered by another pension plan (old plan) sponsored by that employer shall be considered a successor pension plan except under any of the following conditions:

- a. The new plan's pension **benefit formula** or the amendment or amendments to the existing pension plan(s) provide for accrual of only insignificant defined pension benefits for those employees.
- b. The new or existing pension plan or plans cover only an insignificant number of employees previously covered by the old plan.

**715-30-55-131** The guidance in the Settlements, Curtailments, and Certain Termination Benefits Subsections of this Subtopic does not apply to an employer's withdrawal from a multiemployer pension plan, and, therefore, if the employer withdraws from a multiemployer pension plan and establishes a pension plan for its employees, that pension plan is not considered to be a successor pension plan.

**715-30-55-132** An employer may terminate its pension plan, settle a pension benefit obligation, withdraw excess **plan assets**, and establish a successor pension plan that has the same pension benefit formula. In this situation, a settlement occurs but a curtailment does not.



Although employees no longer accrue pension benefits under the terminated pension plan, they do accrue pension benefits under the successor pension plan. From an accounting viewpoint, those two pension plans are viewed as one pension plan because, in substance, the pension plan has not been terminated. The only transactions requiring accounting recognition in the employer's financial statements are the settlement and the withdrawal of excess plan assets. See paragraphs [715-30-35-74 through 35-78](#) for guidance on whether a settlement or curtailment has occurred if defined benefits continue to be provided for future services. If the successor pension plan provides (reduced) increased pension benefits for all years of employees' future **service**, that change in the benefit formula is accounted for as a (negative) pension **plan amendment**. See paragraph [715-30-55-54](#) for guidance on negative plan amendments.

**715-30-55-133** A settlement of the pension benefit obligation as part of a pension **plan termination** (with no successor pension plan) may occur in a financial reporting period that differs from the period in which the effects of the curtailment resulting from the pension plan termination ordinarily would be recognized. The effects of the settlement and the effects of the curtailment that result from a pension plan termination shall be recognized in accordance with paragraphs [715-30-35-79 through 35-82](#) and [715-30-35-92 through 35-94](#), respectively, which may result in the effects of those events being recognized in different periods. See Example 8 (paragraph [715-30-55-236](#)) for an illustration of a termination and a settlement recognized in different periods.

**715-30-55-134** If an employer's disposal of a component of an entity (see paragraph [715-30-55-193](#)) results in a termination of some employees' services earlier than expected but does not significantly reduce the expected years of future service of present employees covered by the pension plan, the effects of the reduction in the work force on the pension plan should be measured in the same manner as a curtailment (see paragraphs [715-30-35-92 through 35-93](#)) to determine the gain or loss on the disposal pursuant to paragraph [205-20-45-3](#). Although the reduction in the work force does not result in a significant reduction in the expected years of future service of present employees covered by the pension plan and, therefore, a curtailment does not occur, measuring the effects of the reduction in the work force in the same manner as a curtailment (see paragraphs [715-30-35-92 through 35-93](#)) is appropriate for purposes of determining the gain or loss on the disposal.

**715-30-55-135** As part of the sale of a component of an entity there may be a transfer of a pension benefit obligation to the purchaser (that is, the purchaser assumes the pension benefit obligation for specific employees. Whether both a settlement and a curtailment occur depends on the facts and circumstances.

**715-30-55-136** A settlement occurs if the criteria in the definition of the term **settlement** are satisfied. If there is any reasonable doubt that the purchaser will meet the pension benefit obligation assumed under the sales agreement and the seller remains contingently liable for that pension benefit obligation, a settlement does not occur.

**715-30-55-137** A curtailment occurs if the sale significantly reduces the expected years of future service of present employees covered by the employer's pension plan. Even if a curtailment does not occur, the effects of the reduction in the work force should be considered for purposes of determining the gain or loss on the sale.

**715-30-55-138** See paragraph [715-60-55-111](#) for a discussion of the interaction of the termination of a postretirement plan with a related increase in an employer's obligation for pension benefits.

## > > Settlements

**715-30-55-139** The Settlement, Curtailments, and Special Terminations Subsection of Section [715-30-35](#) provides the general guidance on settlement transactions. The following settlement related implementation guidance is organized in three categories:

- a. Meeting the criteria for settlement
- b. Settlement measurement issues
- c. Application of accounting policy.

### > > > Meeting the Criteria for Settlement

**715-30-55-140** A transaction that does not meet all of the criteria in the definition of the term **settlement** does not constitute a settlement for purposes of applying the guidance in the Settlement, Curtailment, and Certain Termination Benefits Subsections of this Subtopic. One of the criteria is that the transaction is irrevocable. In this context, irrevocable means that a transaction or event cannot be revoked, recalled, or undone; the transaction or event is unalterable.

**715-30-55-141** For example, investing in a portfolio of high-quality fixed-income securities with principal and interest payment dates similar to the estimated payment dates of benefits may avoid or minimize certain risks. However, that does not constitute a settlement because the investment decision can be reversed and such a strategy does not relieve the employer or the plan of primary responsibility for a pension obligation, nor does it eliminate significant risks related to the obligation.

**715-30-55-142** Another example of a transaction that does not meet the requirements for a settlement involves an employer with a situation in which all of the following occur in a period:

- a. The employer decides to terminate a pension plan and establish a successor pension plan.
- b. A **nonparticipating annuity contract** for the **vested benefits** of all plan participants is purchased but can be rescinded if certain regulatory approvals for the termination of the pension plan are not obtained.
- c. It is determined that the regulatory approvals are probable.

**715-30-55-143** An employer shall not recognize a settlement gain or loss until all three criteria inherent in the definition of a settlement are satisfied. In the situation described in the preceding paragraph, an irrevocable action has not occurred that relieves the employer or the pension plan of primary responsibility for a pension benefit obligation and eliminates significant risks related to the pension benefit obligation and the plan assets used to effect the settlement. Therefore, recognition of a settlement gain or loss should await completion of the irrevocable action necessary to relieve the employer or the pension plan of the primary responsibility for the pension benefit obligation. The probability of completion of the irrevocable action is not relevant.

**715-30-55-144** Another example illustrating the need to meet the criteria inherent in the definition of a settlement is a situation in which an employer decides in 20X1 to terminate its pension plan, withdraw excess plan assets, and establish a successor pension plan, but is unable to effect the transactions, which include the settlement of the **vested benefit obligation**, until regulatory approval is obtained. The purchase of nonparticipating annuity contracts occurs in January 20X2 after regulatory approval has been obtained and before the 20X1 financial statements have been issued or are available to be issued (as discussed in Section [855-10-25](#)). A settlement gain or loss is not recognized until all three criteria for a settlement are satisfied. That does not occur until January 20X2. In this situation, adjustment of the 20X1 financial statements would not be appropriate, although disclosure of the event may be required.

**715-30-55-145** An employer may withdraw excess plan assets (cash) from a pension plan and not be required to settle a pension benefit obligation as part of an asset reversion transaction. Because a settlement has not occurred, none of the net gain or loss included in accumulated other comprehensive income shall be recognized in earnings. See paragraph [715-30-55-6](#) for guidance on the accounting required in this situation.

**715-30-55-146** If individual nonparticipating annuity contracts are to be used to settle a pension benefit obligation, payment of the premium for the purchase of the individual annuity contracts may be necessary before a settlement gain or loss should be recognized. The timing of the payment of the premium is relevant in assessing the critical issue, which is whether a transaction has occurred that irrevocably relieves the employer or the pension plan of primary responsibility for a pension benefit obligation and eliminates significant risks related to the pension benefit obligation and the plan assets used to effect the settlement. For a settlement gain or loss to be recognized, the insurance entity must have unconditionally undertaken a legal obligation to provide the specified pension benefits. If the premium has not been paid, the purchase of the annuity contracts may be revocable. Further, if plan assets have not been transferred by the pension plan to effect the settlement, they may be at risk. If significant risks related to the pension benefit obligation and the plan assets to be used to effect the settlement have not been eliminated, no gain or loss should be recognized.

**715-30-55-147** If individual nonparticipating annuity contracts are to be used to settle a pension benefit obligation, issuance of the individual annuity contracts may be necessary before a settlement gain or loss should be recognized. The issuance of individual annuity contracts is not the critical event but is relevant in assessing the critical issue, as stated in the preceding paragraph. However, the absence of individual annuity contracts together with an assessment of other relevant information, for example, payment of the premium as in the preceding paragraph, may indicate that only a commitment has been made to purchase annuity contracts. A commitment does not satisfy the criteria for a settlement and does not result in a settlement gain or loss.

**715-30-55-148** If plan participants have agreed to accept lump-sum cash payments in exchange for their rights to receive specified pension benefits and the amounts of the payments have been fixed, payment of the cash to plan participants may be necessary before a settlement gain or loss should be recognized. As noted in paragraph [715-30-55-146](#), the timing of the payment is relevant in assessing whether the criteria for a settlement have been met. If the cash payments have not been made, the agreement may be revocable. Further, if plan assets have not been transferred by the pension plan to effect the settlement, they may be at risk. If significant risks related to the pension benefit obligation and the plan assets to be used to effect the settlement have not been eliminated, no gain or loss shall be recognized.

**715-30-55-149** A settlement does not occur if a contract is entered into with an insurance entity that requires the insurance entity to pay only a portion of specific participants' pension benefits, for example, payments due retirees for the next five years. The contract should provide life annuities, not limited-term annuities, for a settlement to occur. A contract for limited-term annuities does not eliminate significant risks related to the pension benefit obligation for the participants, for example, the duration of their pension benefit payments, and, therefore, it does not satisfy the criteria for a settlement.

**715-30-55-150** Another example of a transaction that does not constitute a settlement involves a situation in which all of the following occur:

- a. An employer (or the pension plan) irrevocably purchases an insurance contract that guarantees payment of those pension benefits vested as of the date of the purchase.
- b. The purchase price of the insurance contract significantly exceeds the purchase price of a nonparticipating annuity contract covering the same pension benefits.

- c. The insurance entity receives an annual fee based on a percentage of the **actuarial present value** of the covered pension benefits to compensate it for the risk of guaranteeing those pension benefits.
- d. If a specified ratio of assets to the covered pension benefit obligation is maintained, the employer (or the pension plan) continues to manage the assets used to effect the purchase; however, the insurance contract requires that a certain percentage of the assets be invested in high-quality bonds or a dedicated bond portfolio, depending on the ratio of assets to the covered pension benefit obligation.
- e. Upon final satisfaction of all of the pension benefit obligation covered by the insurance contract and payment of all of the contract's administrative fees due to the insurance entity, the insurance entity will remit to the employer (or the pension plan) any amounts remaining in the insurance contract's account balance. Interim withdrawals from the account by the employer (or the pension plan) are also permitted with prior notification to the insurance entity unless a withdrawal causes the ratio of assets to the covered pension benefit obligation to drop below a specified percentage.

**715-30-55-151** Under the terms of the contract described in the preceding paragraph, the employer remains subject to those risks and rewards described in paragraph [715-30-35-84](#). Accordingly, the insurance contract is a **participating annuity contract** that does not satisfy the criteria in paragraphs [715-30-35-84](#) through [35-88](#) for a settlement.

**715-30-55-152** Delayed recognition of gains or losses in **net periodic pension cost** is permitted under the General Subsections of this Subtopic, because, in part, past gains or losses may be offset by future losses or gains. The Settlements, Curtailments, and Certain Termination Benefits Subsections of this Subtopic require recognition in earnings of gains or losses included in accumulated other comprehensive income when a settlement of a pension benefit obligation occurs because the basis for generating offsetting losses or gains has been altered, that is, a pension benefit obligation and the plan assets used to effect the settlement are eliminated.

**715-30-55-153** The transaction in paragraph [715-30-55-150](#) is structured so that the plan assets and the pension benefit obligation have substantially the same ability to generate gains (or losses to the extent of the purchase price for the **participation right** and the annual fees paid to the insurance entity for the guarantee of the pension benefit obligation) both before and after the insurance contract is purchased. The employer remains subject to significant risks and rewards related to the pension benefit obligation and the plan assets and, therefore, the purchase does not qualify for settlement accounting. That transaction creates, in substance, a deposit administration contract with a guarantee from the insurance entity to provide for certain pension benefits from the insurance entity's general assets, if necessary. Transactions such as those in this example are addressed in the paragraph [715-30-35-87](#) guidance that prohibits settlement accounting for those transactions for which the basis of generating offsetting losses or gains has not been substantially altered.

**715-30-55-154** Paragraph [715-30-35-79](#) provides accounting guidance on the use of participating annuity contracts in settlement transactions. Under that guidance, settlement accounting is required for only certain participating annuity contracts as determined under the guidance in paragraphs [715-30-35-84](#) through [35-88](#).

**715-30-55-155** One reason for requiring settlement accounting for certain participating annuity contracts is to preclude a potential abuse. If settlement accounting was required for only nonparticipating annuity contracts, then an employer could avoid settlement accounting by purchasing what was essentially a nonparticipating annuity contract and paying a small premium for a de minimis participation right.

**715-30-55-156** Another reason is that paying a premium for a contract including a participation right rather than purchasing a nonparticipating annuity contract might be a sound economic decision that should not otherwise disqualify a transaction from settlement accounting, providing the transaction transferred the requisite level of risks and rewards from the employer to the insurance entity. However, if the terms of the participating annuity contract are such that the employer has the same or much of the same exposure to gains or losses with regard to the pension benefit obligation or the plan assets before and after the transaction, then settlement accounting is not permitted.

**715-30-55-157** Example 2, Case C (see paragraph [715-30-55-209](#)) presents an illustration of a settlement in which participating annuities were concluded to qualify for settlement accounting. The relative cost of the participation right (10 percent) used in that Case is not intended to be an indication of a criterion that could be used to determine whether the purchase of a participating annuity contract qualifies for settlement accounting. Rather, the facts assumed in the Case were selected only to illustrate the application of paragraph [715-30-35-79](#). No other purpose was intended. There are no quantitative criteria that can be used to determine whether the purchase of a participating annuity contract qualifies for settlement accounting. Whether the purchase of a participating annuity contract qualifies for settlement accounting depends on the particular facts and circumstances. There are no generic, quantitative criteria that can be used. Each transaction shall be evaluated on its own merits given the general criteria provided in paragraphs [715-30-35-84 through 35-88](#).

**715-30-55-158** A transaction may qualify for settlement accounting in the separately issued financial statements of a subsidiary, yet not qualify in the parent entity's consolidated financial statements. For example, if a parent entity's wholly owned subsidiaries, Subsidiaries A and B, have separate pension plans and Subsidiary B purchases nonparticipating annuity contracts from Subsidiary A (which is an insurance entity) to provide the vested pension benefits under Subsidiary B's pension plan, that transaction does not constitute a settlement in the parent entity's consolidated financial statements. It does not qualify because the guidance in paragraph [715-30-35-84](#) excludes annuity contracts purchased from an entity that is controlled by the employer from settlement accounting as such a transaction merely shifts the risk from one part of the entity to another part of the same entity. Since significant risks related to a pension benefit obligation and the plan assets remain with the employer, which is the economic entity comprising the parent entity and its subsidiaries, a settlement does not occur.

**715-30-55-159** Assuming the other criteria for a settlement are satisfied, the purchase of the nonparticipating annuity contracts discussed in the preceding paragraph does constitute a settlement in the separately issued financial statements of Subsidiary B, because significant risks related to a pension benefit obligation and the plan assets used to effect the settlement have been assumed by another entity that is not controlled by Subsidiary B. Disclosure of the related party nature of the settlement should be made pursuant to Section [850-10-50](#).

### > > > **Settlement Measurement Issues**

**715-30-55-160** A pension plan may use a **market-related value of plan assets** other than fair value for purposes of determining the **expected return on plan assets** under the guidance in paragraph [715-30-35-51](#). That basis shall not be used in determining the maximum gain or loss subject to pro rata recognition in earnings when a pension benefit obligation is settled. The fair value of plan assets as of the date of settlement shall be used.

**715-30-55-161** An employer may settle a pension benefit obligation and withdraw excess plan assets as part of terminating its pension plan. The settlement gain or loss determined pursuant to paragraph [715-30-35-79](#) should not be adjusted to eliminate any gains or losses included in accumulated other comprehensive income relating to securities issued by the employer if those securities are included in the plan assets withdrawn. In this situation, the settlement of a pension benefit obligation, not the withdrawal of plan assets, is the event that requires the

employer to recognize in earnings any of the net gain or loss included in accumulated other comprehensive income. Further, withdrawal of plan assets does not affect the determination of the settlement gain or loss. Likewise, the nature of the plan assets withdrawn does not affect that determination. Whether the securities are sold by the pension plan and the employer repurchases them in the market with cash withdrawn from the pension plan or whether the securities are withdrawn should not affect the determination of the settlement gain or loss.

**715-30-55-162** If nonparticipating annuity contracts are purchased from a less-than-majority-owned investee that is not controlled by the employer and the criteria for a settlement are satisfied, the resulting settlement gain or loss is not subject to partial recognition (that is, it should not be reduced to reflect the employer's ownership). The employer's noncontrolling ownership interest in the insurance entity that issues the nonparticipating annuity contracts does not affect the accounting for the settlement. Therefore, the entire settlement gain or loss should be recognized in earnings. The treatment of this intra-entity transaction is acknowledged to be a departure from traditional accounting under the equity method and is not intended to be a precedent for nonpension intra-entity transactions.

**715-30-55-163** The interest rates implicit in the purchase price of nonparticipating annuity contracts used to effect a settlement may be different from the assumed discount rates used to determine net periodic pension cost. If the rates are different, the employer should measure the portion of the **projected benefit obligation** being settled and the remaining portion, if appropriate, using the implicit annuity interest rates. Consequently, the measurement of the portion of the projected benefit obligation being settled is the purchase price of the nonparticipating annuity contracts. Any gains or losses resulting from measuring the projected benefit obligation and the plan assets are included in the maximum gain or loss subject to pro rata recognition in earnings before the settlement gain or loss to be recognized is determined. In determining whether it is appropriate to measure the unsettled portion of the projected benefit obligation using the implicit annuity interest rates, consideration should be given to the demographics of the participants related to the settled and unsettled portions of the projected benefit obligation. If the demographics are similar and, therefore, there is a similar length of time until payments are due and the implicit annuity interest rates reflect the best estimate of the rates at which the unsettled portion could be effectively settled (as discussed in paragraphs [715-30-35-43 through 35-46](#)), then it is appropriate to measure the unsettled portion of the projected benefit obligation using those rates. If use of those rates is not appropriate, then rates as of the date of the settlement that do satisfy the requirements of those paragraphs shall be used to measure the unsettled portion of the projected benefit obligation.

**715-30-55-164** Paragraph [715-30-35-79](#) provides accounting guidance on the use of participating annuity contracts in settlement transactions. Example 2, Case C (see paragraph [715-30-55-209](#)) illustrates a settlement transaction using participating annuity contracts and a method that determines the maximum gain subject to pro rata recognition in earnings by first reducing the net gain included in accumulated other comprehensive income by the cost of the participation right. The allocation method illustrated in that Case is not the only permitted method that may be used. In determining the maximum gain subject to pro rata recognition in earnings, any of the following alternative methods may be used, provided the approach selected is applied consistently from year to year. An amount equal to the cost of the participation right could be allocated in any of the following ways:

- a. Initially to the transition asset remaining in accumulated other comprehensive income
- b. Initially to the net gain included in accumulated other comprehensive income
- c. On a pro rata basis to the transition asset remaining in accumulated other comprehensive income and the net gain included in accumulated other comprehensive income.

**715-30-55-165** Because the allocation method can affect the determination of subsequent periods' net periodic pension cost, allocation on a pro rata basis (alternative [c] in the preceding paragraph) is recommended because it is an unbiased approach.

### > > > **Application of Accounting Policy**

**715-30-55-166** Paragraph 715-30-35-82 requires recognition in earnings of gains or losses from settlements if the cost of all settlements during a year is greater than the sum of the service cost and interest cost components of net periodic pension cost and permits such recognition if the cost of settlements is less, as long as the policy is applied consistently. As an example of an acceptable accounting policy, an employer may adopt a policy that requires recognition in earnings of gains or losses from all settlements during the year for a pension plan if the cost of those settlements exceeds the service cost component of net periodic pension cost for that pension plan for the year.

**715-30-55-167** A settlement gain or loss may need to be recognized as a change in accounting estimate following the guidance in Topic 250 as in the following situation. Assume that an employer's accounting policy is not to recognize in earnings a gain or loss from a settlement if the cost of all settlements during the year does not exceed the sum of the service cost and interest cost components of net periodic pension cost for the pension plan for the year and all of the following occur:

- a. It is estimated at the beginning of the year that the cost of all settlements during the year will not exceed the threshold amount described.
- b. A pension benefit obligation is settled during the first quarter and a settlement gain or loss is not recognized.
- c. In the second quarter and after the issuance of the first quarter's interim report, it is determined that the cost of all settlements during the year will exceed the threshold amount.

**715-30-55-168** In the situation described in the preceding paragraph, the settlement gain or loss should be recognized in the second quarter consistent with the accounting for a change in accounting estimate as required by paragraphs 250-10-45-17 and 270-10-45-14.

### > > **Curtailments**

**715-30-55-169** The Settlements, Curtailments, and Special Term Benefits Subsection of Section 715-30-35 provides the general guidance on curtailment transactions. The following curtailment-related implementation guidance is organized in two categories:

- a. Meeting the criteria for curtailment
- b. Curtailment measurement issues.

### > > > **Meeting the Criteria for Curtailment**

**715-30-55-170** In the definition of the term **plan curtailment**, there is no specific threshold for determining if an event results in a significant reduction of expected years of future service of present employees covered by a pension plan or an elimination of the accrual of pension benefits for some or all future services of a significant number of employees covered by a pension plan. Judgment shall be applied to determine what is significant for each pension plan (the unit of accounting) based on the facts and circumstances. For example, an employer may have a

pension plan covering employees in several divisions. The employer terminates employees in one of those divisions and the expected years of future service of present employees in that division are reduced significantly, but the reduction is not significant in relation to the expected years of future service of all employees covered by the pension plan. Because the event involves an insignificant reduction of expected years of future service of present employees covered by the pension plan, a curtailment does not occur. The results of the event are a gain or loss as described in paragraphs [715-30-35-18 through 35-19](#) that is subject to the requirements of paragraphs [715-30-35-24 through 35-25](#).

**715-30-55-171** If a layoff significantly reduces the expected years of future service of present employees covered by a pension plan, a curtailment occurs even if the layoff is expected to be temporary. For example, a curtailment occurs in both of the following actions:

- a. The employer temporarily lays off a significant number of present employees covered by a pension plan.
- b. The employer temporarily suspends a pension plan so that employees covered by the pension plan do not earn additional pension benefits for some or all of their future services.

**715-30-55-172** Likewise, if a pension **plan suspension** eliminates significant pension benefit accruals for some or all of present employees' future services, a curtailment occurs even if the pension plan suspension is expected to be temporary. Unrelated, individually insignificant reductions of expected years of future service of employees covered by a pension plan that accumulate over a single year or more than one year to a significant reduction do not constitute a curtailment. However, each of the reductions results in a gain or loss as described in paragraphs [715-30-35-18 through 35-19](#) that is subject to the requirements of paragraphs [715-30-35-24 through 35-25](#). This evaluation is in contrast to the situation in which individually insignificant reductions of expected years of future service of employees covered by a pension plan are caused by one event, such as a strike, or are related to a single plan of reorganization and those reductions accumulate during more than one fiscal year to a significant reduction. The fact that the reductions occur over a period of time in this situation does not affect the determination that an event giving rise to a curtailment has occurred.

**715-30-55-173** Paragraph [715-30-55-130](#) points out that the guidance in the Settlements, Curtailments, and Certain Termination Benefits Subsections of this Subtopic on settlements and curtailments is affected by whether there is a successor pension plan. If an employer terminates a pension plan and establishes a successor pension plan that provides additional but reduced pension benefits for all years of employees' future service, a curtailment does not occur. If the successor pension plan provides incremental but reduced pension benefits for all years of employees' future service, the substance of the transactions is to maintain the same pension plan but with reduced pension benefits. Accordingly, the reduction in pension benefits is accounted for as a negative pension plan amendment. See the guidance in paragraph [715-30-55-54](#) related to a negative retroactive plan amendment. In this situation, pension benefits are reduced but not eliminated since employees continue to accrue pension benefits for all years of future service.

**715-30-55-174** A curtailment can occur if a pension plan is terminated and replaced by a successor pension plan under certain conditions. A curtailment occurs if the successor pension plan eliminates for a significant number of employees the accrual of defined pension benefits for some or all of their future services. Two examples follow:

- a. A successor pension plan that covers only half of the employees previously covered by the terminated pension plan. The reference to half of the employees in this example is for illustrative purposes only and is not intended to be indicative of the minimum coverage necessary to qualify a pension plan as a successor pension plan. See paragraph [715-30-55-](#)



130.

b. A successor pension plan that does not provide for the accrual of additional defined pension benefits for certain years of future services. To illustrate this situation, assume a pension plan provides a flat benefit of \$1,500 per year of service. At the end of 20X0, the employer terminates that pension plan and establishes a successor pension plan that provides a flat benefit of \$1,000 per year for all years of service, including service under the terminated pension plan. Pension benefits earned under the successor pension plan are reduced by the pension benefits earned under the terminated pension plan. At the end of 20X0, Employee A with 5 years of service has an accumulated pension benefit of \$7,500 per year under the terminated pension plan (\$1,500 x 5 years of service). For years 20X1, 20X2, and the first half of 20X3, Employee A will accrue no additional pension benefits. The accrual of additional pension benefits will commence in the second half of 20X3. If a significant number of employees will not accrue additional pension benefits for some or all of their future services (as is the situation for Employee A), a curtailment occurs.

### > > > **Curtailment Measurement Issues**

**715-30-55-175** An employer is permitted to amortize **prior service cost** on a straight-line basis over the average remaining service period of employees expected to receive the related pension benefits under the guidance in paragraph 715-30-35-13 in order to reduce the complexity and detail of the computations that would otherwise be required by the guidance in paragraph 715-30-35-11.

**715-30-55-176** Paragraph 715-30-35-92 specifies that the prior service cost included in accumulated other comprehensive income associated with years of service no longer expected to be rendered as a result of a curtailment is a loss. Even if the employer uses an **amortization** method permitted by paragraph 715-30-35-13 (such as straight-line amortization over average remaining service period, as described in the preceding paragraph) rather than the approach described in paragraph 715-30-35-11, the basic approach in paragraph 715-30-35-92 should be retained. In that situation, the ability to associate prior service cost included in accumulated other comprehensive income with years of service no longer expected to be rendered is more difficult and the result may be less precise. Use of the percentage reduction of years of service after the curtailment may be necessary. For example, if the future years of service determined as of the immediately preceding measurement date for those employees covered under a prior pension plan amendment are reduced by 50 percent due to a curtailment, the employer would recognize in earnings 50 percent of the prior service cost included in accumulated other comprehensive income.

**715-30-55-177** A curtailment may occur because an employer terminates or suspends a pension plan, so that employees do not earn additional pension benefits for future service, but the employees continue to work for the employer. In such a situation, any prior service cost included in accumulated other comprehensive income associated with the employees affected by the pension plan termination or suspension shall be included in determining the net gain or loss to be recognized for the curtailment.

**715-30-55-178** One reason that this Subtopic provides for delayed recognition in net periodic pension cost of prior service cost is the likelihood of future economic benefits to the employer as a result of a retroactive pension plan amendment. Those pension benefits are associated with the future services of those employees at the date of the pension plan amendment who are expected to receive pension benefits under the pension plan. Because a pension plan termination (or suspension) eliminates the accrual of pension benefits for all (or some) of those future services, it raises sufficient doubt about the continued existence of the future economic benefits of the retroactive pension plan amendment to justify recognition in earnings of any prior service cost included in accumulated other comprehensive income. Further, upon termination of a

pension plan without the establishment of a successor pension plan, all remaining items included in accumulated other comprehensive income are recognized in earnings.

**715-30-55-179** Paragraph [715-30-55-171](#) provides that a curtailment may result even if a layoff or suspension of benefits is temporary. If a curtailment is due to a pension plan suspension that may be only temporary, for example, the pension plan suspension will end as soon as the employer's financial condition sufficiently improves, the net gain or loss from the curtailment shall be determined based on the **probable** duration of the pension plan suspension. If that duration is a range of years and no single period in that range is a better estimate than any other period, then the determination shall be based on the estimate of duration within that range that results in the minimum net gain or loss from the curtailment.

**715-30-55-180** There may be a balance remaining of the transition asset or obligation included in accumulated other comprehensive income after the employer accounts for a curtailment as required by the Settlements, Curtailments, and Certain Termination Benefits Subsections of this Subtopic. If a curtailment occurs causing almost all of the pension plan's participants to become permanently inactive, the employer shall continue to amortize any transition asset or obligation remaining in accumulated other comprehensive income using the remainder of the amortization period determined at transition.

**715-30-55-181** Paragraph [715-30-35-93](#) describes the determination of any curtailment gain or loss, including the effect of certain amounts in accumulated comprehensive income. It is possible that both a transition asset remains in accumulated other comprehensive income and a larger (smaller) net loss included in accumulated other comprehensive income exists at the date of a curtailment that decreases (increases) the projected benefit obligation. However, the intent of that paragraph is not to provide a mechanism for offsetting a net loss included in accumulated other comprehensive income against any transition asset remaining in accumulated other comprehensive income or increasing a net loss included in accumulated other comprehensive income. Therefore, the decrease (increase) in the projected benefit obligation that is not recognized as a curtailment gain (loss) shall be offset against the net loss included in accumulated other comprehensive income (transition asset remaining in accumulated other comprehensive income). There shall be no further offsetting. See Example 4 (paragraph [715-30-55-216](#)) for an illustration of this guidance.

**715-30-55-182** If both a transition asset remaining in accumulated other comprehensive income and a net gain included in accumulated other comprehensive income exist at the date of a curtailment that increases the projected benefit obligation, the effects of the curtailment shall be offset using any one of the following three approaches, provided it is applied consistently from year to year. However, for the reason noted in paragraph [715-30-55-208](#) on settlement accounting, the recommended approach is to offset both on a pro rata basis (alternative [c]). The three approaches for offsetting the curtailment are as follows:

- a. Initially against the transition asset remaining in accumulated other comprehensive income
- b. Initially against the net gain included in accumulated other comprehensive income
- c. Against both on a pro rata basis.

**715-30-55-183** An employer may adopt a plan to terminate employees that will significantly reduce the expected years of future service of present employees covered by a pension plan and the sum of the effects of the resulting curtailment identified in paragraphs [715-30-35-92 through 35-93](#) may be expected to be a net gain. In this situation, the net gain from the curtailment shall be measured and recognized when the related employees terminate.

**715-30-55-184** If an employer amends its pension plan to provide for its termination or suspension and thereby eliminates for a significant number of employees the accrual of all or some of the pension benefits for their future services after a subsequent date (that is, the effective date of the pension plan termination or suspension is after the amendment date) and the sum of the effects of the resulting curtailment identified in paragraphs [715-30-35-92 through 35-93](#) is a net gain, that gain shall not be recognized in earnings when the pension plan termination or suspension is effective, but rather the net gain from the curtailment should be measured and recognized in earnings when the employer amends its pension plan.

### > > **Certain Termination Benefits**

**715-30-55-185** Paragraphs [715-30-25-9 through 25-13](#) provide general guidance on special termination benefits and contractual termination benefits.

**715-30-55-186** An employer that offers, for a short period of time, special termination benefits to employees, shall not recognize a loss at the date the offer is made based on the estimated acceptance rate. Paragraph [715-30-25-10](#) requires offers of special termination benefits to be recognized when the employees accept the offer and the amount can be reasonably estimated.

**715-30-55-187** An employer may offer special termination benefits that result in a curtailment. It is possible that the offer of termination benefits could be recognized in a reporting period different from the period in which the curtailment is recognized because a net loss from a curtailment (as defined in paragraph [715-30-35-94](#)) is recognized when it is probable that a curtailment will occur and the effects are reasonably estimable, while as indicated in paragraph [715-30-25-10](#), the cost of special termination benefits is not recognized until employees accept the offer and the amount can be reasonably estimated.

**715-30-55-188** An employer may sponsor a pension plan that provides supplemental early retirement benefits. Such pension benefits shall not be accounted for as contractual termination benefits, rather, supplemental early retirement benefits shall be accounted for as part of net periodic pension cost pursuant to the **attribution** approach described in paragraphs [715-30-35-36 through 35-38](#).

**715-30-55-189** Plans providing **termination indemnities** that are associated with preretirement termination of employment shall be assessed on a case-by-case basis. If benefits are paid only for involuntary termination of employment due to the occurrence of a specific event, they qualify as contractual termination benefits, and a liability and a loss shall be recognized when it is probable that employees will receive benefits and the amount can be reasonably estimated. However, if a plan is, in substance, a pension plan (for example, if benefits are paid for virtually all terminations), the plan is subject to the provisions of the General Subsections of this Subtopic. See paragraphs [420-10-55-1](#) and [420-10-55-16](#) for additional guidance in making this determination. However, if payment of the benefits results directly from a sale or disposal of a component of an entity, the cost of those benefits shall be recorded and recognized pursuant to paragraph [205-20-45-3](#).

### > > **Presentation Matters**

**715-30-55-190** In connection with terminating its pension plan, an employer may settle the pension benefit obligation and withdraw excess plan assets and then contribute and allocate those assets to participants' accounts in a new defined contribution pension plan. In this situation, an employer shall not combine any net gain or loss from the settlement and curtailment of the terminated plan with the net periodic pension cost from the contribution to the defined contribution pension plan and thereby report both on a net basis for purposes of classification in the income statement or disclosure in accompanying notes to financial

statements. Because the following two separate events have occurred that require separate accounting recognition, netting the results of the separate events is inappropriate:

- a. A pension plan termination resulting in recognition in earnings of all net pension amounts included in accumulated other comprehensive income
- b. A contribution of assets to a defined contribution pension plan resulting in recognition of net periodic pension cost equal to the amount contributed and allocated.

**715-30-55-191** [Paragraph superseded by Accounting Standards Update No. 2015-01]

**715-30-55-192** [Paragraph superseded by Accounting Standards Update No. 2015-01]

**715-30-55-193** An employer may sell a **component of an entity** and may settle a pension benefit obligation related to the employees affected by the sale. The separate classification of the settlement gain or loss, recognized pursuant to paragraphs 715-30-35-79 through 35-83, in discontinued operations requires an evaluation of the facts and circumstances.

**715-30-55-194** Paragraph 205-20-45-5(c) indicates that a settlement is directly related to the disposal transaction if there is a demonstrated cause-and-effect relationship and the settlement occurs no later than one year following the disposal transactions, unless it is delayed by events or circumstances beyond an entity's control. In a disposal of a component of an entity, the timing of a settlement may be at the discretion of the employer. If the employer simply chooses to settle a pension benefit obligation at the time of the sale, the resulting coincidence of events is not, in and of itself, an indication of a cause-and-effect relationship and, therefore, paragraphs 715-30-35-79 through 35-83 apply. However, a direct cause-and-effect relationship can be demonstrated if, for example, settlement of a pension benefit obligation for those employees affected by the sale is a necessary condition of the sale.

**715-30-55-195** A settlement or a curtailment may occur as a direct result of a disposal of a component of an entity or a business or nonprofit activity. Paragraph 715-30-35-94 requires that a curtailment loss be recognized in earnings when it is probable that the curtailment will occur and related amounts are reasonably estimable. Therefore, although a reporting entity may not have satisfied all the criteria in paragraphs 205-20-45-1A through 45-1D necessary to classify the operations of the component or business or nonprofit activity as discontinued operations, a curtailment loss (determined in accordance with paragraphs 715-30-35-92 through 35-93) shall be recognized if it is probable that the disposal will occur and the amount of the curtailment loss is reasonably estimable. Furthermore, paragraph 715-30-35-94 requires that a curtailment gain be recognized in earnings when the related employees terminate or the plan suspension or amendment is adopted. The curtailment gain or loss shall be classified in income from continuing operations until the reporting entity satisfies those criteria in paragraphs 205-20-45-1A through 45-1D for reporting discontinued operations.

**715-30-55-196** A settlement gain or loss is recognized in earnings at the time that the settlement occurs. If a pension obligation associated with the disposal group is settled upon or after meeting the criteria for reporting discontinued operations in paragraphs 205-20-45-1A through 45-1D, the related gain or loss (determined in accordance with paragraph 715-30-35-79) shall be recognized in earnings in the period in which the settlement occurs and classified in discontinued operations provided that the settlement is directly related to the disposal transaction.

**715-30-55-197** If a curtailment loss results from the disposal of a component of an entity, it is likely that the curtailment loss will be recognized earlier than the settlement gain or loss, if any, is recognized. As indicated in paragraph 715-30-55-195, the curtailment loss, if reasonably estimable, shall be recognized when the disposal is probable. The settlement gain or loss, if any, however, shall be recognized when the settlement occurs. See Example 9, Case A (paragraph

[715-30-55-247](#)) for an illustration in which the curtailment loss is recognized earlier than the settlement gain. See also Example 9, Case B (paragraph [715-30-55-250](#)), which demonstrates the less likely scenario in which the effects of the curtailment and the settlement are recognized in the same reporting period.

> **Illustrations**

> > **Example 1: Accounting for a Plan Termination Without a Replacement Defined Benefit Plan**

**715-30-55-198** This Example illustrates the guidance in paragraph [715-30-35-78](#) relating to accounting for a plan termination without a replacement defined benefit plan.

**715-30-55-199** In this Example, it is assumed that Entity A sponsored a final-pay noncontributory defined benefit plan. On November 16, 20X0, the employer terminated the plan, settled the **accumulated benefit obligation** of \$1,500,000 (nonvested benefits became vested upon termination of the plan) by purchasing nonparticipating annuity contracts, and withdrew excess assets. Defined benefits were not provided under any successor plan. The plan ceased to exist as an entity.

**715-30-55-200** As a result, Entity A recognized a gain of \$900,000 in earnings, determined as follows.

	Entity A (in thousands)	
	Before Termination	Effect of Termination
Assets and obligations:		
Accumulated benefit obligation	\$ (1,500)	\$ 1,500 <sup>(a)</sup>
Effects of projected future compensation levels	(400)	400 <sup>(b)</sup>
Projected benefit obligation	(1,900)	1,900
Plan assets at fair value	2,100	(1,500) <sup>(a)</sup>
		(600) <sup>(c)</sup>
Funded status and recognized asset	<u>\$ 200</u>	<u>\$ (200)</u>
Amounts recognized in accumulated other comprehensive income:		
Transition asset <sup>(d),(e)</sup>	\$ (200)	\$ 200
Net gain <sup>(e)</sup>	(300)	300
	<u>\$ (500)</u>	<u>\$ 500</u>

- (a) The accumulated benefits of \$1,500 were settled by using an equivalent amount of plan assets to purchase nonparticipating annuity contracts.
- (b) The effects of projected future compensation levels ceased to be an obligation of the plan or the employer at termination of all plan participants. Paragraph 715-30-35-93 requires that any curtailment gain be first offset against existing net loss included in accumulated other comprehensive income. Because the existing amount included in accumulated other comprehensive income in this case was a gain (\$200 remaining transition asset plus \$300 \$400 gain from the curtailment) was recognized.
- (c) Plan assets, in excess of the amount used to settle the pension benefits, were withdrawn from the plan.
- (d) A transition asset remaining in accumulated other comprehensive income is treated as a net gain.
- (e) A pro rata amount of the maximum gain (see paragraph 715-30-35-79), which includes the net gain included in accumulated other comprehensive income (\$300) and the transition asset remaining in accumulated other comprehensive income (\$200), is recognized due to settlement. The projected benefit obligation was reduced from \$1,500 to \$1,500 at curtailment initially reduced the projected benefit obligation from \$1,900 to \$1,500 as described in footnote [ ] of 100 percent. Accordingly, the entire amount included in accumulated other comprehensive income of \$500 (\$200) was recognized in earnings.

The journal entry required to reflect the accounting for the plan termination follows.

Cash	\$ 600	
Other comprehensive income-transition asset	200	
Other comprehensive income-net gain	300	
Pension asset		\$ 200
Gain from plan termination		900

The gain from the plan termination without a replacement defined benefit plan was composed of the following:

Gain from curtailment	\$ 400
Gain from settlement	500
Total gain	<u>\$ 900</u>

**715-30-55-201** Paragraph 715-30-35-81 requires that plan assets and the projected benefit obligation be measured as of the date the settlement occurs. The amount of the accumulated benefit obligation settled and the amount of plan assets used to purchase nonparticipating annuity contracts are equal in this, and certain other settlement-related Examples in this Subsection. It is not appropriate to conclude that no gains or losses occurred when the projected benefit obligation and the plan assets were measured as of the date of the settlement. The columns representing amounts before the transactions in the Examples reflect the plan assets

and the projected benefit obligation as of the date of the settlement and include any gains or losses that arose from the measurements as of that date.

**> > Example 2: Accounting for the Settlement of a Pension Obligation**

**715-30-55-202** This Example illustrates the accounting for a settlement of a pension obligation in three specific situations following the settlement-related guidance in the Settlements, Curtailments, and Certain Termination Benefits Subsection of Section 715-30-35. The following Cases illustrate situations in which:

- a. The projected benefit obligation exceeds plan assets (Case A).
- b. Plan assets exceed the projected benefit obligation (Case B).
- c. Plan assets exceed the projected benefit obligation and a participating annuity contract is purchased to settle benefits (Case C).

**715-30-55-203** In each Case, the entity settled a portion of the obligation after transition to the requirements of this Subtopic. The Cases differ based on whether they had a retroactive plan amendment after transition or not and whether they had a transition asset or a transition obligation remaining in accumulated other comprehensive income.

**> > > Case A: Projected Benefit Obligation Exceeds Plan Assets**

**715-30-55-204** This Case illustrates the settlement of a pension obligation for a situation in which the projected benefit obligation exceeds plan assets. In this Case, Entity A had a retroactive plan amendment after the transition to the requirements of this Subtopic and also had a transition obligation remaining in accumulated other comprehensive income.

**715-30-55-205** Entity A sponsors a final-pay noncontributory defined benefit plan. On December 31, 20X0, the plan settled the vested benefit portion (\$1,300,000) of the projected benefit obligation through the purchase of nonparticipating annuity contracts. As a result, Entity A recognized a gain of \$195,000 in earnings, determined as follows.

	<b>Entity A</b> <b>(in thousands)</b>		
	<b>Before Settlement</b>	<b>Effect of Settlement</b>	<b>After Settlement</b>
<b>Assets and obligations:</b>			
Vested benefit obligation	\$ (1,300)	\$ 1,300 <sup>(a)</sup>	\$ -
Nonvested benefits	(200)		(200)
Accumulated benefit obligation	(1,500)	1,300	(200)
Effects of projected future compensation levels	(500)		(500)
Projected benefit obligation	(2,000)	1,300	(700)
Plan assets at fair value	1,400	(1,300) <sup>(a)</sup>	100
Funded status and recognized liability	<u>\$ (600)</u>	<u>\$ -</u>	<u>\$ (600)</u>
<b>Amounts recognized in accumulated other comprehensive income:</b>			
Transition obligation <sup>(b)</sup>	\$ 650		\$ 650
Prior service cost	150		150
Net gain <sup>(c)</sup>	(300)	\$ 195	(105)
	<u>\$ 500</u>	<u>\$ 195</u>	<u>\$ 695</u>

- (a) The vested benefits of \$1,300 were settled by using plan assets to purchase nonparticipating annuity contracts.
- (b) A transition obligation remaining in accumulated other comprehensive income is treated as prior service cost included in accumulated other comprehensive income and therefore is not affected by settlement of the obligation.
- (c) A pro rata portion of the maximum gain (see paragraph 715-30-35-79), the net gain included in accumulated other comprehensive income, is recognized due to the settlement. The projected benefit obligation was reduced from \$2,000 to \$700, a reduction of 65 percent. Accordingly, 65 percent of the maximum gain of \$300, a gain of \$195, was recognized in earnings. The journal entry required to reflect the accounting for the plan settlement follows.

Other comprehensive income—net gain	\$ 195	
Gain from settlement		\$ 195

### > > > Case B: Plan Assets Exceed the Projected Benefit Obligation

**715-30-55-206** This Case illustrates the settlement of a pension obligation for a situation in which the plan assets exceed the projected benefit obligation. In this Case, Entity B did not have a retroactive plan amendment after the transition to the requirements of this Subtopic but did have a transition asset remaining in accumulated other comprehensive income.

**715-30-55-207** Entity B sponsors a final-pay noncontributory defined benefit plan. On December 31, 20X0, the plan settled the vested benefit portion (\$1,300,000) of the projected benefit obligation through the purchase of nonparticipating annuity contracts. As a result, Entity B recognized a gain of \$325,000 in earnings determined as follows.



	Entity B (in thousands)		
	Before Settlement	Effect of Settlement	After Settlement
Assets and obligations:			
Vested benefit obligation	\$ (1,300)	\$ 1,300 <sup>(a)</sup>	\$ -
Nonvested benefits	(200)		(200)
Accumulated benefit obligation	(1,500)	1,300	(200)
Effects of projected future compensation levels	(500)		(500)
Projected benefit obligation	(2,000)	1,300	(700)
Plan assets at fair value	2,100	(1,300) <sup>(a)</sup>	800
Funded status and recognized asset	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>
Amounts recognized in accumulated other comprehensive income:			
Transition asset <sup>(b),(c)</sup>	\$ (200)	\$ 130	\$ (70)
Net gain <sup>(c)</sup>	(300)	195	(105)
	<u>\$ (500)</u>	<u>\$ 325</u>	<u>\$ (175)</u>

- (a) The vested benefits of \$1,300 were settled by using plan assets to purchase nonparticipating annuity contracts.
- (b) A transition asset remaining in accumulated other comprehensive income is treated as a net gain included in accumulated other comprehensive income.
- (c) A pro rata portion of the maximum gain (see paragraph 715-30-35-79), which includes the net gain included in accumulated other comprehensive income (\$300) and the transition asset remaining in accumulated other comprehensive income (\$200), is recognized due to the settlement. The projected benefit obligation was reduced from \$2,000 to \$700, a reduction of 65 percent. Accordingly, 65 percent of the maximum gain of \$500 (\$300 + \$200), a gain of \$325, was recognized in earnings. The journal entry required to reflect the accounting for the plan settlement follows.

Other comprehensive income—transition asset	\$ 130	
Other comprehensive income—net gain	195	
Gain from settlement		\$ 325

**715-30-55-208** This Case and Case C allocate an amount equal to the settlement gain on a pro rata basis to the transition asset remaining in accumulated other comprehensive income and the net gain included in accumulated other comprehensive income. This is not the only method of allocation permitted under those circumstances by the Settlements, Curtailments, and Certain Termination Benefits Subsections of this Subtopic. An amount equal to the settlement gain could be allocated initially to the transition asset remaining in accumulated other comprehensive income or the net gain included in accumulated other comprehensive income, provided the approach selected is applied consistently from year to year. However, because the allocation method can affect the determination of subsequent periods' net periodic pension cost, allocation on a pro rata basis is recommended because it is an unbiased approach.

### > > > Case C: Plan Assets Exceed the Projected Benefit Obligation and a Participating Annuity Contract Is Purchased to Settle Benefits

**715-30-55-209** This Case illustrates the settlement of a pension obligation for a situation in which the plan assets exceed the projected benefit obligation and a participating annuity contract is purchased to settle benefits. In this Case, Entity C did not have a retroactive plan amendment after the transition to the requirements of this Subtopic but did have a transition asset remaining in accumulated other comprehensive income. This Case illustrates the guidance in paragraph 715

-30-35-79 relating to accounting for the cost of a participation right if the purchase of a participating annuity constitutes a settlement.

**715-30-55-210** Entity C sponsors a final-pay noncontributory defined benefit plan. On December 31, 20X0, the plan settled the vested benefit portion (\$1,300,000) of the projected benefit obligation through the purchase of a participating annuity contract at a cost of \$1,430,000. The plan could have purchased a nonparticipating contract covering the same benefits for \$1,300,000. The participation features of the contract warranted a conclusion that its purchase constituted a settlement. See paragraph 715-30-55-157 for a discussion of this conclusion about the participation features. As a result, Entity C recognized a gain of \$240,000, (rounded) in earnings, determined as follows.

	<b>Entity C</b> <b>(in thousands)</b>		
	<b>Before Settlement</b>	<b>Effect of Settlement</b>	<b>After Settlement</b>
<b>Obligations:</b>			
Vested benefit obligation	\$ (1,300)	\$ 1,300 <sup>(a)</sup>	\$ -
Nonvested benefits	(200)		(200)
Accumulated benefit obligation	(1,500)	1,300	(200)
Effects of projected future compensation levels	(500)		(500)
Projected benefit obligation	<u>(2,000)</u>	<u>1,300</u>	<u>(700)</u>
<b>Plan assets at fair value:</b>			
Participation right		130 <sup>(a)</sup>	130
Other plan assets	2,100	(1,430) <sup>(a)</sup>	670
	<u>2,100</u>	<u>(1,300)</u>	<u>800</u>
Funded status and recognized asset	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>
<b>Amounts recognized in accumulated other comprehensive income:</b>			
Transition asset <sup>(b),(c)</sup>	\$ (200)	\$ 130 <sup>(d)</sup>	\$ (70)
Net gain <sup>(c)</sup>	(300)	110 <sup>(d)</sup>	(190)
	<u>\$ (500)</u>	<u>\$ 240</u>	<u>\$ (260)</u>

- (a) The vested benefits of \$1,300 were settled by using \$1,430 of plan assets to purchase a participating annuity contract. However, a nonparticipating contract covering the same benefits could have been purchased for \$1,300. The plan paid the additional \$130 to obtain the participation right.
- (b) A transition asset remaining in accumulated other comprehensive income is treated as a net gain included in accumulated other comprehensive income.
- (c) A pro rata amount of the maximum gain (see paragraph 715-30-35-79), which includes the net gain included in accumulated other comprehensive income (\$300) and the transition asset remaining in accumulated other comprehensive income (\$200), was recognized due to the settlement. However, any gain on a settlement that uses a participating annuity contract shall be computed by first reducing the maximum gain by the cost of the participation right [ $\$200 + (\$300 - \$130) = \$370$ ]. The projected benefit obligation was reduced from \$2,000 to \$700, a reduction of 65 percent. Accordingly, a gain of \$240 (rounded) was recognized ( $.65 \times \$370$ ). The journal entry required to reflect the accounting for the plan settlement follows.

Other comprehensive income—transition asset	\$ 130	
Other comprehensive income—net gain	110	
Gain from settlement		\$ 240

- (d) The amount of gain from settlement was allocated as follows (rounded).

Transition asset (.65 x \$200)	\$ 130
Net gain [.65 x (\$300 - \$130)]	110
	<u>\$ 240</u>

**715-30-55-211** See paragraph [715-30-55-208](#) for a discussion of the permitted methods for allocating settlement gain amounts.

**>> Example 3: Calculation of Prior Service Cost Associated with Services of Terminated Employees**

**715-30-55-212** This Example illustrates the calculation of prior service cost associated with the services of terminated employees that would be used to apply the guidance in paragraph 715-30-35-92.

**715-30-55-213** Entity A sponsors a final-pay noncontributory defined benefit plan. On January 1, 20X0, the entity had a retroactive plan amendment resulting in prior service cost of \$800,000. The prior service cost included in accumulated other comprehensive income that results from the plan amendment is amortized based on the expected future years of service of participants active as of January 1, 20X0, who are expected to receive benefits under the plan. As of January 1, 20X0, the entity had 100 employees who were expected to receive benefits under the plan. Based on the assumption that 5 percent of that group (5 employees) leaves (either quits or retires) in each of the next 20 years, the expected future years of service amounted to 1,050.

**715-30-55-214** The amount of prior service cost associated with each expected future year of service is \$762 ( $\$800,000 \div 1,050$ ). The following table illustrates the originally expected expiration of the anticipated service years.

Determination of Expected Years of Service Rendered in Each Year																			
Before Curtailment																			
		Year																	
Individuals	Future Service Years	X0	X1	X2	X3	X4	X5	X6	X7	X8	X9	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7
A1-A5	5	5																	
B1-B5	10	5	5																
C1-C5	15	5	5	5															
D1-D5	20	5	5	5	5														
E1-E5	25	5	5	5	5	5													
F1-F5	30	5	5	5	5	5	5												
G1-G5	35	5	5	5	5	5	5	5											
H1-H5	40	5	5	5	5	5	5	5	5										
I1-I5	45	5	5	5	5	5	5	5	5	5									
J1-J5	50	5	5	5	5	5	5	5	5	5	5								
K1-K5	55	5	5	5	5	5	5	5	5	5	5	5							
L1-L5	60	5	5	5	5	5	5	5	5	5	5	5	5						
M1-M5	65	5	5	5	5	5	5	5	5	5	5	5	5	5					
N1-N5	70	5	5	5	5	5	5	5	5	5	5	5	5	5	5				
O1-O5	75	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5			
P1-P5	80	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5		
Q1-Q5	85	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	
R1-R5	90	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
S1-S5	95	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
T1-T5	100	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
	1,050																		
Service years rendered		100	95	90	85	80	75	70	65	60	55	50	45	40	35	30	25	20	1
Amortization fraction		100	95	90	85	80	75	70	65	60	55	50	45	40	35	30	25	20	1
		1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Expected future years of service remaining at year-end		950	855	765	680	600	525	455	390	330	275	225	180	140	105	75	50	30	1
Prior service cost							\$ 800,000												
Total expected future years of service							1,050												
Amortization amount per each year of service							\$ 762												

**715-30-55-215** On December 31, 20X2, Entity A terminated 25 employees active at the date of the plan amendment. Immediately before the curtailment, 765 expected future years of service remained (1,050 less 285 years of service rendered in the previous 3 years). The

curtailment reduced the total expected future years of service at December 31, 20X2, from 765 to 555 (210) as illustrated in the following table. Therefore, Entity A will recognize \$160,020 ( $\$762 \times 210$ ) of prior service cost in earnings in conjunction with the curtailment.

Determination of Expected Years of Service Rendered in Each Year after Curtailment

Individuals	Year																	
	X0	X1	X2	X3	X4	X5	X6	X7	X8	X9	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7
A1-A5	5																	
B1-B5	5	5																
C1-C5	5	5	5															
D1-D5 <sup>(a)</sup>	5	5	5															
E1-E5	5	5	5	5	5													
F1-F5	5	5	5	5	5	5												
G1-G5	5	5	5	5	5	5	5											
H1-H5 <sup>(a)</sup>	5	5	5															
I1-I5	5	5	5	5	5	5	5	5	5									
J1-J5	5	5	5	5	5	5	5	5	5	5								
K1-K5	5	5	5	5	5	5	5	5	5	5	5							
L1-L5 <sup>(a)</sup>	5	5	5															
M1-M5	5	5	5	5	5	5	5	5	5	5	5	5	5					
N1-N5	5	5	5	5	5	5	5	5	5	5	5	5	5	5				
O1-O5 <sup>(a)</sup>	5	5	5															
P1-P5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5		
Q1-Q5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	
R1-R5 <sup>(a)</sup>	5	5	5															
S1-S5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
T1-T5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Service years rendered	100	95	90	60	60	55	50	45	45	40	35	30	30	25	20	20	15	10
Adjustment for termination			<u>210</u>															
Total	100	95	300	60	60	55	50	45	45	40	35	30	30	25	20	20	15	10
Amortization fraction	<u>100</u>	<u>95</u>	<u>300</u>	<u>60</u>	<u>60</u>	<u>55</u>	<u>50</u>	<u>45</u>	<u>45</u>	<u>40</u>	<u>35</u>	<u>30</u>	<u>30</u>	<u>25</u>	<u>20</u>	<u>20</u>	<u>15</u>	<u>10</u>
	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Expected future years of service remaining at year-end	950	855	555	495	435	380	330	285	240	200	165	135	105	80	60	40	25	15

(a) Terminated group of employees.

## >> Example 4: Accounting for a Curtailment when There Is a Remaining Transition Asset

**715-30-55-216** This Example illustrates the guidance in paragraphs 715-30-35-93 through 35-94 relating to the effects on a curtailment if there is a transition asset remaining in accumulated other comprehensive income at the date of the curtailment. The following Cases present situations where there is also a net loss included in accumulated other comprehensive income at the time of the curtailment:

- Transition asset remaining in accumulated other comprehensive income is less than net loss included in accumulated other comprehensive income (Case A).
- Transition asset remaining in accumulated other comprehensive income exceeds net loss included in accumulated other comprehensive income (Case B).

**715-30-55-217** Cases A and B share the following assumptions. An employer has a transition asset remaining in accumulated other comprehensive income. On July 1, 20X0, the employer decides to terminate a significant number of employees as part of a plan to reduce its operations. The effects of the terminations are reasonably estimable at that date. The termination of employees occurs on August 29, 20X0.

**> > > Case A: Transition Asset Remaining in Accumulated Other Comprehensive Income Is Less than Net Loss Included in Accumulated Other Comprehensive Income**

**715-30-55-218** This Case demonstrates the paragraph [715-30-35-94](#) guidance that requires that, if the sum of the effects resulting from a curtailment is a net gain, that gain be recognized in earnings when the related employees terminate (August 29, 20X0) and be based on plan assets and the projected benefit obligation measured as of that date.

**715-30-55-219** In this Case, the transition asset remaining in accumulated other comprehensive income is less than the net loss included in accumulated other comprehensive income. The projected benefit obligation based on future compensation levels and the nonvested accumulated benefit obligation related to the terminated employees decrease by \$90,000 and \$20,000, respectively. The curtailment is accounted for as of August 29, 20X0, as follows (in thousands).

	<b>August 29, 20X0</b>		
	<b>Before Curtailment</b>	<b>Effects of Curtailment</b>	<b>After Curtailment</b>
<b>Assets and obligations:</b>			
Vested benefit obligation	\$ (1,550)		\$ (1,550)
Nonvested benefits	(250)	\$ 20	(230)
Accumulated benefit obligation	(1,800)	20	(1,780)
Effect of future compensation levels	(400)	90	(310)
Projected benefit obligation	(2,200)	110 <sup>(a)</sup>	(2,090)
Plan assets at fair value	2,100		2,100
Funded status and recognized asset (liability)	<u>\$ (100)</u>	<u>\$ 110</u>	<u>\$ 10</u>
<b>Amounts recognized in accumulated other comprehensive income:</b>			
Transition asset	\$ (200)		\$ (200)
Net loss	300	\$ (100) <sup>(a)</sup>	200
	<u>\$ 100</u>	<u>\$ (100)</u>	<u>\$ -</u>

(a) Paragraph 715-30-35-94 requires that any curtailment gain be first offset against any existing loss included in accumulated other comprehensive income. Because that amount is a loss of \$100 (\$300 net loss included in accumulated other comprehensive income less the \$200 transition asset remaining in accumulated other comprehensive income), the \$110 decrease in the projected benefit obligation is initially offset against the loss, resulting in a \$10 net gain from the curtailment. The journal entry to account for the curtailment follows.

Pension asset	\$ 10	
Pension liability	100	
Gain from curtailment		\$ 10
Other comprehensive income—net loss		100

### >>> Case B: Transition Asset Remaining in Accumulated Other Comprehensive Income Exceeds Net Loss Included in Accumulated Other Comprehensive Income

**715-30-55-220** This Case demonstrates the paragraph [715-30-35-94](#) guidance that requires that, if the sum of the effects resulting from a curtailment is a net loss, that loss be recognized in earnings when it is probable that a curtailment will occur and the effects described are reasonably estimable.

**715-30-55-221** In this Case, the transition asset remaining in accumulated other comprehensive income exceeds the net loss included in accumulated other comprehensive income. The net change in the projected benefit obligation for the terminated employees is an increase of \$110,000. There is an increase of \$220,000 for supplemental early retirement benefits and a decrease of \$110,000 relating to future compensation levels (\$90,000) and nonvested accumulated pension benefits (\$20,000). As a result, the curtailment is accounted for as of July 1, 20X0, as follows (in thousands).

	July 1, 20X0		
	Before Curtailment	Effects of Curtailment	After Curtailment
Assets and obligations:			
Vested benefit obligation	\$ (1,550)	\$ (220)	\$ (1,770)
Nonvested benefits	(250)	20	(230)
Accumulated benefit obligation	(1,800)	(200)	(2,000)
Effect of future compensation levels	(400)	90	(310)
Projected benefit obligation	(2,200)	(110) <sup>(a)</sup>	(2,310)
Plan assets at fair value	2,100		2,100
Funded status and recognized liability	<u>\$ (100)</u>	<u>\$ (110)</u>	<u>\$ (210)</u>
Amounts recognized in accumulated other comprehensive income:			
Transition asset	\$ (200)	\$ 100 <sup>(a)</sup>	\$ (100)
Net loss	100		100
	<u>\$ (100)</u>	<u>\$ 100</u>	<u>\$ -</u>

(a) Pursuant to paragraph [715-30-35-94](#), the loss (that is, the increase in the projected benefit obligation) resulting from the curtailment is first offset against any net gain included in accumulated other comprehensive income. Because that amount is a gain of \$100 (\$100 net loss included in accumulated other comprehensive income plus the \$200 transition asset remaining in accumulated other comprehensive income), the \$110 increase in the projected benefit obligation is initially offset against the gain, resulting in a \$10 net loss from the curtailment. The journal entry to account for the curtailment follows.

Loss from curtailment	\$ 10	
Other comprehensive income—transition asset	100	
Pension liability		\$ 110

### >> Example 5: Accounting for a Plan Curtailment if Termination Benefits Are Offered to Employees

**715-30-55-222** This Example illustrates the guidance in paragraph [715-30-35-95](#) that addresses a curtailment if termination benefits are also involved.

**715-30-55-223** Entity A sponsors a final-pay noncontributory defined benefit plan and has a transition obligation remaining in accumulated other comprehensive income. On May 11, 20X2, the entity offered for a short period of time (until June 30, 20X2) special benefits to its employees in connection with their voluntary termination of employment (special termination

benefits). The special termination benefit was a lump-sum payment to be made upon termination, payable in addition to the employee's regular plan benefits. The special termination benefit was paid directly from the employer's assets rather than from the plan assets.

**715-30-55-224** On June 30, 15 percent of the employees accepted the offer. The amount of the special termination benefit payment was \$125,000. The portion of the projected benefit obligation based on the expected future compensation levels of the terminated employees amounted to \$100,000, and all the employees terminated were fully vested in their accumulated benefits. The portion of the transition obligation remaining in accumulated other comprehensive income associated with the years of service no longer expected from the terminated employees was \$150,000. As a result, Entity A recognized a loss of \$175,000 in earnings that includes the cost of the special termination benefits and the loss, as determined using the guidance in paragraphs [715-30-35-92](#) through [35-94](#), from the curtailment.

**715-30-55-225** In this Example, the effects resulting from the curtailment were not reasonably estimable until June 30, 20X2, the acceptance date for the offer of special termination benefits. The loss was determined as follows.



	<b>Entity A (in thousands)</b>		
	<b>Before Curtailment</b>	<b>Effect of Curtailment</b>	<b>After Curtailment</b>
<b>Assets and obligations:</b>			
Vested benefit obligation	\$ (1,300)		\$ (1,300)
Nonvested benefits	(200)		(200)
Accumulated benefit obligation	(1,500)		(1,500)
Effects of projected future compensation levels	(500)	\$ 100	(400)
Projected benefit obligation	(2,000)	100 (a)	(1,900)
Plan assets at fair value	1,400		1,400
Funded status and recognized liability	<u>\$ (600)</u>	<u>\$ 100</u>	<u>\$ (500)</u>
<b>Amounts recognized in accumulated other comprehensive income:</b>			
Transition obligation (b)	\$ 800	\$ (150)	\$ 650
Net gain	(300)		(300)
	<u>\$ 500</u>	<u>\$ (150)</u>	<u>\$ 350</u>
Loss on curtailment		\$ 50	
Cost of special termination benefits (lump-sum payments to terminated employees)		125	
Total loss recognized in earnings		<u>\$ 175 (c)</u>	

(a) Paragraph 715-30-35-93 requires that any curtailment gain be first offset against any existing loss included in accumulated other comprehensive income. Since there was an existing gain of \$300, the \$100 gain from the curtailment was recognized in earnings.

(b) The portion of the transition obligation remaining in accumulated other comprehensive income associated with the years of service no longer expected from the terminated employees (\$150) was recognized in earnings.

(c) The loss Entity A recognized in earnings was \$175, which includes the cost of the special termination benefits of \$125, the gain related to salary progression of \$100 and the reclassification of the transition obligation remaining in accumulated other comprehensive income of \$150. The journal entry required to reflect the accounting for this event follows.

Loss on employee terminations	\$ 175		
Pension liability	100		
Other comprehensive income—transition obligation		\$ 150	
Liability for termination benefits			125

If the entity had paid the termination benefits from the pension plan (by amending the plan and using plan assets), the same loss would have been recognized, but \$125 would have been credited to the pension liability due to the decrease in plan assets, instead of credited to the liability for termination benefits.

## >> Example 6: Accounting for a Curtailment if Termination Benefits Are Offered to Employees

**715-30-55-226** This Example illustrates the guidance in paragraph 715-30-25-11 relating to the determination of the liability and the losses from employees' acceptance of an offer of special termination benefits and the guidance in paragraph 715-30-35-95 relating to the determination of the change in the projected benefit obligation due to the related curtailment.

**715-30-55-227** In this Example, an employer's pension plan has a transition obligation remaining in accumulated other comprehensive income, and there are no retroactive pension

plan amendments after that date. On May 11, 20X0, the employer offers for a short period of time (until June 13, 20X0) special benefits to its employees in connection with their voluntary termination of employment (special termination benefits). An additional 5 years of service will be credited, and eligibility for early retirement benefits will be granted for employees who are age 50 or older with more than 20 years of service and who elect to retire. Normal early retirement is at age 55. The special termination benefits (increased pension benefits) together with the employee's regular pension benefits will be paid directly from plan assets.

**715-30-55-228** On June 13, 20X0, employees representing 15 percent of the work force accept the offer of special termination benefits. For those employees, the actuarial present value of their accumulated pension benefits assuming they terminated at that date without the special termination benefits is \$525,000, and the actuarial present value of their accumulated pension benefits with the special termination benefits is \$625,000. None of the employees accepting the offer of special termination benefits are otherwise eligible for early retirement benefits under the pension plan.

**715-30-55-229** The portion of the projected benefit obligation based on the future compensation levels of the terminated employees is \$80,000, and all terminated employees are fully vested in their accumulated pension benefits. The portion of the transition obligation remaining in accumulated other comprehensive income assigned to the years of service no longer expected from the terminated employees is \$150,000.

**715-30-55-230** Paragraph [715-30-35-94](#) provides guidance that requires that if the sum of the effects resulting from a curtailment is a net loss, that loss is recognized in earnings when it is probable that a curtailment will occur and the effects described are reasonably estimable. In this Example, the effects resulting from the curtailment are not reasonably estimable until June 13, 20X0, the acceptance date for the offer of special termination benefits. As a result, the employer recognizes as of June 13, 20X0, a loss of \$170,000 that includes the cost of the special termination benefits and the net loss from the curtailment determined as follows (in thousands).

	June 13, 20X0		
	Before Employee Terminations	Effects of Terminations	After Employee Termination
Assets and obligations:			
Vested benefit obligation			
Employees accepting offer	\$ (525)	\$ (100) <sup>(a)</sup>	\$ (62)
Other employees	(775)		(77)
Nonvested benefits	(200)		(20)
Accumulated benefit obligation	(1,500)	(100)	(1,60)
Effect of future compensation levels	(500)	80 <sup>(b)</sup>	(42)
Projected benefit obligation	(2,000)	(20)	(2,02)
Plan assets at fair value	1,400		1,40
Funded status and recognized liability	<u>\$ (600)</u>	<u>\$ (20)</u>	<u>\$ (62)</u>
Amounts recognized in accumulated other comprehensive income:			
Transition obligation	\$ 800	\$ (150) <sup>(c)</sup>	\$ 65
Net gain	(300)		(30)
	<u>\$ 500</u>	<u>\$ (150) <sup>(d)</sup></u>	<u>\$ 35</u>

(a) The loss from acceptance of the special termination benefits is \$100 (\$625 - \$525).

(b) Paragraph 715-30-35-94 requires that any curtailment gain be first offset against any existing loss included in other comprehensive income. Because that existing amount is a gain of \$300 (the net gain included in accumulated other comprehensive income), the \$80 gain from the curtailment is recognized in earnings.

(c) Paragraph 715-30-35-93 specifies that a transition obligation remaining in accumulated other comprehensive income is treated as prior service cost for purposes of applying the guidance in the Settlements, Curtailments, and Certain Termination Benefits Subsections of this Subtopic. The reduction of prior service cost included in accumulated other comprehensive income associated with the previously expected years of service of the terminated employees is \$150.

(d) The loss recognized in earnings is \$170, which includes the cost of the special termination benefits of \$100, the gain related to the absence of future compensation of \$80, and the recognition of a portion of the transition obligation remaining in accumulated other comprehensive income of \$150. The journal entry to account for the employee terminations follows.

Loss on employee terminations	\$ 170	
Other comprehensive income—transition obligation		\$ 15
Pension liability		2

## >> Example 7: Accounting for a Plan Curtailment

**715-30-55-231** This Example illustrates the accounting for a curtailment following the guidance in the Settlements, Curtailments, and Certain Termination Benefits Subsection of Section 715-30-35. Each of the two Cases in this Example represents an entity that sponsors final-pay noncontributory defined benefit plans. The Cases differ based on whether there was a retroactive plan amendment after transition to the accounting required under this Subtopic and whether there was a transition obligation or a transition asset remaining in accumulated other comprehensive income at the date of the curtailment as follows:

- Curtailment with a transition obligation and a retroactive plan amendment (Case A)
- Curtailment with a transition asset (Case B).

**> > > Case A: Curtailment with a Transition Obligation and a Retroactive Plan Amendment**

**715-30-55-232** This Case illustrates the accounting for a plan curtailment in which there was a transition obligation remaining in accumulated other comprehensive income at the date of the curtailment and there had been a retroactive plan amendment after Entity A adopted the accounting requirements of this Subtopic. On January 1, 20X0, the entity had a retroactive plan amendment resulting in \$800,000 of prior service cost. On December 31, 20X1, the management of Entity A committed itself to a formal plan to dispose of a component of an entity. In connection with the disposal, the number of employees accumulating benefits under the plan would be reduced significantly. The portion of the projected benefit obligation based on the expected future compensation levels of the terminated employees was \$90,000, and nonvested benefits of the terminated employees amounted to \$20,000. The plan also had a transition obligation remaining in accumulated other comprehensive income that is treated as prior service cost included in accumulated other comprehensive income under the guidance in paragraph [715-30-35-92](#). The remaining expected future years of service associated with those employees present at the date of transition was reduced by 30 percent due to the termination of employees. Accordingly, 30 percent of the transition obligation remaining in accumulated other comprehensive income at December 31, 20X1, was a loss that amounted to \$120,000.

**715-30-55-233** The prior service cost included in accumulated other comprehensive income (which relates to the plan amendment of January 1, 20X0) associated with the previously expected years of service of the terminated employees that will not be rendered was a loss which amounted to \$160,000. The sum of the effects resulting from the plan curtailment was a loss of \$170,000 recognized in earnings, determined as follows.

	Entity A (in thousands)		
	<u>Before Curtailment</u>	<u>Effect of Curtailment</u>	<u>After Curtailment</u>
Assets and obligations:			
Vested benefit obligation	\$ (1,300)		\$ (1,300)
Nonvested benefits	(200)	\$ 20	(180)
Accumulated benefit obligation	(1,500)	20	(1,480)
Effects of projected future compensation levels	(500)	90	(410)
Projected benefit obligation	(2,000)	110 <sup>(a)</sup>	(1,890)
Plan assets at fair value:	1,400		1,400
Funded status and recognized liability	<u>\$ (600)</u>	<u>\$ 110</u>	<u>\$ (490)</u>
Amounts recognized in accumulated other comprehensive income:			
Transition obligation <sup>(b)</sup>	\$ 400	\$ (120) <sup>(b)</sup>	\$ 280
Prior service cost resulting from plan amendment <sup>(c)</sup>	651	(160) <sup>(c)</sup>	491
Net gain	(151)		(151)
	<u>\$ 900</u>	<u>\$ (280)</u>	<u>\$ 620</u>

- (a) Under paragraph 715-30-35-94, the gain (that is, the decrease in the projected benefit obligation) resulting from the curtailment is first offset against any existing net loss included in accumulated other comprehensive income. Because the amount included in accumulated other comprehensive income in this Case was a gain of \$151, the \$110 gain from the curtailment was recognized in earnings.

The journal entry required to reflect the recognition of the curtailment gain in earnings follows.

Pension liability	110	
Curtailment gain		110

- (b) Because the plan had a transition obligation remaining in accumulated other comprehensive income, that amount is treated as prior service cost included in accumulated other comprehensive income for purposes of applying this Subtopic's guidance. The remaining expected future years of service associated with those employees present at the date of transition was reduced by 30 percent due to the termination of employees. Accordingly, 30 percent of the transition obligation included in accumulated other comprehensive income at the date of the curtailment was recognized in earnings, which amounted to \$120.

The journal entry required to reflect the recognition of the transition obligation in earnings follows.

Curtailment loss	120	
Other comprehensive income—transition obligation		120

- (c) The prior service cost included in accumulated other comprehensive income (which related to the plan amendment of January 1, 20X0) associated with the previously expected years of service of the terminated employees that will not be rendered was \$160. That amount was recognized in earnings.

The journal entry required to reflect the recognition of the prior service cost in earnings follows.

Curtailment loss	160	
Other comprehensive income—prior service cost		160

### >>> Case B: Curtailment with a Transition Asset

**715-30-55-234** This Case illustrates the accounting for a plan curtailment in which there was a transition asset remaining in accumulated other comprehensive income at the date of the curtailment. In this Case, there had not been a retroactive plan amendment after Entity B adopted the accounting requirements of this Subtopic. On July 27, 20X2, the management of Entity B decided to reduce significantly the operations of a line of business products. Although that decision did not result in closing down any facilities, it required the termination of a

significant number of employees. The termination of employees took place on November 1, 20X2.

**715-30-55-235** The portion of the projected benefit obligation based on expected future compensation levels of the terminated employees was \$90,000, and the portion of nonvested benefits related to the terminated employees was \$20,000. As a result, Entity B recognized a gain of \$110,000 on November 1, 20X2. Following the guidance in paragraphs [715-30-35-92 through 35-95](#), Entity B estimated at July 27, 20X2, that a net curtailment gain would result. Accordingly, the gain was recognized on the date employees terminated (November 1, 20X2) and was based on plan assets and obligations measured as of that date. The gain was determined as follows.

		Entity B (in thousands)		
		As of November 1, 20X2		
		Before Realization of Curtailment Gain	Effect of Curtailment	After Realizat Curtail Gai
Assets and obligations:				
Vested benefit obligation	\$	(1,300)		\$ (
Nonvested benefits		(300)	\$ 20	
Accumulated benefit obligation		(1,600)	20	(
Effects of projected future compensation levels		(400)	90	
Projected benefit obligation		(2,000)	110 <sup>(a)</sup>	(
Plan assets at fair value		2,100		;
Funded status and recognized asset	\$	(100)	\$ 110	\$
Amounts recognized in accumulated other comprehensive income:				
Transition asset <sup>(a)</sup>	\$	(200)	\$ - <sup>(a)</sup>	\$
Net loss		100	- <sup>(a)</sup>	
	\$	(100)	\$ -	\$

(a) Following the guidance in paragraph [715-30-35-94](#), the net amount included in accumulated other comprehensive income was a gain of \$100 (net loss included in accumulated other comprehensive income of \$100 plus the transition asset remaining in accumulated other comprehensive income of \$200). Because the net amount included in accumulated other comprehensive income was a gain, the \$110 gain from curtailment was recognized in earnings. If the previously existing net amount included in accumulated other comprehensive income had been a loss including the transition asset remaining in accumulated other comprehensive income and that loss exceeded the curtailment gain, the curtailment gain would have been offset, and no gain would have been recognized in earnings. The journal entry required to reflect the accounting for the plan curtailment follows.

Pension asset	\$	110	
Gain from curtailment			\$ 110

### > > Example 8: Accounting for a Plan Termination Without a Successor Pension Plan, Followed by a Settlement

**715-30-55-236** This Example illustrates the guidance in paragraph [715-30-55-133](#). In this Example there is a termination of a pension plan in one period followed by the settlement of the plan in another period. There is no successor pension plan.

**715-30-55-237** On July 20, 20X1, an employer formally amends its pension plan to provide for its termination. Employees cease to accrue additional pension benefits as of November 30,

20X1 (the effective date of the pension plan termination), and pension benefits are not to be provided under a successor pension plan. On January 30, 20X2, upon receipt of the appropriate regulatory approvals for termination of the pension plan, nonparticipating annuity contracts are purchased to settle the accumulated benefit obligation of \$1,650,000 as of that date (nonvested pension benefits become vested upon termination of the pension plan), and the employer withdraws excess plan assets. The pension plan ceases to exist.

**715-30-55-238** The portion of the projected benefit obligation at July 20, 20X1, based on future compensation levels beyond November 30, 20X1, is \$400,000. As a result, the employer recognizes a curtailment gain of \$400,000 as of July 20, 20X1, the date of the pension plan amendment. The employer recognizes a settlement gain of \$550,000 as of January 30, 20X2, the date of the settlement. The following two tables indicate the determination of the effects of the curtailment and the settlement. Because the effect of the curtailment is a gain, that gain is recognized pursuant to paragraphs [715-30-35-92 through 35-94](#) and [715-30-55-184](#) when the pension plan amendment is adopted (July 20, 20X1) and is based on plan assets and the projected benefit obligation measured as of that date.

Table 1- The Curtailment (in thousands)

	July 20, 20X1		
	Before Curtailment	Effect of Curtailment	After Curtailment
Assets and obligations:			
Accumulated benefit obligation	\$ (1,480)		\$ (1,480)
Effect of future compensation levels	(420)	\$ 400 <sup>(a)</sup>	(20)
Projected benefit obligation	(1,900)	400	(1,500)
Plan assets at fair value	2,100		2,100
Funded status and recognized asset	<u>\$ 200</u>	<u>\$ 400</u>	<u>\$ 600</u>
Net gain recognized in accumulated other comprehensive income	<u>\$ (500)</u>		<u>\$ (500)</u>

(a) The effect of future compensation levels beyond November 30, 20X1, ceases to be part of the projected benefit obligation when the amendment to terminate the pension plan is adopted. Pursuant to paragraph 715-30-35-94, the gain (that is, the decrease in the projected benefit obligation) resulting from the curtailment is first offset against any net loss included in accumulated other comprehensive income. Because the amount included in accumulated other comprehensive income is a gain in earnings of \$500, the \$400 gain from the curtailment is recognized in earnings. The journal entry to account for the curtailment follows.

Pension asset	\$ 400	
Gain from curtailment		\$ 400

Table 2- The Settlement (in thousands)

	January 20, 20X2		
	Before Settlement	Effect of Settlement	After Settlement
Assets and obligations:			
Projected benefit obligation (equals accumulated and vested benefit obligation)	\$ (1,650)	\$ 1,650 <sup>(a)</sup>	\$
Plan assets at fair value	2,300	(1,650) <sup>(a)</sup>	
		(650) <sup>(b)</sup>	
Funded status and recognized asset	<u>\$ 650</u>	<u>\$ (650)</u>	<u>\$</u>
Net gain recognized in accumulated other comprehensive income	<u>\$ (550)</u>	<u>\$ 550</u> <sup>(c)</sup>	<u>\$</u>

(a) The vested benefit obligation of \$1,650 is settled by using plan assets of an equal amount to purchase nonparticipating annuity contracts.

(b) Plan assets in excess of the amount used to settle the vested benefit obligation are withdrawn from the pension plan.

(c) A pro rata amount of the maximum gain of \$550 is recognized in earnings due to a settlement. The projected benefit obligation is reduced from \$1,650 to \$0, a reduction of 100 percent. Accordingly, 100 percent of the maximum gain is recognized in earnings. The journal entry to account for the settlement and withdrawal of excess plan assets follows.

Cash	\$ 650		
Other comprehensive income—net gain	550		
Gain from settlement		\$ 550	
Pension asset			650

### > > Example 9: Accounting for a Curtailment and Settlement that Occur as a Direct Result of a Sale of a Component of an Entity

**715-30-55-239** This Example illustrates the guidance in paragraph [715-30-55-197](#) relating to the accounting for a curtailment and a settlement that occur in connection with a sale of a component of an entity. The following Cases present:

- a. Curtailment and settlement recognized in different interim periods (Case A)
- b. Curtailment and settlement recognized in the same interim period (Case B).

**715-30-55-240** Cases A and B initially share the following assumptions.

**715-30-55-241** On January 1, 20X1, an employer adopts a retroactive pension plan amendment that results in \$800,000 of prior service cost.

**715-30-55-242** During the second quarter of 20X2, the employer determines that it is probable that it will sell a component of the entity. The employer estimates that the sale will occur by year-end. However, all the criteria in paragraphs [205-20-45-1A](#) through [45-1D](#) necessary to report discontinued operations are not satisfied during the second quarter. The employer estimates that the prior service cost included in accumulated other comprehensive income related to the pension plan amendment of January 1, 20X1, and associated with the previously expected years of service of the terminated employees that will not be rendered is a loss of \$160,000. That estimate needs no revision on December 31, 20X2.

**715-30-55-243** During the third quarter of 20X2, the employer enters into an agreement with a December 31, 20X2, closing date to sell the component. On December 31, 20X2 (disposal



date), the employer sells the component at a \$100,000 profit before considering the following pension-related effects.

**715-30-55-244** All of the following occur in connection with the sale:

- a. Certain employees cease to be employed by the selling employer, which results in a significant reduction in the number of present employees accumulating pension benefits under the selling employer's pension plan (Plan A).
- b. The terminated employees are hired by the acquiring employer.
- c. The acquiring employer, through its pension plan (Plan B), agrees to assume the accumulated benefit obligation (\$200,000) related to the terminated employees.
- d. Plan assets of \$250,000 (\$200,000 for the settlement of the accumulated benefit obligation and \$50,000 as an excess contribution) are transferred from Plan A to Plan B.

**715-30-55-245** The portion of the projected benefit obligation based on future compensation levels of the terminated employees is \$75,000.

**715-30-55-246** The sum of the pension-related effects resulting from the sale is a net loss of \$26,000 recognized in earnings as follows.

Curtailment net loss (recognized in earnings during second quarter of 20X2):		
Prior service cost included in accumulated other comprehensive income associated with terminated employees	\$160,000	
Reduction in projected benefit obligation	<u>(75,000)</u>	\$ 85,
Settlement gain (recognized in earnings on December 31, 20X2):		
Portion of transition asset remaining in accumulated other comprehensive income	(82,000)	
Portion of net gain included in accumulated other comprehensive income	<u>(27,000)</u>	(109,
Transfer of plan assets in excess of the accumulated benefit obligation (recognized in earnings on December 31, 20X2)		<u>50,</u>
		<u>\$ 26,</u>

### > > > Case A: Curtailment and Settlement Recognized in Different Interim Periods

**715-30-55-247** This Case illustrates the accounting for the curtailment and the settlement in different interim periods.

**715-30-55-248** Because the employer determined in the second quarter of 20X2 that it was probable that the component would be sold, the curtailment loss should be recognized in earnings in that quarter. However, because the employer had not satisfied all the criteria in paragraphs [205-20-45-1A](#) through [45-1D](#) for reporting discontinued operations in that quarter, the curtailment loss would be reclassified to discontinued operations as part of restating the second quarter. Appropriate disclosures should be made regarding the plan curtailment in accordance with Section [715-20-50](#) on defined benefit plans. The following table presents the determination of the effects of the curtailment.

Table 1—The Curtailment (in thousands)

	<u>Before Sale</u>	<u>Curtailment-Related Effects Resulting from Sale</u>	<u>After Curtailment</u>
<b>Assets and obligations:</b>			
Accumulated benefit obligation	\$ (1,500)		\$ (1,500)
Effect of future compensation levels	(500)	\$ 75 <sup>(a)</sup>	(425)
Projected benefit obligation	(2,000)	75	(1,925)
Plan assets at fair value	2,400		2,400
Funded status and recognized asset	<u>\$ 400</u>	<u>\$ 75</u>	<u>\$ 475</u>
<b>Amounts recognized in accumulated other comprehensive income:</b>			
Transition asset	\$ (790)		\$ (790)
Prior service cost	651	\$ (160) <sup>(b)</sup>	491
Net gain	(261)		(261)
	<u>\$ (400)</u>	<u>\$ (160) <sup>(c)</sup></u>	<u>\$ (560)</u>

(a) Paragraph 715-30-35-94 requires that any curtailment gain be first offset against any existing loss included in other comprehensive income. Because that existing amount is a gain of \$1,051 (\$261 net gain included in accumulated other comprehensive income plus the \$790 transition asset remaining in accumulated other comprehensive income), the \$75 gain from the curtailment is recognized in earnings.

(b) The reduction of prior service cost included in accumulated other comprehensive income (which relates to the pension plan amendment of January 1, 20X1) associated with the previously expected years of service of the terminated employees that will not be rendered is \$160.

(c) The journal entry to account for the curtailment follows.

Loss from curtailment	\$	85	
Pension asset		75	
Other comprehensive income—prior service cost			\$ 160

**715-30-55-249** Because the settlement occurred on December 31, 20X2, the gain from the settlement is recognized in earnings on that date and classified in discontinued operations. Appropriate disclosures should be made regarding the settlement of the pension obligation in accordance with Section 715-20-50. The following table presents the determination of the effects of the settlement.

Table 2 -The Settlement (in thousands)

	December 31, 20X2		
	After Curtailment	Settlement- Related Effects Resulting from Sale	After Sale
Assets and obligations:			
Accumulated benefit obligation	\$ (1,500)	\$ 200 <sup>(a)</sup>	\$(1,300)
Effects of future compensation levels	(425)		(42)
Projected benefit obligation	(1,925)	200	(1,725)
Plan assets at fair value	2,400	(250) <sup>(a)</sup>	2,150
Funded status and recognized asset	<u>\$ 475</u>	<u>\$ (50)</u>	<u>\$ 425</u>
Amounts recognized in accumulated other comprehensive income:			
Transition asset	\$ (790)	\$ 82 <sup>(b)</sup>	\$ (708)
Prior service cost	491		491
Net gain	(261)	27 <sup>(b)</sup>	(234)
	<u>\$ (560)</u>	<u>\$ 109</u>	<u>\$ (451)</u>

(a) The accumulated benefit obligation of \$200 is settled by transferring plan assets of an equal amount to the acquiring employer. In addition, the selling employer agrees to transfer an additional \$50 of plan assets. The journal entry to account for the transfer of plan assets and the accumulated benefit obligation to Plan B as part of the sale follows.

Gain on sale	\$ 50	
Pension asset		\$ 50

Plan A's journal entry to account for the transfer of plan assets and the accumulated benefit obligation to Plan B follows.

Accumulated benefit obligation	\$ 200	
Withdrawal of excess plan assets	50	
Plan assets		\$ 250

(b) A pro rata amount of the maximum gain of \$1,051 (\$261 net gain included in accumulated other comprehensive income plus the \$790 transition asset remaining in accumulated other comprehensive income) is recognized in earnings due to the settlement. The projected benefit obligation is reduced from \$1,925 (\$2,000 less the \$75 curtailment gain) to \$1,725, a reduction of 10.4 percent (rounded) due to the settlement. Accordingly, 10.4 percent of the maximum gain (\$109 rounded) is recognized in earnings. The journal entry to account for the settlement follows.

Other comprehensive income—transition asset	\$ 82	
Other comprehensive income—net gain	27	
Gain from settlement		\$ 109

### >>> Case B: Curtailment and Settlement Recognized in the Same Interim Period

**715-30-55-250** This Case illustrates the accounting for the curtailment and the settlement in the same interim period.

**715-30-55-251** For this Case, assume the same facts as Case A except that before the fourth quarter of 20X2, the employer did not expect to sell or otherwise dispose of the component of the entity.

**715-30-55-252** In this Case the determination of the curtailment loss and the settlement gain is the same as that presented in Case A, Tables 1 through 2 (see paragraphs [715-30-55-248](#) through [55-249](#)). However, both the curtailment loss and the settlement gain should be

recognized in earnings in the fourth quarter of 20X2 and reported in discontinued operations pursuant to Subtopic [205-20](#).

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## 715-30-60 Relationships

**General Note:** The Relationships Section contains links to guidance that may be helpful to, but not required by, a user of the Subtopic. This Section may not be all-inclusive. The relationship items are organized according to the Topic structure in the Codification.

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### General

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#### > **Comprehensive Income**

**715-30-60-1** For the required display and reporting in comprehensive income of information about gains or losses associated with pension or other postretirement **benefits**, prior **service** costs or credits associated with pension or other postretirement benefits, and transition assets or obligations associated with pension or other postretirement benefits, see Subtopic [220-10](#).

#### > **Inventory**

**715-30-60-2** For guidance on the capitalization of **net periodic pension cost** or net periodic pension income as part of the cost of inventory or other assets, see Subtopic [330-10](#).

Pending Content:

**Transition Date:** *(P) December 16, 2017; (N) December 16, 2018* | **Transition Guidance:** [715-20-65-3](#)

For guidance on the capitalization of the service cost component of **net periodic pension cost** as part of the cost of inventory, see Subtopic [330-10](#).

#### > **Exit or Disposal Cost Obligations**

**715-30-60-3** For the required accounting associated with one-time termination benefits provided to current employees that are involuntarily terminated under the terms of a one-time benefit arrangement, see Subtopic [420-10](#).

**715-30-60-4** For guidance on whether additional termination benefits should be considered one-time termination benefits and accounted for under Subtopic [420-10](#) or be considered an enhancement to an ongoing benefit arrangement and, therefore, subject to the provisions of either this Topic or Subtopic [712-10](#), see Subtopic [420-10](#).

#### > **Income Taxes**

**715-30-60-5** For guidance on whether an excise tax incurred by an employer on the withdrawal of excess **plan assets** from its pension plan should be accounted for as an expense

in the period of the withdrawal or as an income tax and deferred if there will be related gains (such as a **settlement** gain) recognized for financial reporting purposes in subsequent periods, see Subtopic [740-10](#).

> **Business Combinations**

**715-30-60-6** For the required pension related accounting for issues arising in connection with a business combination, including plans to terminate certain employees, the measurement of projected benefit obligations and the assignment of the purchase price to individual assets acquired and liabilities assumed, see Subtopic [805-20](#).

> **Consolidation**

**715-30-60-7** For guidance on whether to consolidate an employee benefit plan, see Subtopic [810-10](#).

> **Nonmonetary Transactions**

**715-30-60-8** For the requirements related to **gain or loss** recognition for the spinoff of pension-related assets or obligations transferred in a spinoff of nonmonetary assets to owners of an entity, see Subtopic [845-10](#).

> **Not-for-Profit Entities**

**715-30-60-9** For the required accounting by a not-for-profit employer for the gains or losses and the prior service costs or credits that would be recognized in other comprehensive income under the guidance in the General Subsections of this Subtopic, see Subtopic [958-715](#).

> **Regulated Operations**

**715-30-60-10** For treatment by rate regulated entities of the possible difference between net periodic pension cost as defined in the General Subsections of this Subtopic and amounts of pension cost considered for rate-making purposes, see Subtopic [980-715](#).

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## 715-30-65 Transition and Open Effective Date Information

**General Note:** The Transition Section contains a description of the required transition provisions and a list of the related paragraphs that have been modified. This Section will retain the transition content during the transition period. After the transition period, the transition content will be removed yet will be available in archived versions of the Section.

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### General

**715-30-65-1** Paragraph superseded on 03/23/2010 after the end of the transition period stated in FASB Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, and FSP FAS 158-1.

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## 715-30-75 XBRL Elements

**General Note:** This section contains a list of XBRL elements that reference paragraphs in this Subtopic. For additional details regarding changes to the development version of the US GAAP Financial Reporting Taxonomy, refer to the [FASB taxonomy review and comment system](#) on the FASB web site.

### **Defined Benefit Plan, Actuarial Gain (Loss), Immediate Recognition as Component in Net Periodic Benefit (Cost) Credit**

[Label and/or reference(s) most recently revised on 08/18/2017 after the last taxonomy release.]

#### **Element**

**Name:** *DefinedBenefitPlanActuarialGainLossImmediateRecognitionAsComponentInNetPeriodicBenefit*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 35 Subsequent Measurement > General, 35-20](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)\(4\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-6\(a\)\(4\)](#)

### **Defined Benefit Plan, Benefit Obligation, Payment for Settlement**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanBenefitObligationPaymentForSettlement*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 15 Scope > Settlements, Curtailments, and Certain Termination Benefits, 15-6\(a\)\(1\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(a\)\(10\)](#)

### **Multiple-Employer Plan Accounted for as Multiemployer Plan, Contribution by Participating Entity**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element****Name:** *MultipleEmployerPlanAccountedForAsMultiemployerPlanContributionByParticipatingEntity***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 55 Implementation > General, 55-63
- 715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 55 Implementation > General, 55-64

**Multiple-Employer Plan Accounted for as Multiemployer Plan, Plan Name {0}**

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *SingleEmployerPlansAccountedForAsMultiemployerPlanName***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 55 Implementation > General, 55-63
- 715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 55 Implementation > General, 55-64

**Pension and Other Postretirement Plans, Pensions, Policy [Policy Text Block] {170}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementPlansPensionsPolicy***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 50 Disclosure > General, 50-1

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-2

**Pension and Other Postretirement Plans, Policy [Policy Text Block] {665}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementPlansPolicy***This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 50 Disclosure > General, 50-1

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1](#)
- [715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > General, 50-1](#)
- [715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1](#)
- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-2](#)

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## 715 Compensation—Retirement Benefits 60 Defined Benefit Plans—Other Postretirement

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### 715-60-00 Status

**General Note:** The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

### General

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**715-60-00-1** The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
<b>Actuarial Present Value</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Actuarial Present Value</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Amortization</b> (1st def.)	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Assumptions</b> (1st def.)	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Attribution</b> (1st def.)	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Benefits</b>	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<b>Benefits</b> (3rd def.)	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014



<b>Debt Security</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<b>Debt Security</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<b>Defined Benefit Plan</b>	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Defined Benefit Postretirement Plan</b>	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Defined Contribution Plan</b>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Discount Rate</b>	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Discount Rates</b>	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Equity Security</b> (2nd def.)	Amended	<a href="#">Accounting Standards Update No. 2016-01</a>	01/05/2016
<b>Explicit Approach to Assumptions</b> (1st def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Explicit Approach to Assumptions</b> (2nd def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Funding Policy</b> (3rd def.)	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Gain or Loss</b> (1st def.)	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Market-Related Value of Plan Assets</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Market-Related Value of Plan Assets</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Multiple-Employer Plan</b> (1st def.)	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Participating Insurance Contract</b>	Superseded	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<b>Participation Right</b> (2nd def.)	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<b>Plan Amendment</b> (1st def.)	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Plan Assets</b> (1st def.)	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<b>Plan Termination</b> (1st def.)	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Prior Service Cost</b> (1st def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Prior Service Cost</b> (2nd def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Single-Employer Plan</b> (1st def.)	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-05-2</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-60-05-2</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014

<a href="#">715-60-05-3 through 05-5</a>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-60-05-7</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-60-05-9</a>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-60-05-10</a>	Superseded	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-60-05-11</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-60-15-9A</a>	Added	<a href="#">Accounting Standards Update No. 2012-04</a>	10/01/2012
<a href="#">715-60-35-3</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-35-9</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-35-10A</a>	Added	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-60-35-11</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-35-26</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-35-71</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-35-80</a>	Amended	<a href="#">Accounting Standards Update No. 2012-04</a>	10/01/2012
<a href="#">715-60-35-107</a>	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<a href="#">715-60-35-112</a>	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<a href="#">715-60-35-115</a>	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<a href="#">715-60-35-123A</a>	Added	<a href="#">Accounting Standards Update No. 2015-04</a>	04/15/2015
<a href="#">715-60-35-123B</a>	Added	<a href="#">Accounting Standards Update No. 2015-04</a>	04/15/2015
<a href="#">715-60-35-126A</a>	Added	<a href="#">Accounting Standards Update No. 2015-04</a>	04/15/2015
<a href="#">715-60-35-126B</a>	Added	<a href="#">Accounting Standards Update No. 2015-04</a>	04/15/2015
<a href="#">715-60-35-140</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-35-156</a>	Amended	<a href="#">Accounting Standards Update No. 2016-19</a>	12/14/2016
<a href="#">715-60-35-163</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-35-179</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-55-4</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014

<a href="#">715-60-55-13</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-55-20</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-55-86</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-60-55-89</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-60-55-92</a>	Amended	<a href="#">Accounting Standards Update No. 2017-07</a>	03/10/2017
<a href="#">715-60-55-106</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-55-161</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<a href="#">715-60-60-1</a>	Amended	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014

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## 715-60-05 Overview and Background

**General Note:** The Overview and Background Section provides overview and background material for the guidance contained in the Subtopic. It does not provide the historical background or due process. It may contain certain material that users generally consider useful to understand the typical situations addressed by the standards. The Section does not summarize the accounting and reporting requirements.

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### General

**715-60-05-1** This Subtopic provides accounting and reporting guidance for other **postretirement benefits**. The guidance in this Subtopic is presented in the following four Subsections:

- a. General
- b. Medicare Prescription Drug, Improvement, and Modernization Act
- c. Settlements, Curtailments, and Certain Termination Benefits
- d. Split-Dollar Life Insurance Arrangements.

**715-60-05-2** The General Subsections provide guidance on an employer's accounting and reporting for a **defined benefit postretirement benefit plan**, that is, a **single-employer plan** that defines the nonpension **postretirement benefits** to be provided to **retirees**. This Subtopic refers to these **benefits** as postretirement benefits and to these **plans** as postretirement plans. Generally, the amount of those benefits depends on the **benefit formula**

(which may include factors such as the number of years of service rendered or the employee's compensation before retirement or termination), the longevity of the retiree and any beneficiaries and covered dependents, and the incidence of events requiring benefit payments (for example, illnesses affecting the amount of health care required).

**715-60-05-3** [\[Paragraph superseded by Accounting Standards Update No. 2017-07\]](#)

**715-60-05-4** [\[Paragraph superseded by Accounting Standards Update No. 2017-07\]](#)

**715-60-05-5** [\[Paragraph superseded by Accounting Standards Update No. 2017-07\]](#)

**715-60-05-6** Although this Subtopic applies to all defined benefit postretirement plans other than pensions, **postretirement health care benefits** are likely to be the most significant in terms of cost and prevalence, and certain of the issues that arise in measuring those benefits are unique.

**715-60-05-7** Many of the provisions in this Subtopic are the same as or similar to the provisions of Subtopic [715-30](#). Consequently, the guidance provided in that Subtopic may be useful in understanding and implementing many of the provisions of this Subtopic. However, there are differences between the specific requirements of this Subtopic and that Subtopic, and therefore the specific guidance in one Subtopic should not be used to override guidance of the other.

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## Medicare Prescription Drug, Improvement, and Modernization Act

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**715-60-05-8** The Medicare Prescription Drug, Improvement, and Modernization Act Subsections provide guidance on the accounting for the effects of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 for employers that sponsor postretirement health care plans that provide prescription drug **benefits**.

**715-60-05-9** [\[Paragraph superseded by Accounting Standards Update No. 2017-07\]](#)

**715-60-05-10** [\[Paragraph superseded by Accounting Standards Update No. 2017-07\]](#)

**715-60-05-11** The Medicare Prescription Drug, Improvement, and Modernization Act Subsections make reference to various provisions of the Act and, in many cases, paraphrase those provisions. However, nothing in these Subsections should be considered a definitive interpretation of any provision of the Act for any purpose.

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## Settlements, Curtailments, and Certain Termination Benefits

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**715-60-05-12** The Settlements, Curtailments, and Certain Termination Benefits Subsections provide guidance on an employer's accounting for **settlement** of defined benefit postretirement obligations, for **curtailment of a defined benefit postretirement plan**, and for **termination benefits**.

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## Split-Dollar Life Insurance Arrangements

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**715-60-05-13** The Split-Dollar Life Insurance Arrangements Subsections provide guidance on accounting and reporting for split-dollar life insurance arrangements.

**715-60-05-14** Entities purchase life insurance for various reasons that may include protecting against the loss of key employees, funding deferred compensation and postretirement benefit obligations, and providing an investment return. One form of this insurance is split-dollar life insurance. The structure of split-dollar life insurance arrangements can be complex and varied.

**715-60-05-15** The two most common types of arrangements are **endorsement split-dollar life insurance** arrangements and **collateral assignment split-dollar life insurance** arrangements. Generally, the difference between these arrangements is dependent on the ownership and control of the life insurance policy.

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## 715-60-15 Scope and Scope Exceptions

**General Note:** The Scope and Scope Exceptions Section outlines the items (for example, the entities, transactions, instruments, or events) to which the guidance in the Subtopic does or does not apply. In some cases, the Section may contain definitional or other text to frame the scope.

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### General

#### > Overall Guidance

**715-60-15-1** This Subtopic follows the same Scope and Scope Exceptions as outlined in the Overall Subtopic, see Section [715-10-15](#), with specific qualifications and exceptions noted below.

**715-60-15-2** The General Subsection of this Section establishes the pervasive scope of this Subtopic, with specific exceptions noted in the other Subsections of this Section.

#### > Transactions

**715-60-15-3** The guidance in the General Subsections applies to the following plans and **benefits**:

- a. A **single-employer plan** that defines the **postretirement benefits** to be provided to **retirees**. This includes postretirement benefits expected to be provided by an employer to current and former employees (including retirees, disabled employees, and other former employees who are expected to receive postretirement benefits), their beneficiaries, and covered dependents, pursuant to the terms of an employer's undertaking to provide those benefits.

**715-60-15-4** Other postretirement benefits include, but are not limited to, postretirement health care; life insurance provided outside a pension **plan** to retirees; and other welfare benefits such as tuition assistance, day care, legal services, and housing subsidies provided after retirement. Often those benefits are in the form of a reimbursement to plan participants or direct payment to providers for the cost of specified services as the need for those services arises, but they may also include benefits payable as a lump sum, such as death benefits. Much of the guidance in this Subtopic focuses on postretirement health care plans. Nevertheless, this Subtopic applies equally to all **postretirement benefits other than pensions**.

**715-60-15-5** The guidance in the General Subsections applies to health and other welfare benefits expected to be provided to disabled employees, whether in cash or in kind, for example, disability medical benefits. For example, the provisions of the postretirement health care plan may provide postretirement health care coverage after a disabled employee attains a specified number of years of credited service (which may include credit for periods after the employee is disabled), with a separate disability plan that provides health benefits before that date. Or, the postretirement health care plan may have special provisions for disabled employees that entitle them to benefit coverage under the **postretirement benefit plan** at a date earlier than that coverage would commence for other employees who are not disabled.

**715-60-15-6** The guidance in the General Subsections does not apply to the following plans and benefits:

a. Pension or life insurance benefits provided through a pension plan. The accounting for those benefits is set forth in Subtopic 715-30.

b. Disability benefits paid to former or inactive employees not on disability retirement (such benefits shall be accounted for under Topic 712). However, the measurement guidance in this Subtopic may be useful in applying the provisions of that topic.

c. Disability income benefits paid pursuant to a pension plan (such benefits shall be accounted for under Subtopic 715-30).

d. An employee's right to continue health care coverage under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). This right does not constitute a postretirement benefit plan per se because an employee need not be a retiree to receive that benefit. It is a right generally available upon termination of employment. If an employee voluntarily elects at retirement to continue health care coverage provided through the active employee health care plan and the cost to the employer of their continuing coverage exceeds the retirees' contributions, the employer shall account for the excess cost in accordance with Topic 712.

## > **Other Considerations**

**715-60-15-7** A postretirement benefit plan may be part of a larger plan or arrangement that provides benefits currently to active employees as well as to retirees. In those circumstances, the promise to provide benefits to present and future retirees under the plan shall be segregated from the promise to provide benefits currently to active employees and shall be accounted for in accordance with the provisions of this Subtopic.

**715-60-15-8** In some cases, an employer may limit its obligation through an individual or an aggregate cap on the employer's cost or benefit obligation. For example, an employer may elect to limit its annual postretirement benefit obligation for each retired **plan participant** to a maximum of \$5,000. Or, an employer may elect to limit its share of the aggregate cost of covered **postretirement health care benefits** for a period to an amount determined based on an average per capita cost per retired plan participant. Plans of that nature are considered to be defined benefit postretirement plans. See paragraphs 715-60-55-96 through 55-102 for an illustration of the measurement considerations for defined dollar capped plans and paragraphs 715-60-55-2 through 55-3 for implementation guidance on capped plans.

**715-60-15-9** Absent evidence to the contrary, it shall be presumed that an employer that has provided postretirement benefits in the past or is currently promising those benefits to employees will continue to provide those future benefits.

> **Plans with Characteristics of both a Defined Contribution and a Defined Benefit Plan**

**715-60-15-9A** See paragraph [715-70-15-2](#) for guidance for plans with characteristics of both a defined contribution and a defined benefit plan.

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## Medicare Prescription Drug, Improvement, and Modernization Act

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> **Overall Guidance**

**715-60-15-10** The Medicare Prescription Drug, Improvement, and Modernization Act Subsections follow the same Scope and Scope Exceptions as outlined in the General Subsection of this Subtopic, see paragraph [715-60-15-1](#), with specific exceptions noted below.

> **Transactions**

**715-60-15-11** The guidance in the Medicare Prescription Drug, Improvement, and Modernization Act Subsections applies to the following plans and **benefits**:

- a. A single-employer defined benefit postretirement health care **plan** that has both of the following characteristics:
  1. The employer has concluded that prescription drug benefits available under the plan to some or all participants for some or all future years are "actuarially equivalent" to Medicare Part D and thus qualify for the subsidy under the Medicare Prescription Drug, Improvement, and Modernization Act.
  2. The expected subsidy will offset or reduce the employer's share of the cost of the underlying postretirement prescription drug coverage on which the subsidy is based.

**715-60-15-12** The guidance in the Medicare Prescription Drug, Improvement, and Modernization Act Subsections does not address the following:

- a. Situations that may arise in which the expected subsidy exceeds the employer's share of the cost of the underlying postretirement prescription drug coverage on which the subsidy is based
- b. Multiemployer health and welfare benefit plans.

> **Other Considerations**

**715-60-15-13** Although the Medicare Prescription Drug, Improvement, and Modernization Act Subsections provide limited guidance on certain other related aspects of accounting and disclosure necessitated by the Act (for example, changes in assumed participation rates and **health care cost trend rates**, as well as income tax accounting), that guidance is not intended to supersede or in any way limit the application of other relevant authoritative literature.

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## Settlements, Curtailments, and Certain Termination Benefits

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## > Overall Guidance

**715-60-15-14** The Settlements, Curtailments, and Certain Termination Benefits Subsections follow the same Scope and Scope Exceptions as outlined in the General Subsection of this Subtopic, see paragraph [715-60-15-1](#), with specific exceptions noted below.

## > Transactions

**715-60-15-15** The guidance in the Settlements, Curtailments, and Certain Termination Benefits Subsections applies to the following transactions and activities:

- a. **Settlement** of all or a part of an employer's **accumulated postretirement benefit obligation** or **curtailment of a postretirement benefit plan**
- b. Other **termination benefits** not otherwise addressed in the following:
  1. Topic [420](#)
  2. Topic [710](#)
  3. Topic [712](#)
  4. Subtopic [715-30](#).

**715-60-15-16** Examples of transactions that constitute a settlement include making lump-sum cash payments to **plan** participants in exchange for their rights to receive specified **postretirement benefits** and purchasing long-term nonparticipating insurance contracts for the accumulated postretirement benefit obligation for some or all of the plan participants.

**715-60-15-17** Curtailments include the following:

- a. Termination of employees' services earlier than expected, which may or may not involve closing a facility or discontinuing a component of an entity
- b. Termination or suspension of a plan so that employees do not earn additional **benefits** for future service. In the latter situation, future service may be counted toward eligibility for benefits accumulated based on past service.

**715-60-15-18** The guidance in the Settlements, Curtailments, and Certain Termination Benefits Subsections does not apply to the following transactions and activities:

- a. Other termination benefits addressed in the following:
  1. Topic [420](#)
  2. Topic [710](#)
  3. Topic [712](#)
  4. Subtopic [715-30](#).



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## Split-Dollar Life Insurance Arrangements

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### > Overall Guidance

**715-60-15-19** The Split-Dollar Life Insurance Arrangements Subsections follow the same Scope and Scope Exceptions as outlined in the General Subsection of this Subtopic, see paragraph [715-60-15-1](#), with specific exceptions noted below.

### > Transactions

**715-60-15-20** The guidance in the Split-Dollar Life Insurance Arrangements Subsections applies to the following plans and **benefits**:

- a. **Endorsement split-dollar life insurance** arrangements that provide a benefit to an employee that extends to postretirement periods.
- b. **Collateral split-dollar life insurance** arrangements that provide a benefit to an employee that extends to postretirement periods.

**715-60-15-21** The guidance in the Split-Dollar Life Insurance Arrangements Subsections does not apply to the following plans and benefits:

- a. A split-dollar life insurance arrangement that provides a specified benefit to an employee that is limited to the employee's active service period with an employer.

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## 715-60-20 Glossary

**General Note:** The Master Glossary contains all terms identified as glossary terms throughout the Codification. Clicking on any term in the Master Glossary will display where the term is used. The Master Glossary may contain identical terms with different definitions, some of which may not be appropriate for a particular Subtopic. For any particular Subtopic, users should only use the glossary terms included in the particular Subtopic Glossary Section (Section 20).

### **Accumulated Postretirement Benefit Obligation**

The actuarial present value as of a particular date of all future benefits attributed to an employee's service rendered to that date assuming the plan continues in effect and that all assumptions about future events are fulfilled. The accumulated postretirement benefit obligation generally reflects a ratable allocation of expected future benefits to employee service already rendered in the attribution period. Before an employee's full eligibility date, the accumulated postretirement benefit obligation as of a particular date for an employee is the portion of the expected postretirement benefit obligation attributed to that employee's service rendered to that date; on and after the full eligibility date, the accumulated and expected postretirement benefit obligations for an employee are the same.

### **Active Plan Participant**

Any active employee who has rendered service during the credited service period and is expected to receive benefits, including benefits to or for any beneficiaries and covered dependents, under the postretirement benefit plan. See [Plan Participant](#).

### **Actual Return on Plan Assets (Component of Net Periodic Postretirement Benefit Cost)**

The change in the fair value of the plan's assets for a period including the decrease due to expenses incurred during the period (such as income tax expense incurred by the fund, if applicable), adjusted for contributions and benefit payments during the period. For a funded plan, the actual return on plan assets shall be determined based on the fair value of plan assets (see paragraph [715-60-35-107](#)) at the beginning and end of the period, adjusted for contributions and benefit payments. If the fund holding the plan assets is a taxable entity, the actual return on plan assets shall reflect the tax expense or benefit for the period determined in accordance with generally accepted accounting principles (GAAP). Otherwise, no provision for taxes shall be included in the actual return on plan assets.

### **Actuarial Present Value**

The value, as of a specified date, of an amount or series of amounts payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements for events such as death, disability, withdrawal, or retirement) between the specified date and the expected date of payment.

### **Amortization**

The process of reducing a recognized liability systematically by recognizing gains or by reducing a recognized asset systematically by recognizing losses. In accounting for pension benefits or other postretirement benefits, amortization also means the systematic recognition in net periodic pension cost or other postretirement benefit cost over several periods of amounts previously recognized in other comprehensive income, that is, gains or losses, prior service cost or credits, and any transition obligation or asset.

### **Assumed per Capita Claims Cost (by Age)**

The annual per capita cost, for periods after the measurement date, of providing the postretirement health care benefits covered by the plan from the earliest age at which an individual could begin to receive benefits under the plan through the remainder of the individual's life or the covered period, if shorter. To determine the assumed per capita claims cost, the per capita claims cost by age based on historical claims costs is adjusted for assumed health care cost trend rates. The resulting assumed per capita claims cost by age reflects expected future costs and is applied with the plan demographics to determine the amount and timing of future gross eligible charges. See [Gross Eligible Charges](#) and [Per Capita Claims Cost \(by Age\)](#).

### **Assumptions**

Estimates of the occurrence of future events affecting pension costs and other postretirement benefit costs (as applicable), such as turnover, retirement age, mortality, withdrawal, disablement, dependency status, per capita claims costs by age, health care cost trend rates, levels of Medicare and other health care providers' reimbursements, changes in compensation and national pension benefits, and discount rates to reflect the time value of money.

### **Attribution**

The process of assigning pension or other postretirement benefits or costs to periods of employee service.

### **Attribution Period**

The period of an employee's service to which the expected postretirement benefit obligation for that employee is assigned. The beginning of the attribution period is the employee's date of hire

unless the plan's benefit formula grants credit only for service from a later date, in which case the beginning of the attribution period is generally the beginning of that credited service period. The end of the attribution period is the full eligibility date. Within the attribution period, an equal amount of the expected postretirement benefit obligation is attributed to each year of service unless the plan's benefit formula attributes a disproportionate share of the expected postretirement benefit obligation to employees' early years of service. In that case, benefits are attributed in accordance with the plan's benefit formula. See [Credited Service Period](#).

### **Benefit Formula**

The basis for determining benefits to which participants may be entitled under a postretirement benefit plan. A plan's benefit formula specifies the years of service to be rendered, age to be attained while in service, or a combination of both that must be met for an employee to be eligible to receive benefits under the plan. A plan's benefit formula may also define the beginning of the credited service period and the benefits earned for specific periods of service.

### **Benefits**

The monetary or in-kind benefits or benefit coverage to which participants may be entitled under a pension plan or a health and welfare plan (which can include active, terminated, and retired employees or their dependents or beneficiaries). Examples of benefits may include, but are not limited to, health care benefits, life insurance, legal, educational, and advisory services, pension benefits, disability benefits, death benefits, and benefits due to termination of employment.

### **Captive Insurer**

An insurance entity that does business primarily with related entities.

### **Collateral Split-Dollar Life Insurance**

A split-dollar life insurance arrangement in which the employee (or the employee's estate or a trust controlled by the employee, referred to as the employee) owns and controls the insurance policy.

### **Contributory Plan**

A plan under which retirees or active employees contribute part of the cost. In some contributory plans, retirees or active employees wishing to be covered must contribute; in other contributory plans, participants' contributions result in increased benefits.

### **Cost-Sharing (Provisions of the Plan)**

The provisions of the postretirement benefit plan that describe how the costs of the covered benefits are to be shared between the employer and the plan participants. Cost-sharing provisions describe retired and active plan participants' contributions toward their postretirement health care benefits, deductibles, coinsurance, out-of-pocket limitations on participant costs, caps on employer costs, and so forth.

### **Credited Service Period**

Employee service period for which benefits are earned pursuant to the terms of the plan. The beginning of the credited service period may be the date of hire or a later date. For example, a plan may provide benefits only for service rendered after a specified age. Service beyond the end of the credited service period does not earn any additional benefits under the plan. See [Attribution Period](#).

### **Curtailment (of a Postretirement Benefit Plan)**

An event that significantly reduces the expected years of future service of active plan participants or eliminates the accrual of defined benefits for some or all of the future services of a significant number of active plan participants.

### **Debt Security**

Any security representing a creditor relationship with an entity. The term debt security also includes all of the following:

- a. Preferred stock that by its terms either must be redeemed by the issuing entity or is redeemable at the option of the investor
- b. A collateralized mortgage obligation (or other instrument) that is issued in equity form but is required to be accounted for as a nonequity instrument regardless of how that instrument is classified (that is, whether equity or debt) in the issuer's statement of financial position
- c. U.S. Treasury securities
- d. U.S. government agency securities
- e. Municipal securities
- f. Corporate bonds
- g. Convertible debt
- h. Commercial paper
- i. All securitized debt instruments, such as collateralized mortgage obligations and real estate mortgage investment conduits
- j. Interest-only and principal-only strips.

The term debt security excludes all of the following:

- a. Option contracts
- b. Financial futures contracts
- c. Forward contracts
- d. Lease contracts
- e. Receivables that do not meet the definition of *security* and, so, are not debt securities, for example:
  1. Trade accounts receivable arising from sales on credit by industrial or commercial entities
  2. Loans receivable arising from consumer, commercial, and real estate lending activities of financial institutions.

### **Defined Benefit Plan**

A defined benefit plan provides participants with a determinable benefit based on a formula provided for in the plan.

- a. Defined benefit health and welfare plans—Defined benefit health and welfare plans specify a determinable benefit, which may be in the form of a reimbursement to the covered plan participant or a direct payment to providers or third-party insurers for the cost of

specified services. Such plans may also include benefits that are payable as a lump sum, such as death benefits. The level of benefits may be defined or limited based on factors such as age, years of service, and salary. Contributions may be determined by the plan's actuary or be based on premiums, actual claims paid, hours worked, or other factors determined by the plan sponsor. Even when a plan is funded pursuant to agreements that specify a fixed rate of employer contributions (for example, a collectively bargained multiemployer plan), such a plan may nevertheless be a defined benefit health and welfare plan if its substance is to provide a defined benefit.

b. Defined benefit pension plan—A pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service, or compensation. Any pension plan that is not a defined contribution pension plan is, for purposes of Subtopic 715-30, a defined benefit pension plan.

c. Defined benefit postretirement plan—A plan that defines postretirement benefits in terms of monetary amounts (for example, \$100,000 of life insurance) or benefit coverage to be provided (for example, up to \$200 per day for hospitalization, or 80 percent of the cost of specified surgical procedures). Any postretirement benefit plan that is not a defined contribution postretirement plan is, for purposes of Subtopic 715-60, a defined benefit postretirement plan. (Specified monetary amounts and benefit coverage are collectively referred to as benefits.)

### **Defined Contribution Plan**

A plan that provides an individual account for each participant and provides benefits that are based on all of the following: amounts contributed to the participant's account by the employer or employee; investment experience; and any forfeitures allocated to the account, less any administrative expenses charged to the plan.

a. Defined contribution health and welfare plans—Defined contribution health and welfare plans maintain an individual account for each plan participant. They have terms that specify the means of determining the contributions to participants' accounts, rather than the amount of benefits the participants are to receive. The benefits a plan participant will receive are limited to the amount contributed to the participant's account, investment experience, expenses, and any forfeitures allocated to the participant's account. These plans also include flexible spending arrangements.

b. Defined contribution postretirement plan—A plan that provides postretirement benefits in return for services rendered, provides an individual account for each plan participant, and specifies how contributions to the individual's account are to be determined rather than specifies the amount of benefits the individual is to receive. Under a defined contribution postretirement plan, the benefits a plan participant will receive depend solely on the amount contributed to the plan participant's account, the returns earned on investments of those contributions, and the forfeitures of other plan participants' benefits that may be allocated to that plan participant's account.

### **Dependency Status**

The status of a current or former employee having dependents (for example, a spouse or other relatives) who are expected to receive benefits under a postretirement benefit plan that provides dependent coverage.

### **Discount Rate**

A rate or rates used to reflect the time value of money. Discount rates are used in determining the present value as of the measurement date of future cash flows currently expected to be

required to satisfy the pension obligation or other postretirement benefit obligation. See [Actuarial Present Value](#).

### **Endorsement Split-Dollar Life Insurance**

A split-dollar life insurance arrangement in which the entity owns and controls the insurance policy. The employer enters into a separate agreement that splits the policy benefits between the employer and the employee. The employer owns the policy, controls all rights of ownership, and may terminate the insurance policy (and, in turn, the policy benefits promised to the employee). To effect the split-dollar arrangement, the employer endorses a portion of the death benefits to the employee (the employee designates a beneficiary for this portion of the death benefits). Upon the death of the employee, the employee's beneficiary typically receives the designated portion of the death benefits directly from the insurance entity and the employer receives the remainder of the death benefits.

### **Equity Security**

Any security representing an ownership interest in an entity (for example, common, preferred, or other capital stock) or the right to acquire (for example, warrants, rights, and call options) or dispose of (for example, put options) an ownership interest in an entity at fixed or determinable prices. However, the term does not include convertible debt or preferred stock that by its terms either must be redeemed by the issuing entity or is redeemable at the option of the investor.

**Note:** The following definition is Pending Content; see Transition Guidance in [825-10-65-2](#).

Any security representing an ownership interest in an entity (for example, common, preferred, or other capital stock) or the right to acquire (for example, warrants, rights, forward purchase contracts, and call options) or dispose of (for example, put options and forward sale contracts) an ownership interest in an entity at fixed or determinable prices. However, the term does not include convertible debt or preferred stock that by its terms either must be redeemed by the issuing entity or is redeemable at the option of the investor.

### **Expected Long-Term Rate of Return on Plan Assets**

An assumption about the rate of return on plan assets reflecting the average rate of earnings expected on existing plan assets and expected contributions to the plan during the period.

### **Expected Postretirement Benefit Obligation**

The actuarial present value as of a particular date of the postretirement benefits expected to be paid by the employer's plan to or for each employee, the employee's beneficiaries, and any covered dependents pursuant to the terms of the plan.

### **Expected Return on Plan Assets**

An amount calculated as a basis for determining the extent of delayed recognition of the effects of changes in the fair value of plan assets. 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.

### **Explicit Approach to Assumptions**

An approach under which each significant assumption used reflects the best estimate of the plan's future experience solely with respect to that assumption. See [Implicit Approach to Assumptions](#).

### **Full Eligibility (for Benefits)**

The status of an employee having reached the employee's full eligibility date. Full eligibility for benefits is achieved by meeting specified age, service, or age and service requirements of the postretirement benefit plan. See [Full Eligibility Date](#).

### **Full Eligibility Date**

The date at which an employee has rendered all of the service necessary to have earned the right to receive all of the benefits expected to be received by that employee (including any beneficiaries and dependents expected to receive benefits). Determination of the full eligibility date is affected by plan terms that provide incremental benefits expected to be received by or on behalf of an employee for additional years of service, unless those incremental benefits are trivial. Determination of the full eligibility date is not affected by plan terms that define when benefit payments commence or by an employee's current marital or dependency status.

### **Fully Eligible Plan Participants**

Collectively, that group of former employees (including retirees) and active employees who have rendered service to or beyond their full eligibility date and who are expected to receive benefits under the plan, including benefits to their beneficiaries and covered dependents.

### **Funding Policy**

The program regarding the amounts and timing of contributions by the employers, plan participants, and any other sources (for example, state subsidies or federal grants) to provide the benefits a pension plan or other postretirement benefit plan specifies.

### **Gain or Loss**

A change in the value of either the benefit obligation (projected benefit obligation for pension plans or accumulated postretirement benefit obligation for other postretirement benefit plans) or the plan assets resulting from experience different from that assumed or from a change in an actuarial assumption, or the consequence of a decision to temporarily deviate from the other postretirement benefit substantive plan. Gains or losses that are not recognized in net periodic pension cost or net periodic postretirement benefit cost when they arise are recognized in other comprehensive income. Those gains or losses are subsequently recognized as a component of net periodic pension cost or net periodic postretirement benefit cost based on the recognition and amortization provisions of Subtopic [715-30](#) or Subtopic [715-60](#).

### **Gain or Loss (Component of Net Periodic Postretirement Benefit Cost)**

The sum of all of the following:

- a. The difference between the actual return on plan assets and the expected return on plan assets
- b. Any gain or loss immediately recognized or the amortization of the net gain or loss recognized in accumulated other comprehensive income
- c. Any amount immediately recognized as a gain or loss pursuant to a decision to temporarily deviate from the substantive plan.

The gain or loss component is generally the net effect of delayed recognition in determining net periodic postretirement benefit cost of gains and losses (the net change in the net gain or loss recognized in accumulated other comprehensive income) except that it does not include changes in the accumulated postretirement benefit obligation occurring during the period and deferred for later recognition in net periodic postretirement benefit cost.

### **Gross Eligible Charges**

The cost of providing the postretirement health care benefits covered by the plan to a plan participant, before adjusting for expected reimbursements from Medicare and other providers of health care benefits and for the effects of the cost-sharing provisions of the plan.

### **Health Care Cost Trend Rate**

An assumption about the annual rates of change in the cost of health care benefits currently provided by the postretirement benefit plan, due to factors other than changes in the

composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. 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. Differing types of services, such as hospital care and dental care, may have different trend rates.

### **Implicit Approach to Assumptions**

An approach under which two or more assumptions do not individually represent the best estimate of the plan's future experience with respect to those assumptions. Instead, the aggregate effect of their combined use is presumed to be approximately the same as that produced by an explicit approach. See [Explicit Approach to Assumptions](#).

### **Incurred Claims Cost (by Age)**

The cost of providing the postretirement health care benefits covered by the plan to a plan participant, after adjusting for reimbursements from Medicare and other providers of health care benefits and for deductibles, coinsurance provisions, and other specific claims costs borne by the retiree. See [Net Incurred Claims Cost \(By Age\)](#).

### **Insurance Contract**

A contract in which an insurance entity unconditionally undertakes a legal obligation to provide specified benefits to specific individuals in return for a fixed consideration or premium. An insurance contract is irrevocable and involves the transfer of significant risk from the employer (or the plan) to the insurance entity.

### **Interest Cost (Component of Net Periodic Postretirement Benefit Cost)**

The increase in the accumulated postretirement benefit obligation to recognize the effects of the passage of time.

### **Market-Related Value of Plan Assets**

A balance used to calculate the expected return on plan assets. The market-related value of plan assets is either fair value or a calculated value that recognizes changes in fair value in a systematic and rational manner over not more than five years. Different ways of calculating market-related value may be used for different classes of assets (for example, an employer might use fair value for bonds and a five-year-moving-average value for equities), but the manner of determining market-related value is required to be applied consistently from year to year for each asset class. For a method to meet the criteria of being systematic and rational, it must reflect only the changes in the fair value of plan assets between various dates.

### **Medicare Reimbursement Rates**

The health care cost reimbursements expected to be received by retirees through Medicare as mandated by currently enacted legislation. Medicare reimbursement rates vary by the type of benefits provided.

### **Multiple-Employer Plan**

A pension plan or other postretirement benefit plan maintained by more than one employer but not treated as a multiemployer plan. Multiple-employer plans are generally not collectively bargained and are intended to allow participating employers, commonly in the same industry, to pool their plan assets for investment purposes and to reduce the cost of plan administration. A multiple-employer plan maintains separate accounts for each employer so that contributions provide benefits only for employees of the contributing employer. Multiple-employer plans may have features that allow participating employers to have different benefit formulas, with the employer's contributions to the plan based on the benefit formula selected by the employer.

### **Net Incurred Claims Cost (by Age)**



The employer's share of the cost of providing the postretirement health care benefits covered by the plan to a plan participant; incurred claims cost net of retiree contributions. See [Incurred Claims Cost \(by Age\)](#).

**Net Periodic Postretirement Benefit Cost**

The amount recognized in an employer's financial statements as the cost of a postretirement benefit plan for a period. Components of net periodic postretirement benefit cost include service cost, interest cost, actual return on plan assets, gain or loss, amortization of prior service cost or credit, and amortization of the transition obligation or asset.

**Nonparticipating Insurance Contract**

An insurance contract that does not provide for the purchaser to participate in the investment performance or in other experience of the insurance entity. See [Insurance Contract](#).

**Participating Insurance**

Insurance in which the policyholder is entitled to participate in the earnings or surplus of the insurance entity. The participation occurs through the distribution of dividends to policyholders.

**Participation Right**

A purchaser's right under a [participating insurance](#) contract to receive future dividends or retroactive rate credits from the insurance entity.

**Pay-Related Plan**

A plan that has a benefit formula that bases benefits or benefit coverage on compensation, such as a final-pay or career-average-pay plan.

**Per Capita Claims Cost (by Age)**

The current cost of providing postretirement health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan. See [Assumed per Capita Claims Cost \(By Age\)](#).

**Plan**

An arrangement that is mutually understood by an employer and its employees, whereby an employer undertakes to provide its employees with benefits after they retire in exchange for their services over a specified period of time, upon attaining a specified age while in service, or a combination of both. A plan may be written or it may be implied by a well-defined, although perhaps unwritten, practice of paying postretirement benefits or from oral representations made to current or former employees. See [Substantive Plan](#).

**Plan Amendment**

A change in the existing terms of a plan or the initiation of a new plan. A plan amendment may increase benefits (a positive plan amendment), or reduce or eliminate benefits (a negative plan amendment), including those benefits attributed to years of service already rendered.

**Plan Assets**

Assets—usually stocks, bonds, and other investments (except certain insurance contracts as noted in paragraph [715-60-35-109](#))—that have been segregated and restricted (usually in a trust) to be used for a health and welfare plan (which can include active, terminated, and retired employees or their dependents or beneficiaries). The amount of plan assets includes amounts contributed by the employer, and by plan participants for a contributory plan, and amounts earned from investing the contributions, less benefits, income taxes, and other expenses incurred. Plan assets ordinarily cannot be withdrawn by the employer except under certain circumstances when a plan has assets in excess of obligations and the employer has taken certain steps to satisfy existing obligations. Securities of the employer held by the plan are includable in plan assets provided they are transferable.

Assets not segregated in a trust, or otherwise effectively restricted, so that they cannot be used by the employer for other purposes are not plan assets, even though the employer may intend that those assets be used to provide health and welfare benefits, which may include postretirement benefits. Those assets shall be accounted for in the same manner as other employer assets of a similar nature and with similar restrictions. If a plan has liabilities other than for benefits, those nonbenefit obligations are considered as reductions of plan assets. Amounts accrued by the employer but not yet paid to the plan are not plan assets. If a trust arrangement explicitly provides that segregated assets are available to satisfy claims of creditors in bankruptcy, such a provision would effectively permit those assets to be used for other purposes at the discretion of the employer. It is not necessary to determine that a trust is bankruptcy-proof for the assets of the trust to qualify as plan assets. However, assets held in a trust that explicitly provides that such assets are available to the general creditors of the employer in the event of the employer's bankruptcy would not qualify as plan assets.

### **Plan Demographics**

The characteristics of the plan population including geographical distribution, age, sex, and marital status.

### **Plan Participant**

Any employee or former employee who has rendered service in the credited service period and is expected to receive employer-provided benefits under the postretirement benefit plan, including benefits to or for any beneficiaries and covered dependents. See [Active Plan Participant](#).

### **Plan Termination**

An event in which the pension plan or postretirement benefit plan ceases to exist and all benefits are settled by the purchase of insurance contracts (for example, annuities) or by other means. The plan may or may not be replaced by another plan. A plan termination with a replacement plan may or may not be in substance a plan termination for accounting purposes.

### **Postretirement Benefit Plan**

See [Plan](#).

### **Postretirement Benefits**

All forms of benefits, other than retirement income, provided by an employer to retirees. Those benefits may be defined in terms of specified benefits, such as health care, tuition assistance, or legal services, that are provided to retirees as the need for those benefits arises, such as certain health care benefits, or they may be defined in terms of monetary amounts that become payable on the occurrence of a specified event, such as life insurance benefits.

### **Postretirement Benefits Other than Pensions**

See [Postretirement Benefits](#).

### **Postretirement Health Care Benefits**

A form of postretirement benefit provided by an employer to retirees for defined health care services or coverage of defined health care costs, such as hospital and medical coverage, dental benefits, and eye care.

### **Prior Service Cost**

The cost of retroactive benefits granted in a plan amendment. Retroactive benefits are benefits granted in a plan amendment (or initiation) that are attributed by the benefit formula to employee services rendered in periods before the amendment.

### **Retirees**

Collectively, that group of plan participants that includes retired employees, their beneficiaries, and covered dependents.

**Service Cost (Component of Net Periodic Postretirement Benefit Cost)**

The actuarial present value of benefits attributed to services rendered by employees during the period (the portion of the expected postretirement benefit obligation attributed to service in the period). The service cost component is the same for an unfunded plan, a plan with minimal funding, and a well-funded plan.

**Settlement of a Pension or Postretirement Benefit Obligation**

A transaction that is an irrevocable action, relieves the employer (or the plan) of primary responsibility for a pension or postretirement benefit obligation, and eliminates significant risks related to the obligation and the assets used to effect the settlement.

**Single-Employer Plan**

A pension plan or other postretirement benefit plan that is maintained by one employer. The term also may be used to describe a plan that is maintained by related parties such as a parent and its subsidiaries.

**Substantive Plan**

The terms of the postretirement benefit plan as understood by an employer that provides postretirement benefits and the employees who render services in exchange for those benefits. The substantive plan is the basis for the accounting for that exchange transaction. In some situations an employer's cost-sharing policy, as evidenced by past practice or by communication of intended changes to a plan's cost-sharing provisions, or a past practice of regular increases in certain monetary benefits, may indicate that the substantive plan differs from the extant written plan.

**Termination Benefits**

Benefits provided by an employer to employees in connection with their termination of employment. They may be either special termination benefits offered only for a short period of time or contractual benefits required by the terms of a plan only if a specified event, such as a plant closing, occurs.

**Transition Asset**

The amount, as of the date Subtopic [715-60](#) was initially applied, of the fair value of plan assets plus any recognized accrued postretirement benefit cost or less any recognized prepaid postretirement benefit cost in excess of the accumulated postretirement benefit obligation.

**Transition Obligation**

The amount, as of the date Subtopic [715-60](#) was initially applied, of the accumulated postretirement benefit obligation in excess of the fair value of plan assets plus any recognized accrued postretirement benefit cost or less any recognized prepaid postretirement benefit cost.

**Unfunded Accumulated Postretirement Benefit Obligation**

The accumulated postretirement benefit obligation in excess of the fair value of plan assets.

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## 715-60-25 Recognition

**General Note:** The Recognition Section provides guidance on the required criteria, timing, and location (within the financial statements) for recording a particular item in the financial statements. Disclosure is not recognition.

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## General

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### > Recognition of Liabilities and Assets

**715-60-25-1** An employer that sponsors one or more single-employer defined benefit postretirement plans other than pensions shall recognize in its statement of financial position the funded statuses of those plans. The employer shall aggregate the statuses of all overfunded plans and recognize that amount as an asset in its statement of financial position. It also shall aggregate the statuses of all underfunded plans and recognize that amount as a liability in its statement of financial position.

**715-60-25-2** As indicated in paragraphs [715-60-35-125](#) through [35-126](#) remeasurement of both plan assets and the accumulated postretirement benefit obligation may be necessary. Upon remeasurement, a business entity shall adjust its statement of financial position in a subsequent interim period to reflect the overfunded or underfunded status of the plan consistent with that measurement date.

### > Participation Rights

**715-60-25-3** To the extent that **insurance contracts** meeting the conditions for treatment as insurance contracts in paragraph [715-60-35-110](#) are purchased during the current period to cover **postretirement benefits** attributed to service in that period (such as life insurance **benefits**), the cost of those benefits shall be the cost of purchasing the coverage under the contracts, except the cost of the **participation right**, which shall be recognized at the date of purchase as an asset.

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## Settlements, Curtailments, and Certain Termination Benefits

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**715-60-25-4** The Settlements, Curtailments, and Certain Termination Benefits Subsections provide recognition guidance for the postretirement benefit incentive to be received by employees in exchange for early termination. **Postretirement benefits** offered as special or contractual termination benefits shall be recognized in accordance with paragraph [715-30-25-10](#).

**715-60-25-5** Situations involving special or contractual **termination benefits** may also result in a curtailment to be accounted for under paragraphs [715-60-35-161](#) through [35-171](#).

**715-60-25-6** The liability and loss recognized for employees who accept an offer of special termination benefits to be provided by a **postretirement benefit plan** shall be the difference between:

- a. The **accumulated postretirement benefit obligation** for those employees, assuming that those employees (**active plan participants**) not yet fully eligible for **benefits** would terminate at their **full eligibility date** and that **fully eligible plan participants** would retire immediately, without considering any special termination benefits
- b. The accumulated postretirement benefit obligation as measured in (a) adjusted to reflect the special termination benefits.

See Example 4 (paragraphs [715-60-55-135](#) through [55-139](#)) and Example 7 (paragraphs [715-60-55-161](#) through [55-175](#)).

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## 715-60-35 Subsequent Measurement

**General Note:** The Subsequent Measurement Section provides guidance on an entity's subsequent measurement and subsequent recognition of an item. Situations that may result in subsequent changes to carrying amount include impairment, credit losses, fair value adjustments, depreciation and amortization, and so forth.

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### General

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#### > Use of Reasonable Approximations

**715-60-35-1** This Subtopic is intended to specify accounting objectives and results rather than computational means of obtaining those results. If estimates, averages, or computational shortcuts can reduce the cost of applying this Subtopic, their use is appropriate, provided the results are reasonably expected not to be materially different from the results of a detailed application.

#### > Benefit Obligations

**715-60-35-1A** This Subtopic uses two terms to describe certain measures of the obligation to provide **postretirement benefits: expected postretirement benefit obligation** and **accumulated postretirement benefit obligation**.

**715-60-35-2** Measurement of the expected postretirement benefit obligation is based on the expected amount and timing of future **benefits**, taking into consideration the expected future cost of providing the benefits and the extent to which those costs are shared by the employer, the employee (including consideration of contributions required during the employee's active service period and following retirement, deductibles, coinsurance provisions, and so forth), or others (such as through governmental programs).

**715-60-35-3** The accumulated postretirement benefit obligation is the **actuarial present value** of all future benefits attributed to an employee's service rendered to a particular date pursuant to paragraphs [715-60-35-16 through 35-20](#), [715-60-35-62](#), and [715-60-35-66](#), assuming the **plan** continues in effect and all **assumptions** about future events are fulfilled.

**715-60-35-4** The accumulated postretirement benefit obligation generally reflects a ratable allocation of expected future benefits to employee service already rendered in the **attribution period**.

**715-60-35-5** An employer that sponsors one or more single-employer defined benefit other postretirement plans other than pensions shall measure the funded status for each plan as the difference between the fair value of **plan assets** and the accumulated postretirement benefit obligation as it is defined in this Subtopic.

**715-60-35-6** See paragraphs [715-60-55-35 through 55-39](#) for an illustration of the terms *expected postretirement benefit obligation* and *accumulated postretirement benefit obligation*.

## > Components of Net Periodic Postretirement Benefit Cost

**715-60-35-7** As with other forms of deferred compensation, the cost of providing postretirement benefits shall be attributed to the periods of employee service rendered in exchange for those future benefits pursuant to the terms of the plan. That cost notionally represents the change in the **unfunded accumulated postretirement benefit obligation** for the period, ignoring employer contributions to the plan, plan settlements, and payments made by the employer directly to **retirees**. However, changes in that unfunded obligation that arise from experience gains and losses and the effects of changes in assumptions may be recognized as a component of **net periodic postretirement benefit cost** on a delayed basis. In addition, the effects of a plan initiation or amendment generally are recognized on a delayed basis.

**715-60-35-8** Thus, any change in the accumulated postretirement benefit obligation or the plan assets (other than contributions and benefit payments) either is initially recognized in other comprehensive income or is included in net periodic postretirement benefit cost. Contributions to a funded plan by the employer decrease the recognized postretirement benefit liability or increase the recognized postretirement benefit asset.

**715-60-35-9** Net periodic postretirement benefit cost comprises several components that reflect different aspects of the employer's financial arrangements. All of the following components shall be included in the net periodic postretirement benefit cost recognized by an employer sponsoring a **defined benefit postretirement plan**:

- a. **Service cost** (see the following paragraph).
- b. **Interest cost** (see paragraph [715-60-35-11](#)). The interest cost component of postretirement benefit cost shall not be considered interest for purposes of applying Subtopic [835-20](#).
- c. **Actual return on plan assets**, if any (see paragraphs [715-60-35-23](#) through [35-36](#))
- d. **Amortization** of any **prior service cost** or credit included in accumulated other comprehensive income to the extent required by paragraphs [715-60-35-13](#) through [35-20](#).
- e. **Gain or loss** (including the effects of changes in assumptions) to the extent recognized, which includes amortization of the net gain or loss included in accumulated other comprehensive income (see paragraphs [715-60-35-23](#) through [35-36](#)).
- f. Amortization of any obligation or asset existing at the date of initial application of this Subtopic, hereinafter referred to as the **transition obligation or transition asset** remaining in accumulated other comprehensive income (see paragraphs [715-60-35-38](#) through [35-40](#)).

## > > Service Cost

**715-60-35-10** The measurement of the service cost component requires identification of the **substantive plan** and the use of assumptions and an **attribution** method, which are discussed in paragraphs [715-60-35-48](#) through [35-105](#).

### **715-60-35-10A**

Pending Content:

**Transition Date:** (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [715-20-65-3](#)

The service cost component shall be the only component of net periodic postretirement benefit cost eligible to be capitalized as part of the cost of inventory or other assets.

## > > Interest Cost

**715-60-35-11** Interest cost is the interest on the accumulated postretirement benefit obligation, which is a discounted amount. Measuring the accumulated postretirement benefit obligation as a present value requires accrual of an interest cost at rates equal to the assumed **discount rates**.

## > > Prior Service Costs

**715-60-35-12** In measuring an employer's expected and accumulated postretirement benefit obligations, changes in in-kind benefits covered by a postretirement health care plan or by other postretirement benefit plans shall not be anticipated. However, if the employer amends the benefits to be provided by the plan, the effect of the amendment is recognized immediately in measuring the employer's expected and accumulated postretirement benefit obligations, even if the effective date of the change in benefits is delayed until a specified date in the future.

**715-60-35-13 Plan amendments** (including initiation of a plan) may include provisions that attribute the increase or reduction in benefits to employee service rendered in prior periods or only to employee service to be rendered in future periods.

**715-60-35-14** For purposes of measuring the accumulated postretirement benefit obligation, the effect of a **plan amendment** on a plan participant's expected postretirement benefit obligation shall be attributed to each year of service in that plan participant's attribution period, including years of service already rendered by that **plan participant**, in accordance with the attribution of the expected postretirement benefit obligation to years of service as discussed in paragraphs [715-60-35-62](#) and [715-60-35-66](#). If a plan is initiated that grants benefits solely in exchange for employee service after the date of the plan initiation or a future date, no portion of the expected postretirement benefit obligation is attributed to prior service periods because, in that case, the **credited service period** for the current employees who are expected to receive benefits under the plan begins at the date of the plan initiation or the future date.

**715-60-35-15** Plan amendments that improve benefits are granted with the expectation that the employer will realize economic benefits in future periods. Consequently, except as discussed in paragraph [715-60-35-19](#) this Subtopic does not permit the cost of benefit improvements (that is, prior service cost) to be included in net periodic postretirement benefit cost entirely in the year of the amendment. Rather, paragraphs [715-60-35-16 through 35-17](#) requires that prior service cost arising from a plan initiation or plan amendment shall be recognized initially in other comprehensive income with subsequent amortization in net periodic postretirement benefit cost, at a minimum, by assigning an equal amount of the prior service cost to each remaining year of service to the **full eligibility date** of each plan participant active at the date of the plan initiation or amendment. (See paragraphs [715-60-35-20 through 35-22](#) for plan amendments that reduce benefits.)

**715-60-35-16** A plan amendment that retroactively increases benefits (including benefits that are granted to fully eligible plan participants) increases the accumulated postretirement benefit obligation. The cost of the benefit improvement shall be recognized as a charge to other comprehensive income at the date of the amendment.

**715-60-35-17** Except as stated in this paragraph and in paragraphs [715-60-35-18 through 35-19](#), prior service cost shall be amortized as a component of net periodic postretirement benefit cost by assigning an equal amount to each remaining year of service to the full eligibility date of each plan participant active at the date of the amendment who was not yet fully eligible for

benefits at that date. To determine total remaining service years before full eligibility, consideration is given to the remaining number of years of service to the full eligibility date of each plan participant or group of plan participants active at the date of the plan amendment who is not yet fully eligible for benefits. In determining the amortization period, future years of service of active employees who are not plan participants are excluded. Thus, the portion of prior service cost to be recognized in net periodic postretirement benefit cost in each of those future years is weighted based on the number of those plan participants expected to render service in each of those future years. If all or almost all of a plan's participants are fully eligible for benefits, the prior service cost shall be amortized based on the remaining life expectancy of those plan participants rather than on the remaining years of service to the full eligibility dates of the **active plan participants**. Other comprehensive income is adjusted as a result of amortizing prior service cost.

**715-60-35-18** To reduce the complexity and detail of the computations required, consistent use of an alternative approach that more rapidly amortizes the prior service cost recognized in accumulated other comprehensive income is permitted. For example, a straight-line amortization of the cost over the average remaining years of service to **full eligibility for benefits** of the active plan participants is acceptable.

**715-60-35-19** In some situations, a history of regular plan amendments and other evidence may indicate that the period during which the employer expects to realize economic benefits from an amendment that grants increased benefits is shorter than the remaining years of service to full eligibility for benefits of the active plan participants. Identification of those situations requires an assessment of the individual circumstances of the particular plan. In those circumstances, the amortization of prior service cost shall be accelerated to reflect the more rapid expiration of the employer's economic benefits and to recognize the cost in the periods benefited.

**715-60-35-20** A plan amendment that retroactively reduces, rather than increases, benefits decreases the accumulated postretirement benefit obligation. The reduction in benefits shall be recognized as a corresponding credit (prior service credit) to other comprehensive income that shall be used first to reduce any remaining prior service cost included in accumulated other comprehensive income, then to reduce any transition obligation remaining in accumulated other comprehensive income. The excess, if any, shall be amortized as a component of net periodic postretirement benefit cost on the same basis as specified in paragraphs [715-60-35-16 through 35-17](#) for prior service cost. Immediate recognition of the excess is not permitted. However, as with a plan amendment that increases benefits, the effect of a negative plan amendment (an amendment that decreases benefits) is reflected immediately in the measurement of the accumulated postretirement benefit obligation.

**715-60-35-21** The effects of a plan amendment, whether positive or negative, shall be considered at the date the amendment is adopted only if it is communicated to plan participants at that time or within a reasonable period of time thereafter; that is, within the time period that would ordinarily be required to prepare information about the amendment and disseminate it to employees and retirees.

**715-60-35-22** See paragraphs [715-60-55-19 through 55-21](#) and [715-60-55-140 through 55-160](#) for implementation guidance on plan amendments.

## > > **Gains and Losses**

**715-60-35-23** This Subtopic generally does not distinguish between gains and losses that result from experience different than assumed or from changes in assumptions. Gains and losses include amounts that have been realized, for example, by the sale of a security, as well as amounts that are unrealized.



**715-60-35-24** Because gains and losses may reflect refinements in estimates as well as real changes in economic values and because some gains in one period may be offset by losses in another or vice versa, this Subtopic does not require recognition of gains and losses as components of net postretirement benefit cost in the period in which they arise, except as described in paragraphs 715-60-35-34 through 35-35.

**715-60-35-25** Gains and losses that are not recognized immediately as a component of net periodic postretirement benefit cost shall be recognized as increases or decreases in other comprehensive income as they arise. (Gain and loss recognition in accounting for settlements and curtailments is addressed in paragraphs 715-60-35-149 through 35-171.)

**715-60-35-26** The **expected return on plan assets** shall be determined based on the **expected long-term rate of return on plan assets** (see paragraphs 715-60-35-84 through 35-87) and the **market-related value of plan assets**. If the fund holding plan assets is a taxable entity, the expected long-term rate of return on plan assets is net of estimated income taxes.

**715-60-35-27** Plan asset gains and losses are differences between the actual return on plan assets during a period and the expected return on plan assets for that period. Plan asset gains and losses include both of the following:

- a. Changes reflected in the market-related value of plan assets
- b. Changes not yet reflected in the market-related value of plan assets (that is, the difference between the fair value and the market-related value of plan assets).

**715-60-35-28** Plan asset gains and losses not yet reflected in market-related value are not required to be amortized under the following paragraph and paragraphs 715-60-35-31 through 35-32.

**715-60-35-29** As a minimum, amortization of a net gain or loss included in accumulated other comprehensive income (excluding plan asset gains and losses not yet reflected in market-related value) shall be included as a component of net periodic postretirement benefit cost for a year if, as of the beginning of the year, that net **gain or loss** exceeds 10 percent of the greater of the accumulated postretirement benefit obligation or the market-related value of plan assets. If amortization is required, the minimum amortization shall be that excess divided by the average remaining service period of active plan participants. If all or almost all of a plan's participants are inactive, the average remaining life expectancy of the inactive participants shall be used instead of the average remaining service period.

**715-60-35-30** The amortization shall reduce the beginning-of-the-year balance included in accumulated other comprehensive income. Amortization of a net gain included in accumulated other comprehensive income results in a decrease in net periodic postretirement benefit cost; amortization of a net loss included in accumulated other comprehensive income results in an increase in net periodic postretirement benefit cost.

**715-60-35-31** Any systematic method of amortizing gains and losses included in accumulated other comprehensive income may be used in place of the minimum amortization specified in paragraph 715-60-35-29 provided that all of the following conditions are met:

- a. The minimum amortization is recognized in any period in which it is greater (reduces the net gain or loss balance by more) than the amount that would be recognized under the method used.
- b. The method is applied consistently.

c. The method is applied similarly to both gains and losses.

**715-60-35-32** If an entity uses a method of consistently recognizing gains and losses immediately, any gain that does not offset a loss previously recognized in income pursuant to this paragraph shall first offset any transition obligation remaining in accumulated other comprehensive income; any loss that does not offset a gain previously recognized in income pursuant to this paragraph shall first offset any transition asset remaining in accumulated other comprehensive income.

**715-60-35-33** In applying the provisions of paragraphs 715-60-35-29 through 35-32 for the recognition of gains and losses as a component of net periodic postretirement benefit cost, it is not appropriate for an employer to elect annually a new method of amortization of gains and losses included in accumulated other comprehensive income. Rather, an employer shall select an amortization method and apply it consistently from period to period as long as the resulting amortization equals or exceeds the minimum amortization specified by paragraph 715-60-35-29. Any change in the method selected would be subject to Topic 250.

**715-60-35-34** In some situations, an employer may forgive a retrospective adjustment of the current or past years' **cost-sharing provisions of the plan** as they relate to benefit costs already incurred by retirees or may otherwise deviate from the provisions of the substantive plan to increase or decrease the employer's share of the benefit costs incurred in the current or past periods. The effect of a decision to temporarily deviate from the substantive plan shall be immediately recognized as a loss or gain.

**715-60-35-35** For example, the terms of a substantive postretirement health care plan may provide that any shortfall resulting from current year benefit payments in excess of the employer's stated share of **incurred claims cost** and retiree contributions for that year is to be recovered from increased retiree contributions in the subsequent year. The employer may subsequently determine that increasing retiree contributions for the shortfall in the prior year would be onerous and decides to bear the cost of the shortfall for that year. The employer's decision to bear the shortfall represents a change in intent and the resulting loss shall be recognized immediately. Future decisions by the employer to continue to bear the shortfall suggest an amendment of the substantive plan that shall be accounted for as described in paragraphs 715-60-35-12 through 35-22.

**715-60-35-36** The **gain or loss component of net periodic postretirement benefit cost** shall consist of all of the following:

- a. The difference between the actual return on plan assets and the expected return on plan assets
- b. Any gain or loss immediately recognized or the amortization of the net gain or loss included in accumulated other comprehensive income
- c. Any amount immediately recognized as a gain or loss pursuant to paragraphs 715-60-35-34 through 35-35.

**715-60-35-37** See paragraphs 715-60-55-22 through 55-25 for implementation guidance on gains and losses.

## > > **Transition Obligation or Asset**

**715-60-35-38** Amortization of the transition obligation or asset shall be adjusted prospectively to recognize the effects of all of the following:

- a. A negative plan amendment pursuant to paragraph [715-60-35-20](#)
- b. A constraint on immediate recognition of a net gain or loss pursuant to paragraphs [715-60-35-31](#) through [35-32](#)
- c. **Settlement** accounting pursuant to paragraphs [715-60-35-150](#) through [35-155](#)
- d. Plan curtailment accounting pursuant to paragraphs [715-60-35-161](#) through [35-171](#)
- e. A constraint on delayed amortization of the transition obligation pursuant to the following paragraph.

**715-60-35-39** The amortization of the transition obligation shall be accelerated if the cumulative benefit payments after the date the employer first applied the provisions of this Subtopic to all plan participants exceed the cumulative postretirement benefit cost accrued after the transition date. In that situation, an additional amount of the transition obligation remaining in accumulated other comprehensive income shall be recognized as a component of net periodic postretirement benefit cost equal to the excess cumulative benefit payments. For purposes of applying this provision, cumulative benefit payments shall be reduced by any plan assets or any recognized accrued postretirement benefit obligation at the date the employer first applied the provisions of this Subtopic. Payments made pursuant to a settlement, as discussed in paragraphs [715-60-35-150](#) through [35-159](#), shall be included in the determination of cumulative benefit payments made after the transition date. If a settlement occurs in the middle of the year, the additional transition obligation to be recognized in income, if any, pursuant to the constraint in this paragraph is determined based on projected amounts for the full year.

**715-60-35-40** If at the measurement date for the beginning of an employer's fiscal year it is expected that additional recognition in net periodic postretirement benefit cost of any transition obligation remaining in accumulated other comprehensive income will be required pursuant to the preceding paragraph, amortization of the transition obligation for interim reporting purposes (see Topic [270](#)) shall be based on the amount expected to be amortized for the year, except for the effects of applying the preceding paragraph for any settlement required to be accounted for pursuant to paragraphs [715-60-35-150](#) through [35-159](#). Those effects shall be recognized in net periodic postretirement benefit cost when the related settlement is recognized in income. The effects of changes during the year in the initial assessment of whether additional recognition in net periodic postretirement benefit cost of the transition obligation remaining in accumulated other comprehensive income for the year shall be recognized in net periodic postretirement benefit cost over the remainder of the year. The amount of the transition obligation remaining in accumulated other comprehensive income to be recognized in net periodic postretirement benefit cost for a year shall be finally determined at the measurement date for the end of the year based on the constraints on delayed recognition in net periodic postretirement benefit cost discussed in the preceding paragraph; any difference between the amortization of the transition obligation recognized in net periodic postretirement benefit cost during interim periods and the amount required to be recognized in net periodic postretirement benefit cost for the year shall be recognized in net periodic postretirement benefit cost immediately.

## > **Measurement of Costs and Obligations**

**715-60-35-41** Any method of accounting that recognizes the cost of postretirement benefits over employee service periods (before the payment of benefits to retirees) must deal with two factors that stem from the nature of the arrangement. First, estimates or assumptions shall be made about the future events that will determine the amount and timing of the benefit payments. Second, an attribution approach that assigns benefits and the cost of those benefits to individual years of service shall be selected.

**715-60-35-42** Unlike Subtopic 715-30, this Subtopic implicitly considers salary progression in the measurement of the accumulated postretirement benefit obligation of a **pay-related plan**. Because measurement of the expected postretirement benefit obligation includes an assumed salary progression for a pay-related plan, salary progression is, by definition, included in the accumulated benefit obligation for a pay-related **postretirement benefit plan**. Thus, the accumulated postretirement benefit obligation disclosed pursuant to Subtopic 715-20 is defined in terms notionally more comparable to the projected benefit obligation under Subtopic 715-30.

**715-60-35-43** For other postretirement plans that provide disability benefits, the determination of disability benefits to be accrued pursuant to this Subtopic is based on the terms of the postretirement benefit plan defining when a disabled employee is entitled to postretirement benefits.

**715-60-35-44** For example, an employer may promise to provide postretirement health care coverage to all employees who render 30 or more years of service. The employer may carry active employees who become disabled on active status so a disabled employee continues to accumulate credit toward postretirement benefits. Measurement of the expected postretirement benefit obligation shall include an assumption that some employees who are expected to receive benefits under the postretirement benefit plan will become disabled and cease working before the date at which they otherwise would have been eligible for **postretirement health care benefits**. The measurement of the postretirement benefits expected to be paid to disabled employees would encompass only those benefits expected to be paid during the period following what otherwise would have been their full eligibility date; in this case, the date at which the employee would have completed 30 years of service. That amount is attributed to an employee's service to the date the disability is assumed to occur.

**715-60-35-45** Only some employees become and remain disabled. Therefore, in measuring the expected postretirement benefit obligation and in determining the attribution period for plan participants expected to become disabled, the probability and timing of a disabling event is considered in determining whether employees are likely to become disabled and whether they will be entitled to receive postretirement benefits.

**715-60-35-46** Note that measurement of an employer's postretirement benefit obligation is based on the current plan participants (a closed group approach) because it better recognizes the benefit obligation over the period in which employees render service in exchange for benefits.

**715-60-35-47** [Paragraph not used]

## > > **Substantive Plan**

**715-60-35-48** An objective of this Subtopic is that the accounting reflect the terms of the exchange transaction that takes place between an employer that provides other postretirement benefits and the employees who render services in exchange for those benefits, as those terms are understood by both parties to the transaction.

**715-60-35-49** Generally, the extant written plan provides the best evidence of the terms of that exchange transaction. However, in some situations, an employer's cost-sharing policy, as evidenced by past practice or by communication of intended changes to a plan's cost-sharing provisions, or a past practice of regular increases in certain monetary benefits (see paragraphs 715-60-35-51 through 56), may indicate that the substantive plan—the plan as understood by the parties to the exchange transaction—differs from the extant written plan. The substantive plan shall be the basis for the accounting.

**715-60-35-50** See paragraph 715-60-55-1 for implementation guidance on a collectively bargained defined benefit postretirement health care plan.

**715-60-35-51** Except as provided in paragraphs 715-60-35-52 through 35-55, an employer's cost-sharing policy, as evidenced by the following past practice or communication, shall constitute the cost-sharing provisions of the substantive plan if either of the following conditions exist:

- a. The employer has a past practice of maintaining a consistent level of cost sharing between the employer and its retirees through changes in deductibles, coinsurance provisions, retiree contributions, or some combination of those changes or consistently increasing or reducing the employer's share of the cost of the covered benefits through changes in retired or active plan participants' contributions toward their retiree health care benefits, deductibles, coinsurance provisions, out-of-pocket limitations, and so forth, in accordance with the employer's established cost-sharing policy. Such a past practice would be indicated when the nature of the change and duration of the past practice are sufficient to warrant a presumption that it is understood by the plan participants.
- b. The employer has the ability, and has communicated to affected plan participants its intent, to institute different cost-sharing provisions at a specified time or when certain conditions exist (for example, when health care cost increases exceed a certain level).

Otherwise, the extant written plan shall be considered to be the substantive plan.

**715-60-35-52** An employer's past practice of maintaining a consistent level of cost sharing with its retirees or consistently increasing or reducing its share of the cost of providing the covered benefits shall not constitute provisions of the substantive plan if accompanied by identifiable offsetting changes in other benefits or compensation or if the employer incurred significant costs, such as work stoppages, to effect that cost-sharing policy.

**715-60-35-53** For example, a past practice of increasing retiree contributions annually based on a specified index or formula may appear to indicate that the substantive plan includes a determinable indexing of the retirees' annual contributions to the plan. However, if that past practice of increasing retiree contributions is accompanied by identifiable offsetting changes in other benefits or compensation, those offsetting changes would indicate that the substantive plan incorporates only the current cost-sharing provisions. Therefore, future increases or reductions of those cost-sharing provisions shall not be incorporated in measuring the expected postretirement benefit obligation.

**715-60-35-54** Similarly, an employer's communication of its intent to institute cost-sharing provisions that differ from the extant written plan or the past cost-sharing practice shall not constitute provisions of the substantive plan if either of the following conditions exists:

- a. The plan participants would be unwilling to accept the change without adverse consequences to the employer's operations.
- b. Other modifications of the plan, such as the level of benefit coverage, or providing offsetting changes in other benefits, such as pension benefits, would be required to gain plan participants' acceptance of the change to the cost-sharing arrangement.

**715-60-35-55** By definition, an employer does not have the unilateral right to change a collectively bargained plan. Therefore, if the postretirement benefits are the subject of collective bargaining, the extant written plan shall be the substantive plan unless the employer can demonstrate its ability to maintain a consistent level of cost sharing or a consistent practice of increasing or reducing its share of the cost of the covered benefits in past negotiations without making offsetting changes in other benefits or compensation of the affected plan participants or by incurring other significant costs to maintain that cost-sharing arrangement.

**715-60-35-56** A past practice of regular increases in postretirement benefits defined in terms of monetary amounts may indicate that the employer has a present commitment to make future improvements to the plan and that the plan will provide monetary benefits attributable to prior service that are greater than the monetary benefits defined by the extant written plan. In those situations, the substantive commitment to increase those benefits shall be the basis for the accounting. Changes in the benefits, other than benefits defined in terms of monetary amounts, covered by a postretirement health care plan or by other postretirement benefit plans shall not be anticipated.

**715-60-35-57** Contributions expected to be received from active employees toward the cost of their postretirement benefits and from retired plan participants are treated similarly for purposes of measuring an employer's expected postretirement benefit obligation. That obligation is measured as the actuarial present value of the benefits expected to be provided under the plan, reduced by the actuarial present value of contributions expected to be received from the plan participants during their remaining active service and postretirement periods. In determining the amount of the contributions expected to be received from those participants toward the cost of their postretirement benefits, consideration is given to any related substantive plan provisions, such as an employer's past practice of consistently increasing or reducing the contribution rates as described in paragraphs [715-60-35-51](#) through [35-55](#). An obligation to return contributions received from employees who do not attain eligibility for postretirement benefits and, if applicable, any interest accrued on those contributions shall be recognized as a component of an employer's postretirement benefit obligation.

**715-60-35-58** Automatic benefit changes specified by the plan that are expected to occur shall be included in measurements of the expected and accumulated postretirement benefit obligations and the service cost component of net periodic postretirement benefit cost.

**715-60-35-59** For purposes of this Subtopic, a plan that promises to provide retirees a benefit in kind, such as health care benefits, rather than a defined dollar amount of benefit, is considered to be a plan that specifies automatic benefit changes. (The assumed rate of change in the future cost of providing health care benefits, the assumed **health care cost trend rate**, is discussed in paragraphs [715-60-35-99](#) through [35-101](#).) Because automatic benefit changes are not conditional on employees rendering additional years of service, the full eligibility date is not affected by those changes. A benefit in kind includes the direct rendering of services, the payment directly to others who provide the services, or the reimbursement of the retiree's payment for those services.

**715-60-35-60** Also, plan amendments shall be included in the computation of the expected and accumulated postretirement benefit obligations once they have been contractually agreed to, even if some provisions take effect only in future periods. For example, if a plan amendment grants a different benefit level for employees retiring after a future date, that increased or reduced benefit level shall be included in current-period measurements for employees expected to retire after that date.

## > > Attribution

**715-60-35-61** In the context of this Subtopic, attribution is the process of assigning the expected cost of benefits to periods of employee service. The general objective is to assign to each year of service the cost of benefits earned or assumed to have been earned in that year.

**715-60-35-62** An equal amount of the expected postretirement benefit obligation for an employee generally shall be attributed to each year of service in the attribution period (a benefit-years-of-service approach).

**715-60-35-63** Some plans may frontload benefits, that is some plans have a **benefit formula** that defines benefits in terms of specific periods of service to be rendered in exchange for those

benefits but attributes all or a disproportionate share of the expected postretirement benefit obligation to employees' early years of service in the attribution period.

**715-60-35-64** For that type of plan, the expected postretirement benefit obligation shall not be attributed ratably to each year of service in the attribution period but shall be attributed in accordance with the plan's benefit formula.

**715-60-35-65** Whether a plan is frontloaded is determined by considering the active participants as a group rather than applying the benefit formula to each individual participant. Paragraph [715-60-55-59](#) contains an example of a benefit formula that results in a frontloaded benefit for a plan that provides only postretirement death benefits.

**715-60-35-66** The beginning of the attribution period generally shall be the date of hire. However, if the plan's benefit formula grants credit only for service from a later date and that credited service period is not nominal in relation to employees' total years of service before their full eligibility dates, the expected postretirement benefit obligation shall be attributed from the beginning of that credited service period.

**715-60-35-67** For a plan with a benefit formula that attributes benefits to a credited service period that is nominal in relation to employees' total years of service before their full eligibility dates, an equal amount of the expected postretirement benefit obligation for an employee is attributed to each year of that employee's service from date of hire to date of full eligibility for benefits.

**715-60-35-68** In all cases, the end of the attribution period shall be the full eligibility date. For postretirement benefit plans that are pay-related or that otherwise index benefits during employees' service periods to their retirement date, the full eligibility date and retirement date may be the same. The attribution period for those benefits will differ from the attribution period for a similarly defined pension benefit with a capped credited service period.

**715-60-35-69** Therefore, the present value of all of the benefits expected to be received by or on behalf of an employee is attributed to the employee's credited service period, which ends at the full eligibility date.

**715-60-35-70** See paragraphs [715-60-55-57 through 55-59](#), which illustrate the attribution provisions of this Subtopic, and paragraphs [715-60-55-10 through 55-18](#) for implementation guidance on attribution provisions.

## > > Assumptions

**715-60-35-71** Measuring the net periodic postretirement benefit cost and accumulated postretirement benefit obligation based on best estimates is superior to implying, by a failure to accrue, that no cost or obligation exists before the payment of benefits. This Subtopic requires the use of **explicit assumptions**, each of which individually represents the best estimate of a particular future event, to measure the expected postretirement benefit obligation. A portion of that expected postretirement benefit obligation is attributed to each period of an employee's service associated with earning the postretirement benefits, and that amount is accrued as service cost for that period.

**715-60-35-72** The service cost component of postretirement benefit cost, any prior service cost, and the accumulated postretirement benefit obligation are measured using actuarial assumptions and present value techniques to calculate the actuarial present value of the expected future benefits attributed to periods of employee service. Each assumption used shall reflect the best estimate solely with respect to that individual assumption. All assumptions shall presume that the plan will continue in effect in the absence of evidence that it will not continue.

**715-60-35-73** Principal actuarial assumptions include, but are not limited to, all of the following:

- a. The time value of money (discount rates)
- b. Participation rates (for **contributory plans**)
- c. Retirement age
- d. Salary progression (for pay-related plans)
- e. The probability of payment (turnover, **dependency status**, mortality, and so forth)
- f. Factors affecting the amount and timing of future benefit payments, which for postretirement health care benefits consider past and present **per capita claims cost by age**, health care cost trend rates, and **Medicare reimbursement rates**, and so forth.

**715-60-35-74** This Subtopic also requires use of an assumption about the long-term rate of return on plan assets and a market-related value of plan assets to calculate the expected return on plan assets.

**715-60-35-75** All assumptions shall be consistent to the extent that each reflects expectations about the same future economic conditions, such as future rates of inflation. Measuring service cost and the expected and accumulated postretirement benefit obligations based on estimated future compensation levels entails considering any indirect effects, such as benefit limitations, that would affect benefits provided by the plan. For example, a plan may define the maximum benefit to be provided under the plan (a fixed cap). In measuring the expected postretirement benefit obligation under that plan, the projected benefit payments would be limited to that cap. For a plan that automatically adjusts the maximum benefit to be provided under the plan for the effects of inflation (an adjustable cap), the expected postretirement benefit obligation would be measured based on adjustments to that cap consistent with the assumed inflation rate reflected in other inflation-related assumptions.

**715-60-35-76** For example, assumed discount rates include an inflationary element that reflects the expected general rate of inflation. Assumed compensation levels include consideration of future changes attributable to general price levels. Similarly, assumed health care cost trend rates include an element that reflects expected general rates of inflation for the economy overall and an element that reflects price changes of health care costs in particular. To the extent that those assumptions consider similar inflationary effects, the assumptions about those effects shall be consistent.

**715-60-35-77** Many of the assumptions used in postretirement benefit measurements are similar to assumptions used in pension measurements, but the sensitivity of the measures to changes in the assumptions may be more significant. For example, the turnover assumption may have a more significant effect for postretirement benefits than for pension benefits because, in many cases, eligibility for postretirement benefits is an all-or-nothing proposition, while most pension plans provide reduced benefits for relatively short periods of service. The dependency status assumption also may have a more significant effect on postretirement benefit measurements than on pension measurements. Plan provisions that entitle an employee's spouse and other dependents to health care and other welfare benefits may substantially increase an employer's cost and obligation for postretirement benefits.

**715-60-35-78** Postretirement benefit measurements are more sensitive to assumptions about retirement ages and the probability of retiring at each age than are pension measurements. For example, employer-provided postretirement health care benefits are significantly more expensive before Medicare coverage begins than after. Many pension arrangements provide for an



actuarially reduced pension benefit for employees retiring before the normal retirement age; however, for an employee retiring early, there typically is no reduction in the postretirement benefit levels, and those benefits will be paid over a longer period of time and at a higher annual cost to the employer than if the employee retired at the normal retirement age. Similarly, postretirement benefit measurements are more sensitive than pension measurements to the life expectancy assumption. In particular, health care benefits are sensitive to that assumption because health care costs generally increase with age.

### > > > **Discount Rates**

**715-60-35-79** Assumed discount rates shall reflect the time value of money as of the measurement date in determining the present value of future cash outflows currently expected to be required to satisfy the postretirement benefit obligation. In making that assumption, employers shall look to rates of return on high-quality fixed-income investments currently available whose cash flows match the timing and amount of expected benefit payments. If settlement of the obligation with third-party insurers is possible (for example, the purchase of nonparticipating life insurance contracts to provide death benefits), the interest rates inherent in the amount at which the postretirement benefit obligation could be settled are relevant in determining the assumed discount rates. Assumed discount rates are used in measurements of the expected and accumulated postretirement benefit obligations and the service cost and interest cost components of net periodic postretirement benefit cost.

**715-60-35-80** Pursuant to paragraph [715-60-35-79](#), an employer shall look to rates of return on high-quality fixed-income investments in determining assumed discount rates. The objective of selecting assumed discount rates using that method is to measure the single amount that, if invested at the measurement date in a portfolio of high-quality debt instruments, would provide the necessary future cash flows to pay the postretirement benefits when due. Notionally, that single amount, the accumulated postretirement benefit obligation, would equal the fair value of a portfolio of high-quality zero coupon bonds whose maturity dates and amounts would be the same as the timing and amount of the expected future benefit payments. Because cash inflows would equal cash outflows in timing and amount, there would be no reinvestment risk in the yields to maturity of the portfolio.

**715-60-35-81** However, in other than a zero coupon portfolio, such as a portfolio of long-term debt instruments that pay semiannual interest payments or whose maturities do not extend far enough into the future to meet expected benefit payments, the assumed discount rates (the yield to maturity) need to incorporate expected reinvestment rates available in the future. Those rates shall be extrapolated from the existing yield curve at the measurement date.

**715-60-35-82** The determination of the assumed discount rate is separate from the determination of the expected rate of return on plan assets whenever the actual portfolio differs from the hypothetical portfolio described in the preceding paragraph. Assumed discount rates shall be reevaluated at each measurement date. If the general level of interest rates rises or declines, the assumed discount rates shall change in a similar manner.

**715-60-35-83** See paragraph [715-60-55-4](#) for implementation guidance on discount rates used to measure an employer's postretirement benefit obligation.

### > > > **Expected Long-term Rate of Return on Plan Assets**

**715-60-35-84** The expected long-term rate of return on plan assets shall reflect the average rate of earnings expected on the existing assets that qualify as plan assets and contributions to the plan expected to be made during the period. In estimating that rate, appropriate consideration shall be given to the returns being earned on the plan assets currently invested and the rates of return expected to be available for reinvestment.

**715-60-35-85** Unlike most pension plans, the return on postretirement benefit plan assets may be subject to income tax because of the lack of tax-exempt vehicles for funding those benefits. At present, even if postretirement benefit plan assets are restricted and segregated within a trust, the income generated by those assets generally is taxable. If the plan has taxable income, the assessed tax will reduce the returns available for payment of benefits or reinvestment. If the trust or other entity holding the plan assets is taxed as a separate entity on the return on plan assets, the expected long-term rate of return shall be determined by giving consideration to anticipated income taxes under enacted tax law. However, if the tax on income generated by plan assets is not a liability of the plan, but of the employer, the expected long-term rate of return shall not anticipate a tax on those earnings, because that tax will be reflected in the employer's accounting for income taxes (see Topic 740).

**715-60-35-86** Thus, if the return on plan assets is taxable to the trust or other fund under the plan, the expected long-term rate of return shall be reduced to reflect the related income taxes expected to be paid under existing law.

**715-60-35-87** The expected long-term rate of return on plan assets is used with the market-related value of plan assets to compute the expected return on plan assets. (See paragraph 715-60-35-26.) There is no assumption of an expected long-term rate of return on plan assets for plans that are unfunded or that have no assets that qualify as plan assets pursuant to this Subtopic.

### > > > **Future Compensation Levels**

**715-60-35-88** The service cost component of net periodic postretirement benefit cost and the expected and accumulated postretirement benefit obligations shall reflect future compensation levels to the extent the postretirement benefit formula defines the benefits wholly or partially as a function of future compensation levels. For such pay-related plans, assumed compensation levels shall reflect the best estimate of the actual future compensation levels of the individual employees involved, including future changes attributed to general price levels, productivity, seniority, promotion, and other factors.

**715-60-35-89** For pay-related plans, salary progression is included in measuring the expected postretirement benefit obligation. For example, a postretirement health care plan may define the deductible amount or copayment, or a postretirement life insurance plan may define the amount of death benefit, based on the employee's average or final level of annual compensation.

### > > > **Assumptions that Are Unique to Postretirement Health Care**

**715-60-35-90** Measurement of an employer's postretirement health care obligation requires the use of several assumptions unique to health care benefits. Most significantly, it includes making several assumptions about factors that will affect the amount and timing of future benefit payments for postretirement health care. Those factors include consideration of historical per capita claims cost by age, health care cost trend rates (for plans that provide a benefit in kind), and medical coverage to be paid by governmental authorities and other providers of health care benefits. Recent claims cost experience and the claims cost experience of other employers in the same industry or geographical location may provide useful information in developing the assumed per capita claims cost by age from the earliest age at which a plan participant could receive benefits under the plan to the longest life expectancy. Data files developed and maintained by insurers or benefits consultants about employers' claims costs for similar benefits programs and national or regional statistics about claims cost patterns also may provide information that may be used for developing the per capita claims cost by age.

**715-60-35-91** In principle, an employer's share of the expected future postretirement health care cost for a plan participant is developed by reducing the assumed per capita claims cost at

each age at which the plan participant is expected to receive benefits under the plan by both of the following:

- a. The effects of coverage by Medicare and other providers of health care benefits
- b. The effects of the cost-sharing provisions of the plan (deductibles, copayment provisions, out-of-pocket limitations, caps on the limits of the employer-provided payments, and retiree contributions).

**715-60-35-92** The resulting amount represents the **assumed net incurred claims cost** at each age at which the plan participant is expected to receive benefits under the plan. If contributions are required to be paid by active plan participants toward their postretirement health care benefits, the actuarial present value of the plan participants' future contributions reduces the actuarial present value of the aggregate assumed net incurred claims costs.

**715-60-35-93** The assumed per capita claims cost shall be the best estimate of the expected future cost of the benefits covered by the plan. It may be appropriate to consider other factors in addition to age, such as sex and geographical location, in developing the assumed per capita claims cost.

**715-60-35-94** Past and present claims data for the plan, such as a historical pattern of gross claims by age (claims curve), should be used in developing the current per capita claims cost to the extent that those data are considered to be indicative of the current cost of providing the benefits covered by the plan. Those current claims data shall be adjusted by the assumed health care cost trend rate. The resulting assumed per capita claims cost by age, together with the **plan demographics**, determines the amount and timing of expected future **gross eligible charges**.

**715-60-35-95** In the absence of sufficiently reliable plan data about the current cost of the benefits covered by the plan, the current per capita claims cost should be based, entirely or in part, on the claims information of other employers to the extent those costs are indicative of the current cost of providing the benefits covered by the plan. For example, the current per capita claims cost may be based on the claims experience of other employers derived from information in data files developed by insurance entities, actuarial firms, or employee benefits consulting firms. The current per capita claims cost developed on those bases shall be adjusted to best reflect the terms of the employer's plan and the plan demographics. For example, the information should be adjusted, as necessary, for differing demographics, such as the age and sex of plan participants, health care utilization patterns by men and women at various ages, and the expected geographical location of retirees and their dependents, and for significant differences between the nature and types of benefits covered by the employer's plan and those encompassed by the underlying data.

**715-60-35-96** For a plan that stipulates that the benefit to be provided is the payment of certain health insurance premiums for retirees rather than the payment of their health care claims, the employer shall project the cost of those future premiums in measuring its benefit obligation. That projection requires an assessment of how future health care costs will affect future premiums.

**715-60-35-97** In some cases, retiree contributions are established based on the average per capita cost of benefit coverage under an employer's health care plan that provides coverage to both active employees and retirees. However, the medical cost of the retirees may cause the average per capita cost of benefit coverage under the plan to be higher than it would be if only active employees were covered by the plan. In that case, the employer has a postretirement benefit obligation for the portion of the expected future cost of the retiree health care benefits that are not recovered through retiree contributions, Medicare, or other providers of health care benefits.

**715-60-35-98** If significant, the internal and external costs directly associated with administering the postretirement benefit plan also shall be accrued as a component of assumed per capita claims cost.

**715-60-35-99** The assumption about health care cost trend rates represents the expected annual rates of change in the cost of health care benefits currently provided by the postretirement benefit plan, due to factors other than changes in the demographics of the plan participants, for each year from the measurement date until the end of the period in which benefits are expected to be paid. Past and current health care cost trends shall be used in developing an employer's assumed health care cost trend rates, which implicitly consider estimates of health care inflation, changes in health care utilization or delivery patterns, technological advances, and changes in the health status of plan participants.

**715-60-35-100** Differing services, such as hospital care and dental care, may require the use of different health care cost trend rates. It is appropriate for that assumption to reflect changes in health care cost trend rates over time. For example, the health care cost trend rates may be assumed to continue at the present level for the near term, or increase for a period of time, and then grade down over time to an estimated health care cost trend rate ultimately expected to prevail.

**715-60-35-101** An assumption about changes in the health status of plan participants considers, for example, the probability that certain claims costs will be incurred based on expectations of future events, such as the likelihood that some retirees will incur claims requiring technology currently being developed or that historical claims experience for certain medical needs may be reduced as a result of participation in a wellness program.

**715-60-35-102** Certain medical claims may be covered by governmental programs under existing law or by other providers of health care benefits. Benefit coverage by those governmental programs shall be assumed to continue as provided by the present law and by other providers pursuant to their present plans. Presently enacted changes in the law or amendments of the plans of other health care providers that take effect in future periods and that will affect the future level of their benefit coverage shall be considered in current-period measurements for benefits expected to be provided in those future periods. Future changes in laws concerning medical costs covered by governmental programs and future changes in the plans of other providers shall not be anticipated.

**715-60-35-103** As an example of another provider of health care benefits, a retiree's spouse also may be covered by the spouse's present (or former) employer's health care plan. In that case, the spouse's employer (or former employer) may provide either primary or secondary postretirement health care benefits to the retiree's spouse or dependents.

**715-60-35-104** In some cases, determining the assumed per capita claims cost by age as described in paragraphs [715-60-35-93](#) through [35-95](#) may not be practical because credible historical information about the gross per capita cost of covered benefits may not be available or determinable to satisfy the stated measurement approach. However, credible historical information about incurred claims costs may be available. In those cases, an alternative method of developing the assumed per capita claims cost may be used provided the method results in a measure that is the best estimate of the expected future cost of the benefits covered by the plan. For example, the assumed health care cost trend rates may be determined by adjusting the expected change in the employer's share of per capita incurred claims cost by age by a factor that reflects the effects of the plan's cost-sharing provisions. However, an approach that projects **net incurred claims costs** using unadjusted assumed health care cost trend rates would implicitly assume changes in the plan's cost-sharing provisions at those assumed rates and, therefore, is not acceptable unless the plan's cost-sharing provisions are indexed in that manner or the substantive plan (see paragraphs [715-60-35-48](#) through [35-56](#)) operates in that manner.

**715-60-35-105** See paragraphs [715-60-55-5 through 55-9](#) for implementation guidance on assumed per capita health care costs.

#### > **Measurement of Plan Assets**

**715-60-35-106** For recognition guidance on the funded statuses of other postretirement benefit plans, see paragraph [715-60-25-1](#).

**715-60-35-107** For purposes of the disclosures required by paragraph [715-20-50-1](#) and paragraph [715-20-50-5](#), plan investments, whether **equity** or **debt securities**, real estate, or other, shall be measured at their fair value as of the measurement date. (See paragraph [715-60-35-120](#).) The fair value of an investment shall be reduced by brokerage commissions and other costs normally incurred in a sale if those costs are significant (similar to fair value less cost to sell). Plan assets used in plan operations (for example, buildings, equipment, furniture and fixtures, and leasehold improvements) shall be measured at cost less accumulated depreciation or amortization for all purposes.

**715-60-35-108** See paragraphs [715-60-55-26 through 55-28](#) for implementation guidance on plan assets.

#### > **Insurance Contracts**

**715-60-35-109** Benefits covered by insurance contracts shall be excluded from the accumulated postretirement benefit obligation. Insurance contracts shall be excluded from plan assets, except as provided in paragraphs [715-60-25-3](#) and [715-60-35-115 through 35-116](#) for the cost of participation rights.

**715-60-35-110** If the insurance entity providing the contract does business primarily with the employer and related parties (a **captive insurer**) or if there is any reasonable doubt that the insurance entity will meet its obligations under the contract, the contract is not an **insurance contract** for purposes of this Subtopic.

**715-60-35-111** An insurance contract with a captive insurer generally does not qualify as a **plan asset** unless it meets the criteria in the definition of the term plan assets. To qualify as a plan asset, an investment contract with a captive insurer shall be segregated and restricted for the payment of postretirement benefits. Note that whether a funding vehicle can be restricted solely for the payment of retirees' benefits is subject to legal, not accounting, interpretation.

**715-60-35-112** In addition, because a plan's investment contract with a captive insurance entity represents an obligation of the employer to pay cash to be used to pay benefits and because amounts accrued by the employer to pay benefits are not plan assets, that contract shall be considered an employer debt security for purposes of this Subtopic and, therefore, must be currently transferable to be included in plan assets. (See paragraphs [715-60-55-26 through 55-28](#) for guidance on employer entities.)

**715-60-35-113** See paragraphs [944-20-15-16 through 15-19](#) for a description of investment contracts.

**715-60-35-114** Some insurance contracts (participating insurance contracts) provide that the purchaser (either the plan or the employer) may participate in the experience of the insurance entity. Under those contracts, if the insurance entity has favorable experience, the insurance entity will pay dividends to the purchaser, the effect of which is to reduce the cost of the plan. For example, if the insurance entity's investment return is better than anticipated, or perhaps if actual experience related to mortality or other assumptions is favorable, the purchaser will receive dividends that reduce the cost of the contract.

**715-60-35-115** The purchase price of a **participating insurance** contract ordinarily is higher than the price of an equivalent contract without a **participation right**. The difference is the cost of the participation right.

**715-60-35-116** In subsequent periods, the participation right shall be measured at its fair value if the contract is such that fair value is reasonably estimable. Otherwise the participation right shall be measured at its amortized cost (not in excess of its net realizable value), and the cost shall be amortized systematically over the expected dividend period under the contract.

**715-60-35-117** If the participating insurance contract causes the employer to remain subject to all or most of the risks and rewards associated with the benefit obligation covered or the assets transferred to the insurance entity, that contract is not an insurance contract for purposes of this Subtopic, and the purchase of that contract does not constitute a settlement pursuant to paragraphs 715-60-35-150 through 35-155 and 715-60-35-157 through 35-159.

**715-60-35-118** To the extent that insurance contracts are purchased during the period to cover postretirement benefits attributed to service in the current period (such as life insurance benefits), the cost of those benefits shall be the cost of purchasing the coverage under the contracts, except as provided in paragraphs 715-60-25-3 and 715-60-35-115 through 35-116 for the cost of a participation right. If all the postretirement benefits attributed to service in the current period are covered by **nonparticipating insurance contracts** purchased during that period, the cost of the contracts determines the service cost component of net postretirement benefit cost for that period.

**715-60-35-119** Benefits attributed to current service in excess of benefits provided by nonparticipating insurance contracts purchased during the current period shall be accounted for according to the provisions of this Subtopic applicable to plans not involving insurance contracts.

**715-60-35-120** Other contracts with insurance entities may not meet the definition of an insurance contract because the insurance entity does not unconditionally undertake a legal obligation to provide specified benefits to specified individuals. Those contracts shall be accounted for as investments and measured at fair value. If a contract has a determinable cash surrender value or conversion value, that is presumed to be its fair value. For some contracts, the best available estimate of fair value may be contract value.

### > **Timing of Measurement**

**715-60-35-121** The measurements of plan assets and benefit obligations required by this Subtopic shall be as of the date of the employer's fiscal year-end statement of financial position, unless either of the following conditions applies:

- a. The plan is sponsored by a subsidiary that is consolidated using a fiscal period that differs from its parent's, as permitted by paragraph 810-10-45-12.
- b. The plan is sponsored by an investee that is accounted for using the equity method of accounting under Subtopic 323-10, using financial statements of the investee for a fiscal period that is different from the investor's, as permitted by paragraph 323-10-35-6.

**715-60-35-122** In those cases, the employer shall measure the subsidiary's plan assets and benefit obligations as of the date used to consolidate the subsidiary's statement of financial position and shall measure the investee's plan assets and benefit obligations as of the date of the investee's financial statements used to apply the equity method.

**715-60-35-123** For example, if a calendar year-end parent consolidates a subsidiary using the subsidiary's September 30 financial statements, the funded status of the subsidiary's benefit plan included in the consolidated financial statements shall be measured as of September 30.

**715-60-35-123A**

Pending Content:

**Transition Date:** *(P) December 16, 2015; (N) December 16, 2016* | **Transition Guidance:** [715-10-65-1](#)

If an employer's fiscal year-end does not coincide with a month-end, the employer may measure plan assets and benefit obligations using the month-end that is closest to the employer's fiscal year-end. That election shall be applied consistently from year to year. The practical expedient shall be applied consistently to all of its defined benefit plans if an employer has more than one defined benefit plan.

**715-60-35-123B**

Pending Content:

**Transition Date:** *(P) December 16, 2015; (N) December 16, 2016* | **Transition Guidance:** [715-10-65-1](#)

If an employer measures plan assets and benefit obligations in accordance with paragraph [715-60-35-123A](#) and a contribution or significant event caused by the employer (such as a plan amendment, settlement, or curtailment that calls for a remeasurement) occurs between the month-end date used to measure plan assets and benefit obligations and the employer's fiscal year-end, the employer shall adjust the fair value of plan assets and the actuarial present value of benefit obligations so those contributions or significant events are recognized in the period in which they occurred. An employer should not adjust the fair value of plan assets and the actuarial present value of benefit obligations for other events occurring between the month-end date used to measure plan assets and benefit obligations and the employer's fiscal year-end that may be significant to the measurement of defined benefit plan assets and obligations, but are not caused by the employer (for example, changes in market prices or interest rates).

**715-60-35-124** Even though the postretirement benefit measurements are required as of a particular date, all procedures are not required to be performed after that date. As with other financial statement items requiring estimates, much of the information can be prepared as of an earlier date and projected forward to account for subsequent events (for example, employee service).

**715-60-35-125** Measurements of net periodic postretirement benefit cost for both interim and annual financial statements generally shall be based on the assumptions at the beginning of the year (assumptions used for the previous year-end measurements of plan assets and obligations) unless more recent measurements of both plan assets and the accumulated postretirement benefit obligation are available.

**715-60-35-126** For example, if a significant event occurs, such as a plan amendment, settlement, or curtailment, that ordinarily would call for remeasurement, the assumptions used for those later measurements shall be used to remeasure net periodic postretirement benefit cost from the date of the event to the year-end measurement date.

**715-60-35-126A**

Pending Content:

**Transition Date:** *(P) December 16, 2015; (N) December 16, 2016* | **Transition Guidance:** [715-10-65-1](#)

If a significant event caused by the employer (such as a plan amendment, settlement, or curtailment) that requires an employer to remeasure both plan assets and benefit obligations does not coincide with a month-end, the employer may elect to remeasure plan assets and benefit obligations using the month-end that is closest to the date of the significant event.

### 715-60-35-126B

Pending Content:

**Transition Date:** *(P) December 16, 2015; (N) December 16, 2016* | **Transition Guidance:** 715-10-65-1

If an employer remeasures plan assets and benefit obligations during the fiscal year in accordance with paragraph 715-60-35-126A, the employer shall adjust the fair value of plan assets and the actuarial present value of benefit obligations for any effects of the significant event that may or may not be captured in the month-end measurement (for example, if the closest month-end is before the date of a partial settlement, then the measurement of plan assets may include assets that are no longer part of the plan). An employer shall not adjust the fair value of plan assets and the actuarial present value of benefit obligations for other events occurring between the month-end date used to measure plan assets and benefit obligations and the employer's fiscal year-end that may be significant to the measurement of defined benefit plan assets and obligations, but are not caused by the employer (for example, changes in market prices or interest rates).

**715-60-35-127** Unless an employer remeasures both its plan assets and benefit obligations during the fiscal year, the funded status it reports in its interim-period statement of financial position shall be the same asset or liability recognized in the previous year-end statement of financial position adjusted for subsequent accruals of net periodic postretirement benefit cost that exclude the amortization of amounts previously recognized in other comprehensive income (for example, subsequent accruals of service cost, interest cost, and return on plan assets) and contributions to a funded plan, or benefit payments.

#### > **Employers with Two or More Plans**

**715-60-35-128** An employer may have separate medical care, dental care, and eye care plans that provide benefit coverage to all retirees of the entity. Similarly, an employer may combine two or more unfunded plans that provide the same benefits to different groups of plan participants. For example, an employer may have identical postretirement medical care plans at each of its operating locations. This Subtopic permits combining plans in those situations because the differences in the plans are not substantive. Combining information in those cases results in combined measurements for accounting and disclosure purposes.

**715-60-35-128A** As required by paragraph 715-60-25-2, upon remeasurement, a business entity shall adjust its statement of financial position in a subsequent interim period to reflect the overfunded or underfunded status of the plan consistent with that measurement date.

**715-60-35-129** Postretirement benefits offered by an employer may vary in nature and may be provided to different groups of employees. As discussed in the following paragraph, in some cases an employer may aggregate data from unfunded plans for measurement purposes in lieu of performing separate measurements for each unfunded plan (including plans whose designated assets are not appropriately segregated and restricted and thus have no plan assets as that term is used in this Subtopic). Net periodic postretirement benefit cost, the accumulated postretirement benefit obligation, and plan assets shall be determined for each separately



measured plan or aggregation of plans by applying the provisions of this Subtopic to each such plan or aggregation of plans.

**715-60-35-130** The data from all unfunded postretirement health care plans may be aggregated for measurement purposes if those plans provide different benefits to the same group of employees or those plans provide the same benefits to different groups of employees. Data from other unfunded postretirement welfare benefit plans may be aggregated for measurement purposes in similar circumstances, such as when an employer has a variety of welfare benefit plans that provide benefits to the same group of employees. However, a plan that has plan assets (as defined herein) shall not be aggregated with other plans but shall be measured separately.

> **Multiple-Employer Plans**

**715-60-35-131** Some postretirement benefit plans to which two or more unrelated employers contribute are not multiemployer plans. Rather, those **multiple-employer plans** are in substance aggregations of single-employer plans, combined to allow participating employers to pool plan assets for investment purposes or to reduce the costs of plan administration. Those plans ordinarily do not involve collective-bargaining agreements. They may also have features that allow participating employers to have different benefit formulas, with the employer's contributions to the plan based on the benefit formula selected by the employer. Those plans shall be considered single-employer plans rather than multiemployer plans for purposes of this Subtopic, and each employer's accounting shall be based on its respective interest in the plan.

> **Transfer of Excess Pension Assets to a Retiree Health Care Benefits Account**

**715-60-35-132** See paragraph [715-30-35-73](#).

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## Medicare Prescription Drug, Improvement, and Modernization Act

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**715-60-35-133** Changes in coverage provided by governmental programs (see paragraph [715-60-35-102](#)) shall be considered in the period that the law is changed. However, the Medicare Prescription Drug, Improvement, and Modernization Act introduces the following two new features to Medicare that an employer needs to consider in determining those measurements:

- a. A subsidy that is based on 28 percent of an individual beneficiary's annual prescription drug costs between \$250 and \$5,000 (subject to indexation and the provisions of the Act as to allowable retiree costs)
- b. The opportunity for a retiree to obtain a prescription drug benefit under Medicare.

**715-60-35-134** Regardless of the impact of the subsidy, the existence of prescription drug coverage under Medicare Part D may have an effect on an employer's per capita claims cost for a **plan** that currently provides a prescription drug benefit. That effect depends on whether current and future **retirees** (or their beneficiaries under the employer-sponsored plan) enroll in the voluntary Medicare Part D plan and on the Act's macrosocioeconomic effects on health care cost trends and consumers' behavior.

**715-60-35-135** In response to the Act, or for other reasons, an employer may amend an existing plan (or establish a new one). To the extent that an employer amends a plan (positively or negatively), the **accumulated postretirement benefit obligation** will be affected by the direct effects of the change in **benefits** attributed to employee services already rendered. If an

amendment changes the determination as to the actuarial equivalency of benefits available under the plan, the expected subsidy to the employer also will change.

**715-60-35-136** Therefore, under that guidance, measures of the accumulated postretirement benefit obligation and net periodic other postretirement benefit cost on or after the date of enactment shall reflect the effects of the Act.

**715-60-35-137** When an employer initially accounts for the subsidy its effect on the accumulated postretirement benefit obligation shall be accounted for as an actuarial experience gain pursuant to paragraphs 715-60-35-23 and 715-60-35-29 through 35-33.

**715-60-35-138** Because the subsidy affects the employer's share of its plan's costs, the subsidy is included in measuring the costs of benefits attributable to current service. Therefore, the subsidy reduces service cost when it is recognized as a component of net periodic other postretirement benefit cost.

**715-60-35-139** If an estimate of the expected subsidy subsequently changes—as a result of changes in regulations or legislation, changes in the underlying estimates of other postretirement prescription drug costs, or for reasons other than a **plan amendment**—the effect of the change in estimate is an actuarial experience **gain or loss** pursuant to paragraph 715-60-35-23.

**715-60-35-140** If prescription drug benefits currently available under an existing plan are deemed not actuarially equivalent as of the date of enactment of the Act, but the plan is subsequently amended to provide actuarially equivalent benefits, the direct effect of the plan amendment on the accumulated postretirement benefit obligation (that is, the effect of only the change in prescription drug coverage) and the effect on the accumulated postretirement benefit obligation from any resulting subsidy to which the employer is expected to be entitled as a result of the amendment shall be combined. If that combined effect reduces the accumulated postretirement benefit obligation, it is deemed to be an actuarial experience gain pursuant to paragraph 715-60-35-23. If the combined effect increases the accumulated postretirement benefit obligation, it is deemed to be **prior service cost** that shall be accounted for pursuant to paragraphs 715-60-35-13 through 35-19.

**715-60-35-141** A plan that provides prescription drug benefits that previously were deemed actuarially equivalent under the Act may be subsequently amended to reduce its prescription drug coverage and that reduced coverage may not be considered actuarially equivalent. In that circumstance, any actuarial experience gain related to the subsidy previously recognized is unaffected. However, the combined net effect on the accumulated postretirement benefit obligation of the subsequent plan amendment that reduces benefits under the plan and thus disqualifies the benefits as actuarially equivalent and the elimination of the subsidy shall be accounted for as prior service cost (credit) as of the date the amendment is adopted.

**715-60-35-142** When first determining the effects of the Act, an employer and its actuarial consultants may have been unable to determine the extent to which the benefits provided by a plan are actuarially equivalent as of the date of the initial measurement applying the guidance in the Medicare Prescription Drug, Improvement, and Modernization Act Subsections.

**715-60-35-143** If additional clarifying regulations related to the Act or new information about the interpretation or determination of actuarial equivalency under the Act becomes available, the employer shall reconsider whether the benefits provided under its plan, as presently constructed, are actuarially equivalent. If that reconsideration results in a conclusion that benefits provided by the plan are actuarially equivalent (or that additional benefits provided by the plan are actuarially equivalent in the case of a plan under which an employer previously had determined that some benefits were actuarially equivalent), that conclusion could be a significant event pursuant to paragraphs 715-60-35-125 through 35-128.

**715-60-35-144** However, the guidance in the preceding paragraph does not apply if a plan amendment is the event that gives rise to the employer's reconsideration of actuarial equivalency. The guidance in paragraphs [715-60-35-140 through 35-141](#) applies to plan amendments.

**715-60-35-145** If the effects of the subsidy on the plan are significant, a measurement of **plan assets** and obligations shall be performed as of the date that actuarial equivalency is determined.

**715-60-35-146** Any effect on the accumulated postretirement benefit obligation due to the subsidy shall be reflected as an actuarial gain consistent with the guidance in paragraph [715-60-35-137](#).

**715-60-35-147** Measures of **net periodic postretirement benefit cost** for subsequent periods would reflect the effects of those measurements.

**715-60-35-148** Prior financial statements shall not be retroactively adjusted nor shall a cumulative effect for prior periods be recognized in income.

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## Settlements, Curtailments, and Certain Termination Benefits

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**715-60-35-149** This Subtopic provides for delayed recognition in **net periodic postretirement benefit cost** of the effects of a **plan** initiation or a **plan amendment**, the **transition obligation** or **transition asset**, and gains or losses arising in the ordinary course of operations. That is, generally, those amounts are recognized in other comprehensive income with subsequent **amortization** in net periodic postretirement benefit cost. However, in certain circumstances, as discussed in these Subsections, recognition in net periodic postretirement benefit cost of some or all of those amounts initially recognized in other comprehensive income is appropriate.

### > Remeasurement of Cost Due to Settlements

**715-60-35-150 Settlements** are events that may require income or expense recognition of certain amounts initially recognized in other comprehensive income and adjustments to liabilities or assets recognized in the employer's statement of financial position. The settlement of all or part of the **accumulated postretirement benefit obligation** is an event that requires recognition in income of all or part of a net **gain or loss** and transition asset remaining in accumulated other comprehensive income. A settlement also may accelerate recognition in income of a transition obligation under the constraint in paragraph [715-60-35-39](#).

**715-60-35-151** For purposes of this Subsection, the maximum gain or loss subject to recognition in income when a postretirement benefit obligation is settled is the net **gain or loss** included in accumulated other comprehensive income defined in paragraphs [715-60-35-23 through 35-32](#) plus any transition asset remaining in accumulated other comprehensive income. That maximum gain or loss includes any gain or loss resulting from remeasurements of **plan assets** and the accumulated postretirement benefit obligation at the time of settlement.

**715-60-35-152** If the entire accumulated postretirement benefit obligation is settled and the maximum amount subject to recognition is a gain, the settlement gain shall first reduce any transition obligation remaining in accumulated other comprehensive income; any excess gain shall be recognized in income.

**715-60-35-153** If the entire accumulated postretirement benefit obligation is settled and the maximum amount subject to recognition is a loss, the maximum settlement loss shall be

recognized in income. If only part of the accumulated postretirement benefit obligation is settled, the employer shall recognize in income the excess of the pro rata portion (equal to the percentage reduction in the accumulated postretirement benefit obligation) of the maximum settlement gain over any remaining transition obligation or a pro rata portion of the maximum settlement loss.

**715-60-35-154** As discussed in paragraph [715-60-35-39](#), in measuring the gain or loss subject to recognition in income when a postretirement benefit obligation is settled, an employer must determine whether recognition in income of an additional amount of any transition obligation remaining in accumulated other comprehensive income is required pursuant to the constraint on delayed recognition in income. Any additional transition obligation required to be recognized in income as a result of a settlement is recognized when the related settlement is recognized (see paragraph [715-60-35-40](#)).

**715-60-35-155** Because the plan is the unit of accounting, the determination of the effects of a settlement considers only the net gain or loss and transition obligation or asset included in accumulated other comprehensive income related to the plan for which all or a portion of the accumulated postretirement benefit obligation is being settled.

**715-60-35-156** If the purchase of a **participating insurance** contract constitutes a settlement, the maximum gain (but not the maximum loss) shall be reduced by the cost of the **participation right** before determining the amount to be recognized in income (see paragraphs [715-60-35-109](#) through [35-120](#) and [715-60-35-160](#)).

**715-60-35-157** For the following types of settlements, the cost of the settlement is:

- a. For a cash settlement, the amount of cash paid to plan participants
- b. For a settlement using nonparticipating insurance contracts, the cost of the contracts
- c. For a settlement using participating insurance contracts, the cost of the contracts less the amount attributed to participation rights (see paragraphs [715-60-35-115](#) and [35-116](#)).

**715-60-35-158** If the cost of all settlements in a year is less than or equal to the sum of the service cost and interest cost components of net postretirement benefit cost for the plan for the year, gain or loss recognition is permitted but not required for those settlements. However, the accounting policy adopted shall be applied consistently from year to year.

**715-60-35-159** A settlement requires remeasurement of the accumulated postretirement benefit obligation before the settlement. In addition, after the settlement, net periodic postretirement benefit cost for the remainder of the year is remeasured.

## > > **Insurance Contracts**

**715-60-35-160** If an **insurance contract** is purchased from an insurance entity controlled by the employer, or if a participating insurance contract causes the employer to remain subject to all or most of the risks and rewards associated with the benefit obligation covered or the assets transferred to the insurance entity, that contract is not an insurance contract and the purchase of that contract does not constitute a settlement pursuant to paragraphs [715-60-35-150](#) through [35-160](#).

## > **Remeasurement of Cost Due to Curtailments**

**715-60-35-161** **Curtailments** are events that may require income or expense recognition of certain amounts that were initially recognized in other comprehensive income.

**715-60-35-162** The reduction in active plan participants' expected years of future service or elimination of future benefit accruals caused by a curtailment raises doubt about the continued existence of the future economic **benefits** of prior plan amendments.

**715-60-35-163** Accordingly, these Subsections require recognition in net periodic postretirement benefit cost of any related **prior service cost** included in accumulated other comprehensive income.

**715-60-35-164** The prior service cost included in accumulated other comprehensive income associated with the portion of the future years of service that had been expected to be rendered, but as a result of a curtailment are no longer expected to be rendered, is a loss. For purposes of measuring the effect of a curtailment, prior service cost includes the cost of plan amendments and any remaining transition obligation. For example, a curtailment may result from the termination of a significant number of employees who were plan participants at the date of a prior plan amendment.

**715-60-35-165** The loss associated with that curtailment is measured as the portion of the remaining prior service cost included in accumulated other comprehensive income related to that (and any prior) plan amendment attributable to the previously expected remaining future years of service of the employees who were terminated and the portion of the remaining transition obligation attributable to the previously expected remaining future years of service of the terminated employees who were plan participants at the date of transition.

**715-60-35-166** A curtailment also may result from terminating the accrual of additional benefits for the future services of a significant number of employees. The loss in that situation is both of the following:

- a. A proportionate amount of the remaining prior service cost included in accumulated other comprehensive income based on the portion of the remaining expected years of service in the amortization period that originally was attributable to those employees who were plan participants at the date of the plan amendment and whose future accrual of benefits has been terminated
- b. A proportionate amount of the transition obligation remaining in accumulated other comprehensive income based on the portion of the remaining years of service of all participants active at the date of transition that originally was attributable to the remaining expected future years of service of the employees whose future accrual of benefits has been terminated.

**715-60-35-167** When a full curtailment occurs, the entire prior service cost and transition obligation remaining in accumulated other comprehensive income is a loss because there are no future years of service to be rendered.

**715-60-35-168** Accounting for a curtailment is not applied to any prior service cost newly created at the time of the curtailment.

**715-60-35-169** The accumulated postretirement benefit obligation may be decreased (a gain) or increased (a loss) by a curtailment. That (gain) loss shall reduce any net loss (gain) included in accumulated other comprehensive income as follows:

- a. To the extent that such a gain exceeds any net loss included in accumulated other comprehensive income (or the entire gain, if a net gain exists), it is a curtailment gain.
- b. To the extent that such a loss exceeds any net gain included in accumulated other comprehensive income (or the entire loss, if a net loss exists), it is a curtailment loss.

For purposes of applying the provisions of this paragraph, any transition asset remaining in accumulated other comprehensive income shall be treated as a net gain and shall be combined with the net gain or loss arising after transition to the Settlements, Curtailments, and Certain Termination Benefits Subsections.

**715-60-35-170** Increases in the accumulated postretirement benefit obligation that reflect **termination benefits** are excluded from the scope of paragraphs 715-60-35-161 through this paragraph (see paragraphs 715-60-25-4 through 25-6 for guidance on accounting for termination benefits).

**715-60-35-171** If the sum of the effects identified in paragraphs 715-60-35-164 through 35-169 is a net loss, it shall be recognized in income when it is probable that a curtailment will occur and the net effect is reasonably estimable. If the sum of those effects is a net gain, it shall be recognized in income when the related employees terminate or the plan suspension or amendment is adopted.

### > Relationship of Settlements or Curtailments to Other Events

**715-60-35-172** A settlement and a curtailment may occur separately or together.

**715-60-35-173** If benefits expected to be paid in future periods are eliminated for some plan participants (for example, because a significant portion of the work force is dismissed or a plant is closed) but the plan remains in existence and continues to pay benefits, to invest assets, and to receive contributions, a curtailment has occurred but not a settlement.

**715-60-35-174** If an employer purchases nonparticipating insurance contracts for the accumulated postretirement benefit obligation and continues to provide defined benefits for future service, either in the same plan or in a successor plan, a settlement has occurred but not a curtailment.

**715-60-35-175** If a **plan termination** occurs (that is, the obligation is settled and the plan ceases to exist) and the plan is not replaced by a successor defined benefit plan, both a settlement and a curtailment have occurred (whether or not the employees continue to work for the employer).

**715-60-35-176** The settlement or the termination of one plan and the adoption of a substantially equivalent replacement plan does not trigger recognition in income of prior service cost. Neither of those events, absent a curtailment, raises sufficient doubt as to the existence of future economic benefits to trigger that recognition in income.

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## Split-Dollar Life Insurance Arrangements

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**715-60-35-177** For an **endorsement split-dollar life insurance** arrangement within the scope of the Split-Dollar Life Insurance Arrangements Subsections, an employer shall recognize a liability for future **benefits** in accordance with this Subtopic (if, in substance, a **postretirement benefit plan** exists) or Subtopic 710-10 (if the arrangement is, in substance, an individual deferred compensation contract) based on the substantive agreement with the employee. A liability for the benefit obligation under this Subtopic or Subtopic 710-10 has not been settled through the purchase of a typical endorsement split-dollar life insurance arrangement.

**715-60-35-178** For example, if the employer has effectively agreed to maintain a life insurance policy during the employee's retirement, the cost of the insurance policy during postretirement periods shall be accrued in accordance with either this Subtopic or Subtopic 710-10.

**715-60-35-179** Similarly, if the employer has effectively agreed to provide the employee with a death benefit, the employer shall accrue, over the service period, a liability for the **actuarial present value** of the future death benefit as of the employee's expected retirement date, in accordance with either this Subtopic or Subtopic [710-10](#).

**715-60-35-180** An employer shall recognize a liability for the postretirement benefit related to a collateral assignment split-dollar life insurance arrangement in accordance with either this Subtopic (if, in substance, a postretirement benefit plan exists) or Subtopic [710-10](#) (if the arrangement is, in substance, an individual deferred compensation contract) if the employer has agreed to maintain a life insurance policy during the employee's retirement or provide the employee with a death benefit based on the substantive agreement with the employee.

**715-60-35-181** For example, if the employer has effectively agreed to maintain life insurance policy during the employee's retirement, the estimated cost of maintaining the insurance policy during the postretirement period shall be accrued in accordance with either this Subtopic or Subtopic [710-10](#).

**715-60-35-182** Similarly, if the employer has effectively agreed to provide the employee with a death benefit, the employer shall accrue a liability for the actuarial present value of the future death benefit as of the employee's expected retirement date, in accordance with either this Subtopic or Subtopic [710-10](#).

**715-60-35-183** For purposes of the Split-Dollar Life Insurance Arrangements Subsections, an employer has agreed to maintain a life insurance policy if the employer has stated or implied commitment to provide loans to an employee to fund premium payments on the underlying insurance policy during the postretirement period. Absent evidence to the contrary, it shall be presumed that an employer will provide loans to an employee to fund premium payments on the underlying insurance policy in the postretirement period if the employer has provided loans in the past or if the employer is currently promising to provide loans in the future.

**715-60-35-184** In periods following the inception of the collateral assignment split-dollar life insurance arrangement, employers shall continue to evaluate (pursuant to the guidance in the Split-Dollar Life Insurance Arrangements Subsections) whether a change in facts and circumstances (for example, an amendment to the arrangement or change from the employer's past practice) has altered the substance of the collateral assignment split-dollar life insurance arrangement, which could result in a liability or an adjustment to a previously recognized liability, for a postretirement benefit.

**715-60-35-185** In addition, an employer shall recognize and measure an asset based on the nature and substance of the collateral assignment split-dollar life insurance arrangement.

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## 715-60-50 Disclosure

**General Note:** The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

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### General

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**715-60-50-1** See paragraphs [715-20-50-1 through 50-7](#) for disclosure requirements for defined benefit plans other than disclosure requirements related to the Medicare Prescription Drug, Improvement, and Modernization Act, which are provided in paragraphs [715-60-50-2 through 50-6](#).

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## Medicare Prescription Drug, Improvement, and Modernization Act

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**715-60-50-2** This Subsection provides guidance on disclosures regarding the effect of the Medicare subsidy. This Subsection also provides guidance on the disclosures about the effects of the subsidy for an employer that sponsors a postretirement health care benefit **plan** that provides prescription drug coverage but for which the employer has not yet been able to determine actuarial equivalency.

**715-60-50-3** In interim and annual financial statements for the first period in which an employer includes the effects of the subsidy in measuring the **accumulated postretirement benefit obligation** and the first period in which an employer includes the effects of the subsidy in measuring **net periodic postretirement benefit cost**, it shall disclose all of the following:

- a. The reduction in the accumulated postretirement benefit obligation for the subsidy related to **benefits** attributed to past service.
- b. The effect of the subsidy on the measurement of net periodic postretirement benefit cost for the current period. That effect includes any **amortization** of the actuarial gain in (a) of this paragraph as a component of the net amortization called for by paragraphs [715-60-35-29 through 35-30](#), the reduction in current period service cost due to the subsidy, and the resulting reduction in interest cost on the accumulated postretirement benefit obligation as a result of the subsidy.
- c. Any other disclosures required by paragraph [715-20-50-1\(r\)](#).

**715-60-50-4** For purposes of the disclosures required by paragraph [715-20-50-1\(a\)](#) and [715-20-50-1\(f\)](#), an employer shall disclose gross benefit payments (paid and expected, respectively), including prescription drug benefits, and separately the gross amount of the subsidy receipts (received and expected, respectively).

**715-60-50-5** [\[Paragraph not used\]](#)

**715-60-50-6** Until an employer is able to determine whether benefits provided by its plan are actuarially equivalent, it shall disclose both of the following in financial statements for interim or annual periods:

- a. The existence of the Medicare Prescription Drug, Improvement, and Modernization Act
- b. That measures of the accumulated postretirement benefit obligation or net periodic postretirement benefit cost do not reflect any amount associated with the subsidy because the employer is unable to conclude whether the benefits provided by the plan are actuarially equivalent to Medicare Part D under the Act.



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## 715-60-55 Implementation Guidance and Illustrations

**General Note:** The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and circumstances in relation to the requirements of the Subtopic.

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### General

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#### > Implementation Guidance

#### > > Substantive Plan

**715-60-55-1** A collectively bargained defined benefit postretirement health care **plan** of a single employer may stipulate that **benefits** will be provided for the duration of the collective-bargaining agreement or may imply or explicitly state that benefits are subject to renegotiation upon the expiration of the current collective-bargaining agreement. Past negotiations have resulted in the continuation of the plan, although the plan has been amended at various times. The **accumulated postretirement benefit obligation** should be measured assuming that benefits will be provided beyond the period covered by the current collective-bargaining agreement. Unless the most recently negotiated collective-bargaining agreement explicitly states for the first time that the payment of **postretirement benefits** will be discontinued upon the contract's expiration and that is the expectation of the parties to the agreement, the presumption of an ongoing plan is not overcome by the presence of an expiration date for the present collective-bargaining agreement.

#### > > Capped Plans

**715-60-55-2** A defined dollar cap is part of an employer's cost-sharing arrangement under which the employer limits the amount it will spend for retiree benefits by defining the maximum dollar amount for each retiree or the retiree group to be applied by the employer toward the cost of retiree benefits. For example, a plan with a defined dollar cap may stipulate that the employer will pay for all retiree health care costs in a year up to a specified dollar limit. A past practice of regular increases (or decreases) in that defined dollar cap may indicate that the cost-sharing provisions of the **substantive plan** differ from the extant written plan. Future amendments to a written postretirement health care plan that change the amount of a defined dollar cap can be anticipated as part of the substantive plan if the conditions in paragraphs [715-60-35-51](#) through [35-55](#) are satisfied.

**715-60-55-3** A postretirement health care plan with a defined dollar cap is not considered to be a plan that provides benefits defined in terms of monetary amounts as discussed in paragraph [715-60-35-56](#). Changes in monetary benefits provided by one plan or changes in the amount of a defined dollar cap on cost sharing for a different plan may need to be anticipated as part of determining what the substantive plans are. However, the nature of the promises for the two plans differs. Benefits for the first plan are defined in monetary amounts, for example, a stipulated dollar amount of life insurance coverage, whereas benefits offered under the defined dollar capped plan are not defined in monetary amounts. Although the cap on the employer's contribution is defined in monetary terms, the benefits are the specified eligible medical claims with payment by the employer being no greater than the amount of that cap. Changes in the types of benefits or the types of health care costs covered by a plan cannot be anticipated.

## > > **Discount Rates**

**715-60-55-4** The assumed **discount rates** used to measure an employer's postretirement benefit obligation may be the same rates used to measure its pension benefit obligation under Subtopic 715-30 or they may not be for various reasons. Differences could occur between the discount rates used to measure the pension benefit obligation and the discount rates used to measure the postretirement benefit obligation. For example, the expected timing of postretirement benefit payments may differ from the expected timing of pension benefit payments. Those differences could occur particularly if the participants in each plan are different. In addition, rates implicit in current prices of annuity contracts might be used to measure the pension benefit obligation, and no similar contracts may be available to settle the postretirement benefit obligation (see paragraphs 715-20-55-1 through 55-2).

## > > **Assumed Per Capita Health Care Costs**

**715-60-55-5** An employer sponsors a health care plan that provides benefits to both active employees and pre-age-65 **retirees**. The plan requires active employees and retirees to contribute to the plan. The contributions of active employees may be used to reduce the employer's cost of providing benefits to retirees, but only if the amount contributed by active employees over their service periods exceeds the cost of providing their health care benefits while they are employed and the employer has no obligation to refund that excess. In that case, the excess would be applied to reduce the cost of the retirees' benefits. If active employee contributions do not exceed the cost of active benefits, the full amount of the active employees' contributions should be applied to the cost of their active benefits. The cost of providing health care benefits to active employees should be measured assuming only active employees are covered by the plan.

**715-60-55-6** An employer has a contributory health care plan covering active employees and retirees under which retirees pay 100 percent of the average cost of benefits determined based on the combined experience of active employees and retirees. The employer pays all of the remaining cost. The active employees do not contribute to the plan. Under this arrangement, the employer has an obligation under this Subtopic if the actual cost of providing benefits to the retirees is greater than their contributions. In that case, the employer is subsidizing a portion of the cost of the retirees' benefits. See paragraph 715-60-35-97. Thus, the employer would have an obligation for the difference between the expected cost of providing the retirees' benefits and the retirees' expected contributions, whether those contributions are established at 100 percent of the average cost or at a lesser amount.

**715-60-55-7** For a plan that stipulates that the benefit to be provided is the payment of retirees' health care claims, the cost of premiums for insurance that an employer expects to purchase to finance its obligation may be used to measure the obligation if it produces a reasonable estimate of the future cost of benefits covered by the plan. In some situations, such as in a community-rated insurance plan that provides the type of benefits covered by the employer's plan and in which the premium cost to the employer is based on the experience of all participating employers, the claims experience of a single employer generally will have little impact on its premiums. Accordingly, in those situations a projection of future premiums based on the current premium structure and expected changes in the general level of health care costs may provide a reasonable estimate of the employer's obligation. However, if premiums are adjusted for the actual claims experience or the age and sex of the plan's participants (an experience-rated plan), the foregoing projection of the employer's obligation may not produce a reasonable estimate of the future cost of the underlying benefits of the plan.

**715-60-55-8** An employer that has measured its postretirement health care benefit obligation by projecting the cost of premiums for purchased health care insurance has not reduced or eliminated the applicability of any provisions of this Subtopic. The employer should follow this Subtopic in its entirety including calculating and disclosing the components of **net periodic**

**postretirement benefit cost**, which would still include service cost for active employees and interest cost.

**715-60-55-9** When determining its postretirement benefit obligation, an employer should assume a trend of decreasing (or increasing) **Medicare reimbursement rates** (for example, certain health care costs may have increased by 15 percent last year but Medicare may have only covered a smaller increase, which increased the employer's or retirees' share of the cost of benefits) only if those changes result from currently enacted legislation or regulations. For instance, to the extent that certain coverage under Medicare changes as a result of applying a legislated formula or historical administrative practice, an employer should consider the effects of those changes in projecting Medicare coverage in future years. Doing so may result in a higher or lower amount of coverage. Future legislation that would change the portion of costs covered by Medicare should not be anticipated even though a historical trend of those changes may be apparent.

## > > Attribution

**715-60-55-10** An employer modifies the eligibility requirements under its **postretirement benefit plan** by changing the plan's **credited service period** from 25 years of service after age 40 to 15 years of service after both reaching age 50 and rendering 10 years of service. Under the amended plan, the **attribution period** begins at the date of hire because the plan has an undefined credited service period. The amended plan still requires 25 years of credited service. However, it grants credit for 10 years of service before age 50 and those years of service are not defined. The effect of the change in eligibility requirements is to lengthen the **attribution** period for employees hired before age 40.

**715-60-55-11** An employer provides retiree health care and life insurance benefits under one plan. Employees are eligible for health care and death benefits upon attaining age 55 and having rendered 20 years of service; however, the life insurance benefits are based on final pay. Basing the life insurance benefits on final pay extends the **full eligibility date** to a plan participant's expected retirement date, provided the incremental increase in the life insurance benefits offered under the plan for an employee's service after age 55 is not trivial in relation to the total benefits expected to be received by the employee under that plan. For example, if an employee is expected to fulfill the 20-year service requirement before age 55 and is expected to retire at age 62 with salary increases in all years of service, the employee's full eligibility date is the date he or she reaches age 62. Note that the plan described has an indefinite credited service period, because the qualifying 20-year period is unspecified. Accordingly, the attribution period for that plan begins at the date of hire and ends on the full eligibility date.

**715-60-55-12** Moreover, even if the terms of the plan described in paragraphs 715-60-55-10 through 55-11 specified which 20-year service period constituted the credited service period, for example, the first 20 years after date of hire, or the first 20 years of service after age 35, basing life insurance benefits on final pay would still extend the full eligibility date to the expected date of retirement, again, assuming the incremental life insurance benefits after the defined 20 years of service are nontrivial. If the plan formula specifies the first 20 years as the credited service period, the employer needs to assess whether that results in a frontloaded benefit as described in paragraph 715-60-35-62. If that provision results in a frontloaded benefit, the benefit obligation should not be attributed ratably to each year of service in the attribution period but should be attributed in accordance with the plan's **benefit formula**.

**715-60-55-13** However, the attribution period for the plan described in paragraphs 715-60-55-10 through 55-11 would be different if the benefits are provided and accounted for under two separate plans, one providing life insurance benefits and the other providing health care benefits. In that case, the full eligibility date for participants in the life insurance plan would not influence the determination of the full eligibility date for participants in the health care plan. A frontloaded plan may provide two or more benefits, such as health care and life insurance benefits, that are

earned under different benefit formulas. For example, assume the typical participant covered by the plan described in paragraphs [715-60-55-10](#) through [55-11](#) is an individual hired at age 20 who is expected to retire at age 62 with 42 years of service. If the **expected postretirement benefit obligation** at age 40 for that employee is \$39,405 (\$28,500 for health care benefits and \$10,905 for life insurance benefits), a ratable (1/42) allocation of the expected postretirement benefit obligation to each year of service would result in an accumulated postretirement benefit obligation of \$18,764 (\$13,571 for health care benefits and \$5,193 for life insurance benefits) at the end of the 20th year. However, if the plan's benefit formulas for both health care and life insurance benefits stipulate that employees are not required to render additional service after their first 20 years in order to receive those benefits, the aggregate benefits under the plan may be frontloaded, even though life insurance benefits increase for additional years of service beyond the 20th year. See the following calculations:

- a. \$10,915 equals the **actuarial present value** of life insurance benefits based on final pay, assuming the employee was hired at a salary of \$15,000 that increases by 5 percent annually, a life expectancy of 75 years, and a discount rate of 7 percent.
- b.  $20/42 \times \$39,405 = \$18,764$ .
- c.  $20/42 \times \$28,500 = \$13,571$ .
- d.  $20/42 \times \$10,905 = \$5,193$ .

**715-60-55-14** If the combined values of both health care and life insurance benefits earned based on their respective benefit formulas after 20 years are significantly greater than the accumulated postretirement benefit obligation that would result from a ratable allocation of the expected postretirement benefit obligation, a disproportionate share of the expected postretirement benefit obligation is attributable under the benefit formulas to the employee's early years of service. In that case, the attribution of the obligation for both benefits under the plan should follow their respective benefit formulas. Following the benefit formulas in this example, the accumulated postretirement benefit obligation for health care and for life insurance benefits for the hypothetical employee at the end of 20 years is \$28,500 and \$3,728, respectively. Accordingly, the accumulated postretirement benefit obligation for that employee at the end of the first 20 years of service should be \$32,228 rather than \$18,764; that is, the plan is frontloaded and benefits should be attributed following the benefit formula. (Assumed life insurance benefit equal to Year 20 salary of \$39,799 discounted at 7 percent for 35 years = \$3,728.)

**715-60-55-15** An employer has a retiree health care plan that bases benefits on length of service and requires employees to render a minimum of 10 years of service after attaining age 45 to be eligible for any benefits. However, upon attaining age 45, employees receive credit for 3 percent of the maximum benefit for each year of service before age 45. For example, at age 45 an employee hired at age 25 receives credit for 60 percent (3 percent x 20 years) of the plan's **postretirement health care benefits**. The credited service period begins at the date of hire because the amount of total benefits is based on the years of service rendered after that date.

**715-60-55-16** An employer requires an employee to participate in its contributory active health care plan to be eligible to participate in its retiree health care plan. An employee can join the active plan at any time before retirement but must have worked 10 years and attained age 55 while in service to be eligible for benefits under the retiree plan. The attribution period for an employee who is or is expected to be a participant in the active plan begins at the date of hire because the plan's eligibility requirements do not specify which 10 years of service must be rendered in exchange for the benefits. That an employee must participate in the contributory active plan does not affect the determination of the attribution period. However, an employee would not be considered a **plan participant** if the employer expects that the employee will

never contribute to the active plan and, therefore, will not be eligible to participate in the retiree plan.

**715-60-55-17** An employer's annual accrual for the service cost component of net periodic postretirement benefit cost should generally relate to only those employees who are in their credited service periods. However, if the credited service period begins later than the date of hire and is considered nominal relative to the employees' average total expected years of service to full eligibility, employees expected to receive benefits under the retiree plan should be considered plan participants at the date of hire, and the expected obligation for their benefits should be accrued from that date.

**715-60-55-18** In determining the attribution period, judgment is required to determine whether a credited service period is nominal. Generally, a nominal credited service period is a period that is very short compared to employees' average total expected years of service before full eligibility.

## > > Plan Amendments

**715-60-55-19** An employer's previous accounting for postretirement benefits has considered the written plan to be the substantive plan. On July 1, 20X1, its board of directors approves a negative **plan amendment** (that is, an amendment that reduces benefits attributable to prior service) that will be effective on January 1, 20X3. The employer intends to announce the negative plan amendment to plan participants on July 1, 20X2. The effects of the negative plan amendment should be accounted for as of July 1, 20X2, when it is communicated to plan participants and not as of July 1, 20X1, the date of the board's approval. The amendment in this instance will not be communicated within a reasonable period of time after its adoption. Therefore, the extant unamended written plan continues to be the substantive plan that should be accounted for because it represents the last plan whose terms were mutually understood by the employer and the plan participants.

**715-60-55-20** It is important to distinguish between a reduction in the accumulated postretirement benefit obligation caused by a negative plan amendment and a reduction caused by a curtailment. Unless the plan is being terminated, a reduction in the accumulated postretirement benefit obligation caused by a negative plan amendment that exceeds any **transition obligation** or **prior service cost** included in accumulated other comprehensive income is not immediately recognized as a reduction of current postretirement benefit costs.

**715-60-55-21** An employer adopts an amendment to its postretirement health care plan that has the dual effect of expanding the plan's coverage and increasing the deductible. The increase in the deductible should not be measured and recognized separately from the benefit improvement. If a plan amendment results in numerous changes to a plan that both increase and decrease benefits attributed to prior service, the net effect of all those changes should be considered at the same time to determine whether there has been a net positive or negative plan amendment. If the combined effect of all the changes is a net increase in benefits (a positive plan amendment), the resulting prior service cost should be accounted for in accordance with paragraphs [715-60-35-16 through 35-17](#) or paragraph [715-60-35-18](#). If the combined effect is a net decrease in benefits (a negative plan amendment), the effect should be accounted for in accordance with paragraph [715-60-35-20](#).

## > > Gains and Losses

**715-60-55-22** An employer sponsors a contributory postretirement health care plan that has an annual limitation on the dollar amount of the employer's share of the cost of benefits (a defined dollar capped plan). The cap on the employer's share of annual costs and the retirees' contribution rates are increased 5 percent annually. Any amount by which incurred claims costs exceed the combined employer and retiree contributions is initially borne by the employer but is

passed back to retirees in the subsequent year through supplemental retiree contributions for that year. In 20X1, incurred claims costs exceed the combined employer and retiree contributions requiring a supplemental retiree contribution in 20X2. The employer decides in 20X2 to absorb the excess that arose in 20X1 rather than pass it on to the retirees. The employer should recognize as a component of net periodic postretirement benefit cost the loss due to that temporary deviation from the substantive plan. The employer should recognize the loss as a component of net periodic postretirement benefit cost in 20X2 when it makes the decision to deviate from the substantive plan.

**715-60-55-23** An employer previously projected that health care costs under a defined dollar capped plan would exceed the cap in 20X1 but actual claims in that year do not exceed the cap. The resulting gain should not be recognized immediately as a component of net periodic postretirement benefit cost in 20X1 in accordance with paragraphs [715-60-35-34 through 35-35](#).

**715-60-55-24** The change in the accumulated postretirement benefit obligation due to experience different from that assumed results in a **gain or loss** that should be recognized in accumulated other comprehensive income in accordance with paragraphs [715-60-35-23 through 35-25](#). Paragraphs [715-60-35-34 through 35-35](#) addresses the recognition of a temporary deviation from provisions of the substantive plan that increases or decreases the employer's share of the benefit costs incurred in the current or past periods. A situation that would result in a gain or loss that should be recognized immediately as a component of net periodic postretirement benefit cost is one in which an employer has a past practice of changing the cap to reduce its share of expenses such that that practice constitutes the cost-sharing provision of the substantive plan. If, as a result of perceived economic adversity affecting the retiree population, the employer decides in 20X1 and for that year alone not to change the cap to further reduce its share of expenses in 20X1 as had been anticipated in the substantive plan, that action would give rise to a loss that would be required to be recognized immediately as a component of net periodic postretirement benefit cost in 20X1.

**715-60-55-25** A gain that would be recognized immediately as a component of net periodic postretirement benefit cost in accordance with paragraphs [715-60-35-34 through 35-35](#) would occur if participants voluntarily agreed to bear a one-time higher share of costs for a past or current period. For example, if retirees agreed to make a contribution to the plan in one year that is larger than the contribution amount called for by the plan and future contributions would comply with the existing terms of the plan, the employer would recognize immediately as a component of net periodic postretirement benefit cost a one-time gain for the excess of the new retiree contribution amount over the old retiree contribution amount.

## > > Plan Assets

**715-60-55-26** If a trust arrangement explicitly provides that segregated assets are available to satisfy claims of creditors in bankruptcy, such a provision would effectively permit those assets to be used for other purposes at the discretion of the employer. It is not necessary to determine that a trust is bankruptcy-proof for the assets of the trust to qualify as **plan assets** under this Subtopic. Assets held in a trust that explicitly provides that such assets are available to the general creditors of the employer in the event of the employer's bankruptcy would not qualify as plan assets under this Subtopic.

**715-60-55-27** An employer may not include in plan assets the assets of a rabbi trust. The assets of a rabbi trust do not qualify as plan assets because they are explicitly available to the employer's creditors in the event of bankruptcy.

**715-60-55-28** An employer that issues its own debt or equity securities directly to its postretirement benefit trust may include those securities as plan assets under this Subtopic provided the securities are currently transferable. To be transferable the securities held by the postretirement benefit trust must be legally and unconditionally transferable to unrelated third

parties at any time, for any reason, and without economic penalties. Thus, the trustee of the postretirement benefit trust must have the unilateral right and ability to legally and unconditionally sell, transfer, or otherwise dispose of the securities. Securities that are not transferable in their present state do not meet the transferability requirement even though they can be converted into securities that are transferable or can otherwise be made transferable through other means, such as through future registration of the securities for trading in a public market. For example, if an employer issues to its postretirement benefit trust nontransferable convertible preferred stock that can be converted into transferable common stock of the employer, the convertible preferred stock would not meet the criterion of currently transferable and, thus, would not be included in plan assets.

### > > **Employers with More than One Plan**

**715-60-55-29** An employer has two legally separate postretirement benefit plans. Both plans are unfunded defined benefit plans covering the same employees. One plan provides postretirement medical care and the other provides postretirement dental care. An employer that has two or more such plans is permitted, but not required, to account for those plans as a single plan. The last sentence of paragraph [715-60-35-130](#) reinforces the criterion that the plans must be unfunded.

**715-60-55-30** It would be appropriate for the employer in the preceding paragraph to change from one-plan accounting to two-plan accounting; that is, to accounting for each plan separately if the conditions of paragraph [715-60-35-130](#) are no longer satisfied. If the change is elective (that is, it is made even though the conditions of that paragraph are still satisfied), the employer would have to demonstrate the preferability of the change in accounting to satisfy the requirements of Subtopic [250-10](#), and its effects would be accounted for in accordance with that Subtopic.

**715-60-55-31** [\[Paragraph not used\]](#)

### > > **Floor Offset Plans**

**715-60-55-32** Any assets of the defined contribution plan described in paragraph [715-70-55-3](#) that have not yet been allocated to participants' individual accounts do not reduce the accumulated postretirement benefit obligation of the defined benefit plan. The terms of the defined benefit plan require the payment of benefits that exceed those payable using participants' individual account balances in the defined contribution plan. Pursuant to those terms, assets of a defined contribution plan that have not yet been allocated to participants' individual accounts do not reduce the employer's present obligation under the defined benefit plan.

**715-60-55-33** Although an employer's intent may be to allocate the unallocated assets in the future so that participants can use those assets to pay health care costs, that intent is insufficient to offset the present defined benefit plan obligation. When the unallocated assets in the defined contribution plan are allocated, the benefits payable under that plan are increased and the obligation of the defined benefit plan is reduced. That reduction is recognized immediately in determining the net periodic postretirement benefit cost for the defined benefit plan.

**715-60-55-34** Because the two plans are legally separate and, thus, the assets of one plan are not available to pay the benefits of the other, neither the allocated nor the unallocated assets of the defined contribution plan would be considered plan assets of the defined benefit plan.

## >> Illustration of Terms

### >>> Expected Postretirement Benefit Obligation and Accumulated Postretirement Benefit Obligation

**715-60-55-35** The following illustrates the notion of the expected postretirement benefit obligation and the relationship between that obligation and the accumulated postretirement benefit obligation at various dates.

**715-60-55-36** Entity A's plan provides postretirement health care benefits to all employees who render at least 10 years of service and attain age 55 while in service. A 50-year-old employee, hired January 1, 20X3, at age 30 and eligible for benefits upon attaining age 55, is expected to terminate employment at age 62 and is expected to live to age 77. A discount rate of 8 percent is assumed.

**715-60-55-37** At December 31, 2022, Entity A estimates the expected amount and timing of benefit payments for that employee as follows.

Age	Expected Future Claims	Present Value at Age		
		50	53	55
63	\$ 2,796	\$1,028	\$1,295	\$1,511
64	3,093	1,052	1,326	1,547
65	856	270	339	396
66	947	276	348	406
67	1,051	284	357	417
68	1,161	291	366	427
69	1,282	297	374	436
70	1,425	306	385	449
71	1,577	313	394	460
72	1,744	321	404	471
73	1,934	329	415	484
74	2,137	337	424	495
75	2,367	346	435	508
76	2,620	354	446	520
77	3,899	488	615	717
	<u>\$ 28,889</u>	<u>\$6,292</u>	<u>\$7,923</u>	<u>\$9,244</u>

**715-60-55-38** The expected and accumulated postretirement benefit obligations at December 31, 2022 (age 50) are \$6,292 and \$5,034 (20/25 of \$6,292), respectively. An equal amount of the expected postretirement benefit obligation is attributed to each year of service from the employee's date of hire to the employee's full eligibility date (age 55) (see paragraphs [715-60-35-62](#) through [35-66](#)). Therefore, when the employee is age 50, the accumulated postretirement benefit obligation is measured as 20/25 of the expected postretirement benefit obligation, as the employee has rendered 20 years of the 25-year credited service period. See paragraphs [715-60-55-40](#) through [55-56](#) for additional guidance on the full eligibility date and paragraphs [715-60-55-57](#) through [55-59](#) for additional guidance on attribution.

**715-60-55-39** Assuming no changes in health care costs or other circumstances, the accumulated postretirement benefit obligation at December 31, 2025 (age 53), is \$7,289 (23/25 of \$7,923). At the end of the employee's 25th year of service and thereafter, the expected postretirement benefit obligation and the accumulated postretirement benefit obligation are equal. In this Example, at December 31, 2027, when the employee is 55 and fully eligible for benefits, the accumulated and expected postretirement benefit obligations are \$9,244. At the end of the 26th year of service (December 31, 2028) when the employee is 56, those obligations are \$9,984 (\$9,244 plus interest at 8 percent for 1 year).



**> > > Full Eligibility Date**

**715-60-55-40** Paragraphs 715-60-55-41 through 55-56 are presented to assist in understanding the **full eligibility date**.

**> > > > Plans that Provide Incremental Benefits for Additional Years of Service****> > > > > Graded Benefit Formula**

**715-60-55-41** Some plans have benefit formulas that define different benefits for different years of service.

**715-60-55-42** To illustrate, assume a plan in which the percentage of postretirement health care coverage to be provided by an employer is defined by groups of years of service. The plan provides 20 percent postretirement health care coverage for 10 years of service after age 35, 50 percent for 20 years of service after age 35, 70 percent for 25 years of service after age 35, and 100 percent for 30 years of service after age 35. The full eligibility date for an employee who was hired at age 35 and is expected to retire at age 62 is at age 60. At that date the employee has rendered 25 years of service after age 35 and is eligible to receive a benefit of 70 percent health care coverage after retirement. The employee receives no additional benefits for the last two years of service.

**> > > > > Pay-Related Plans**

**715-60-55-43** Some plans may base the amount of benefits or level of benefit coverage on employees' compensation, for example, as a percentage of their final pay. To the extent the plan's postretirement benefit formula defines benefits wholly or partially as a function of future compensation (that is, the plan provides incremental benefits for additional years of service when it is assumed that final pay will increase), determination of the full eligibility date or an employee is affected by those additional years of service the employee is expected to render.

**715-60-55-44** In addition, measurements of the postretirement benefit obligation and service cost reflect the best estimate of employees' future compensation levels (see paragraphs 715-60-35-88 through 35-89).

**715-60-55-45** For example, assume a plan provides life insurance benefits to employees who render 20 years of service and attain age 55 while in service; the benefit is equal to 20 percent of final pay. A 55-year-old employee, who currently earns a salary of \$90,000, has worked 22 years for the entity. The employee is expected to retire at age 60 and is expected to be earning \$120,000 at that time. The employee is eligible for life insurance coverage under the plan at age 55, when the employee has met the age and service requirements. However, because the employee's salary continues to increase each year, the employee is not fully eligible for benefits until age 60 when the employee retires because the employee earns an incremental benefit for each additional year of service beyond age 55. That is, the employee earns an additional benefit equal to 20 percent of the increase in salary each year from age 55 to retirement at age 60 for service during each of those years.

**> > > > > Spousal Coverage**

**715-60-55-46** Some postretirement benefit plans provide spousal or dependent coverage or both if the employee works a specified number of years beyond the date at which the employee attains eligibility for single coverage.

**715-60-55-47** For example, a postretirement health care plan provides single coverage to employees who work 10 years and attain age 50 while in service; the plan provides coverage for

dependents if the employee works 20 years and attains age 60 while in service. Because the additional 10 years of service may provide an incremental benefit to employees, for employees expected to satisfy the age and service requirements and to have covered dependents during the period following the employee's retirement, their full eligibility date is the date at which they have both rendered 20 years of service and attained age 60 while in service. For employees not expected to have covered dependents after their retirement or who are not expected to render at least 20 years of service or attain age 60 while in service, or both, their full eligibility date is the date at which they have both rendered 10 years of service and attained age 50 while in service.

### > > > > **Single Plan Provides Health Care and Life Insurance Benefits**

**715-60-55-48** Some postretirement benefit plans may have different eligibility requirements for different types of benefits.

**715-60-55-49** For example, assume a plan provides a postretirement death benefit of \$100,000 to employees who render 20 or more years of service. Fifty percent health care coverage is provided to eligible employees who render 10 years of service, 70 percent coverage to those who render 20 years of service, and 100 percent coverage to those who render 30 years of service. Employees are eligible for the health care and death benefits if they attain age 55 while in service.

**715-60-55-50** The full eligibility date for an individual hired at age 30 and expected to terminate employment at age 62 is the date on which that employee has rendered 30 years of service and attained age 55 while in service (age 60 in this example). At that date the employee is eligible for all of the benefits expected to be paid to or on behalf of that employee under the postretirement benefit plan (\$100,000 death benefits and 100 percent health care coverage). The full eligibility date for an employee hired at age 37 and expected to retire at age 62 is the date on which that employee has rendered 20 years of service and attained age 55 while in service (age 57 in this example). At that date the employee is eligible for all of the benefits expected to be paid to or on behalf of that employee under the postretirement benefit plan (\$100,000 death benefits and 70 percent health care coverage).

### > > > > **Plans that Provide Benefits Based on Status at Date of Termination**

**715-60-55-51** Some postretirement benefit plans provide coverage for the spouse to whom an employee is married when the employee terminates service; that is, the marital status of an employee upon termination of employment determines whether single or spousal coverage is to be provided.

**715-60-55-52** In measuring the expected postretirement benefit obligation, consideration is given to factors such as when benefit coverage will commence, who will receive benefits (employee and any covered dependents), and the expected need for and utilization of benefit coverage.

**715-60-55-53** For example, assume a plan provides postretirement health care coverage to employees who render at least 10 years of service and attain age 55 while in service; health care coverage also is provided to employees' spouses at the date of the employees' retirement. A 55-year-old employee is single, has worked for the entity for 30 years, and is expected to marry at age 59 and to retire at age 62. Although the employee is entitled to spousal coverage only if married at retirement, at age 55 the employee has earned the right to spousal coverage. The probability that the employee will be married when the employee retires is included in the actuarial **assumptions** developed to measure the expected postretirement benefit obligation for that plan participant. The full eligibility date (age 55 in this example) is not affected by that measurement assumption.

**> > > > Postretirement Benefits to Be Received by Disabled Plan Participants**

**715-60-55-54** Some plans provide postretirement benefits to disabled employees.

**715-60-55-55** For example, Entity B provides disability income and health care benefits to employees who become disabled while in service and have rendered 10 or more years of service. Retiree health care benefits are provided to employees who render 20 or more years of service and attain age 55 while in service. Employees receiving disability benefits continue to accrue credit toward their eligibility for retiree health care benefits. Under this plan, an employee hired at age 25, who becomes permanently disabled at age 40, is entitled to receive retiree health care benefits commencing at age 55 (in addition to any disability income benefits commencing at age 40) because that employee worked for Entity B for more than 10 years before becoming disabled. Under the terms of the plan the employee is given credit for working to age 55 even though no actual service is rendered by the employee after the disabling event occurs.

**715-60-55-56** Because the employee is permanently disabled, the full eligibility date is accelerated to recognize the shorter period of service required to be rendered in exchange for the retiree health care benefits—in this case the full eligibility date is age 40, the date of the disabling event. For a similar employee who is temporarily disabled at age 40 but returns to work and attains age 55 while in service, the full eligibility date is age 55. Entity B's expected postretirement benefit health care obligation for the permanently disabled employee is based on the employee's expected health care costs commencing at age 55 and is attributed ratably to that employee's active service to age 40.

**> > > Attribution**

**715-60-55-56A** The following illustrates the guidance in paragraphs 715-60-35-61 through 35-70 related to attribution.

**> > > > Attribution Pattern****> > > > > Attribution Period**

**715-60-55-57** A plan that provides benefit coverage to employees who render 30 or more years of service or who render at least 10 years of service and attain age 55 while in service, without specifying when the credited service period begins, the expected postretirement benefit obligation is attributed to service from the date of hire to the earlier of the date at which a plan participant has rendered 30 years of service or has rendered 10 years of service and attained age 55 while in service. However, for a plan that provides benefit coverage to employees who render at least 20 years of service after age 35, the expected postretirement benefit obligation is attributed to a plan participant's first 20 years of service after attaining age 35 or after the date of hire, if later than age 35.

**715-60-55-58** A plan with a benefit formula that defines 100 percent benefit coverage for service for the year in which employees attain age 60 has a 1-year credited service period. If plan participants are expected to have rendered an average of 20 years of service at age 60, the credited service period is nominal in relation to their total years of service before their full eligibility dates. In that case, the service cost is recognized from date of hire to age 60.

**> > > > > Frontloaded Plans**

**715-60-55-59** An example of a frontloaded plan is a life insurance plan that provides postretirement death benefits of \$250,000 for 10 years of service after age 45 and \$5,000 of additional death benefits for each year of service thereafter up to age 65 (maximum benefit of \$300,000). For plans that frontload the benefit, the expected postretirement benefit obligation is

attributed to employee service in accordance with the plan's benefit formula (see paragraph [715-60-35-62](#)). In this example, the actuarial present value of a \$25,000 death benefit is attributed to each of the first 10 years of service after age 45, and the actuarial present value of an additional \$5,000 death benefit is attributed to each year of service thereafter up to age 65.

## > Illustrations

**715-60-55-60** Throughout these Examples the accumulated postretirement benefit obligation and service cost are assumed as inputs rather than calculated based on some underlying population. For simplicity, benefit payments are assumed to be made at the end of the year, service cost is assumed to include interest on the portion of the expected postretirement benefit obligation attributed to the current year, and interest cost is based on the accumulated postretirement benefit obligation as of the beginning of the year. For unfunded plans, benefits are assumed to be paid directly by the employer and are reflected as a reduction in the liability for postretirement benefits. In many of the cases, application of the underlying concepts has been simplified by focusing on a single employee for purposes of illustration. In practice, the determination of the full eligibility date and the measurement of postretirement benefit cost and obligation are based on employee groups and consider various possible retirement dates and the probabilities associated with retirement at each of those dates.

### > > Example 1: Delayed Recognition of Net Periodic Postretirement Benefit Cost

**715-60-55-61** The following Cases illustrate how events that change the accumulated postretirement benefit obligation are reflected in net periodic postretirement benefit cost and other comprehensive income:

- a. Employer accrual of net periodic postretirement benefit cost (Case A)
- b. Plan amendment that increases benefits (Case B)
- c. Negative plan amendments (Case C)
- d. Change in assumptions (Case D).

**715-60-55-62** The tables in each Case illustrate the effect of changes in assumptions or changes in the plan on measurement of the accumulated postretirement benefit obligation. In each Case, it is assumed that the plan is unfunded.

### > > > Case A: Employer Accrual of Net Periodic Postretirement Benefit Cost

**715-60-55-63** In this Case, benefit payments of \$42,000 are made at the end of 20X3. Net periodic postretirement benefit cost and other comprehensive income for 20X3, and changes in the postretirement benefit liability, and accumulated other comprehensive income for 20X3 are summarized as follows.

	<u>Net Periodic Postretirement Benefit Cost</u>	<u>Other Comprehensive Income</u>	<u>Postretirement Benefit Liability</u>	<u>Tr Ot Rer Acc ( Com Li</u>
Beginning of year			\$ (600,000)	\$
Recognition of components of net periodic postretirement benefit cost:				
Service cost	\$ 32,000		(32,000)	
Interest cost <sup>(a)</sup>	48,000		(48,000)	
Amortization of transition obligation <sup>(b)</sup>	30,000	\$ (30,000)		
Total net periodic postretirement benefit cost	<u>\$ 110,000</u>			
Total other comprehensive income		<u>\$ (30,000)</u>		
Benefit payments			42,000	
Net change			<u>(38,000)</u>	
End of year			<u>\$ (638,000)</u>	\$

(a) Assumed discount rate of 8% applied to the accumulated postretirement benefit obligation at the beginning of the year.

(b) The transition obligation of \$400,000 is amortized on a straight-line basis over the remaining amortization period of approximately 13 years.

### > > > Case B: Plan Amendment that Increases Benefits

**715-60-55-64** In this Case, the plan is amended on January 2, 20X4, resulting in a \$90,000 increase in the accumulated postretirement benefit obligation.

**715-60-55-65** Benefit payments of \$39,000 are made at the end of 20X4. Net periodic postretirement benefit cost and other comprehensive income for 20X4, and changes in the postretirement benefit liability and accumulated other comprehensive income for 20X4 are summarized as follows.

	<u>Net Periodic Postretirement Benefit Cost</u>	<u>Other Comprehensive Income</u>	<u>Postretirement Benefit Liability</u>	<u>Am A Cor Trar Obli</u>
Beginning of year			\$ (638,000)	\$ 37
Plan amendment		\$ 90,000	(90,000)	
Recognition of components of net periodic postretirement cost:				
Service cost	\$ 30,000		(30,000)	
Interest cost <sup>(a)</sup>	58,240		(58,240)	
Amortization of transition obligation	30,000	(30,000)		(30,000)
Amortization of prior service cost <sup>(b)</sup>	9,000	(9,000)		
Total net periodic postretirement benefit cost	<u>\$ 127,240</u>			
Total other comprehensive income		<u>\$ 51,000</u>		
Benefit payments			39,000	
Net change			(139,240)	(139,240)
End of year			<u>\$ (777,240)</u>	<u>\$ 37</u>

(a) Assumed discount rate of 8% applied to the accumulated postretirement benefit obligation at the beginning of the increase in that obligation for the prior service cost initially recognized in other comprehensive income at the date amendment [(\$638,000 x 8%) + (\$90,000 x 8%)].

(b) As permitted by paragraph 715-60-35-18, prior service cost of \$90,000 is amortized in net periodic postretirement straight-line basis over the average remaining years of service to *full eligibility* for benefits of the active plan participant in this Case).

### > > > Case C: Negative Plan Amendments

**715-60-55-66** In this Case, the plan is amended on January 4, 20X5, resulting in a \$99,000 reduction in the accumulated postretirement benefit obligation.

**715-60-55-67** Benefit payments in 20X5 are \$40,000. Net periodic postretirement benefit cost and other comprehensive income for 20X5, and the changes in the postretirement benefit liability and accumulated other comprehensive income for 20X5 are summarized as follows.

	<u>Net Periodic Postretirement Benefit Cost</u>	<u>Other Comprehensive Income</u>	<u>Postretirement Benefit Liability</u>	<u>Amounts Re Accumulat Comprehens Transition Obligation</u>
Beginning of year			\$ (777,240)	\$ 340,000
Plan amendment <sup>(a)</sup>		\$ (99,000)	99,000	(18,000)
Recognition of components of net periodic postretirement benefit cost:				
Service cost	\$ 30,000		(30,000)	
Interest cost <sup>(a)</sup>	54,259		(54,259)	
Amortization of transition obligation <sup>(b)</sup>	29,000	(29,000)		(29,000)
Amortization of prior service cost	-	-		
Total net periodic postretirement benefit cost	<u>\$ 113,259</u>			
Total other comprehensive income		<u>\$ (128,000)</u>		
Benefit payments			40,000	
Net change			<u>54,741</u>	<u>(47,000)</u>
End of year			<u>\$ (722,499)</u>	<u>\$ 293,000</u>

(a) Assumed discount rate of 8% applied to the accumulated postretirement benefit obligation at the beginning of the year and to decrease in that obligation at the date of the plan amendment [(\$777,240 x 8%) - (\$99,000 x 8%)].

(b) Transition obligation remaining in accumulated other comprehensive income of \$322,000 (\$340,000 - \$18,000) is amortized on a straight-line basis over the remaining transition period of approximately 11 years.

### > > > Case D: Change in Assumptions

**715-60-55-68** In this Case, the assumed health care cost trend rates are changed at December 31, 20X5, resulting in a \$55,000 increase in the accumulated postretirement benefit obligation.

**715-60-55-69** The net loss that results from a change in the health care cost trend rates assumption is reflected immediately in the postretirement benefit liability.

	<u>Before Change</u>	<u>Loss Recognized in other Comprehensive Income</u>	<u>After Change</u>
Accumulated postretirement benefit obligation	\$ (722,499)	\$ (55,000)	\$ (777,499)
Plan assets at fair value	-		-
Funded status and recognized liability	<u>\$ (722,499)</u>	<u>\$ (55,000)</u>	<u>\$ (777,499)</u>
Accumulated other comprehensive income:			
Net loss	\$ -	\$ 55,000	\$ 55,000
Transition obligation	293,000		293,000
	<u>\$ 293,000</u>	<u>\$ 55,000</u>	<u>\$ 348,000</u>

**715-60-55-70** See Example 4 (paragraphs [715-60-55-96](#) through [55-102](#)).

### > > Example 2: Plan Amendments and Prior Service Costs

**715-60-55-71** Entity H has a postretirement benefit plan that provides benefits to employees who render at least 20 years of service after age 35. On January 2, 20X4, Entity H amends its

postretirement benefit plan to increase the lifetime cap on benefits provided, resulting in prior service cost of \$750,000 that is initially recognized in other comprehensive income (the increase in the accumulated postretirement benefit obligation as a result of the plan amendment). Cases A and B illustrate the **amortization** of prior service cost included in accumulated other comprehensive income.

**> > > Case A: Equal Amount Assigned to Each Future Year of Service to Full Eligibility Date**

**715-60-55-72** At the date of the amendment (January 2, 20X4), Entity H has 165 employees of whom 15 are fully eligible for benefits, 10 are under age 35, and 40 are expected to terminate before becoming eligible for any benefits. Because the 10 employees under age 35 have not met the age requirements to participate in the plan (only service after age 35 is credited) and 40 employees are not expected to receive benefits under the plan, those 50 employees are not considered to be plan participants and, therefore, are excluded from the calculation. The 15 fully eligible plan participants also are excluded from the calculation because they do not have to render any additional service to earn the added benefits. The remaining 100 employees have not yet earned the full amount of the benefits they are expected to earn under the plan. Those employees are expected to become fully eligible for those benefits over the next 20 years. Their remaining years of service to full eligibility for benefits is the basis for amortization of the prior service cost.

**715-60-55-73** Employees hired after the date of the plan amendment or who attain age 35 after the date of the plan amendment do not affect the amortization nor do revised estimates of remaining years of service, except those due to a curtailment.

**715-60-55-74** Schedule 1—Determination of Expected Remaining Years of Service Prior to Full Eligibility as of January 2, 20X4

Indiv.	Remaining Years of Service Prior to Full Elig.	Year																			
		20X4	20X5	20X6	20X7	20X8	20X9	20Y0	20Y1	20Y2	20Y3	20Y4	20Y5	20Y6	20Y7	20Y8	20Y9	20Z0	20Z1	20Z2	
A1-A4	1	4																			
B1-B6	2	6	6																		
C1-C5	3	5	5	5																	
D1-D5	4	5	5	5	5																
E1-E7	5	7	7	7	7	7															
F1-F5	6	5	5	5	5	5	5														
G1-G9	7	9	9	9	9	9	9	9													
H1-H7	8	7	7	7	7	7	7	7	7												
I1-I5	9	5	5	5	5	5	5	5	5	5											
J1-J5	10	5	5	5	5	5	5	5	5	5	5										
K1-K4	11	4	4	4	4	4	4	4	4	4	4	4									
L1-L8	12	8	8	8	8	8	8	8	8	8	8	8	8								
M1-M8	13	8	8	8	8	8	8	8	8	8	8	8	8	8							
N1-N5	14	5	5	5	5	5	5	5	5	5	5	5	5	5	5						
O1-O4	15	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4					
P1-P3	16	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3				
Q1-Q4	17	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4			
R1-R3	18	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3		
S1-S2	19	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
T1	20	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Service Years Rendered		100	96	90	85	80	73	68	59	52	47	42	38	30	22	17	13	10	6	3	
Amortization Fraction		100/932	96/932	90/932	85/932	80/932	73/932	68/932	59/932	52/932	47/932	42/932	38/932	30/932	22/932	17/932	13/932	10/932	6/932	3/932	

**715-60-55-75** For example, in 20X4, individuals A1-A4 meet the entity's age and service requirements for full eligibility for the benefits they are expected to receive under the plan. Although it may be expected that those employees will work beyond 20X4, benefits are not



attributed to years of service beyond their full eligibility date. See Case B for less complex amortization approaches.

**715-60-55-76** Schedule 2—Amortization of Prior Service Cost

Year	Beginning-of-Year Balance	Amortization Rate	Amortization	End-of-Year Balance
20X4	\$ 750,000	100/932	\$ 80,472	\$ 669,528
20X5	669,528	96/932	77,253	592,275
20X6	592,275	90/932	72,425	519,850
20X7	519,850	85/932	68,401	451,449
20X8	451,449	80/932	64,378	387,071
20X9	387,071	73/932	58,745	328,326
20Y0	328,326	68/932	54,721	273,605
20Y1	273,605	59/932	47,479	226,126
20Y2	226,126	52/932	41,845	184,281
20Y3	184,281	47/932	37,822	146,459
20Y4	146,459	42/932	33,798	112,661
20Y5	112,661	38/932	30,579	82,082
20Y6	82,082	30/932	24,142	57,940
20Y7	57,940	22/932	17,704	40,236
20Y8	40,236	17/932	13,680	26,556
20Y9	26,556	13/932	10,461	16,095
20Z0	16,095	10/932	8,047	8,048
20Z1	8,048	6/932	4,828	3,220
20Z2	3,220	3/932	2,414	806
20Z3	806	1/932	806	-

**>>> Case B: Straight-Line Amortization Over Average Remaining Years of Service to Full Eligibility Date**

**715-60-55-77** To reduce the complexity and detail of the computations shown in Case A, alternative amortization approaches that more rapidly reduce prior service cost previously recognized in other comprehensive income may be applied if used consistently (see paragraph [715-60-35-18](#)). For example, if Entity H (in Case A) elects to use straight-line amortization of prior service cost over the average remaining years of service before full eligibility for benefits of the **active plan participants** (932 future service years/100 employees = 9.32 years), the amortization would be as follows.

Year	Beginning-of-Year Balance	Amortization	End-of-Year Balance
20X4	\$ 750,000	\$ 80,472 <sup>(a)</sup>	\$ 669,528
20X5	669,528	80,472	589,056
20X6	589,056	80,472	508,584
20X7	508,584	80,472	428,112
20X8	428,112	80,472	347,640
20X9	347,640	80,472	267,168
20Y0	267,168	80,472	186,696
20Y1	186,696	80,472	106,224
20Y2	106,224	80,472	25,752
20Y3	25,752	25,752	-

(a)  $\$750,000 \div 9.32 \text{ years} = \$80,472$ .

**715-60-55-78** Note: Under this approach, the first year's amortization is the same as the first year's amortization under the weighted remaining years of service method illustrated in Case A (see paragraph [715-60-55-76](#)). Thereafter, the amortization pattern will differ.

### > > **Example 3: Accounting for Gains and Losses and Timing of Measurements**

**715-60-55-79** The following Cases demonstrate the effects of gains and losses in accounting for postretirement benefits for Entity I from 20X3 to 20X5:

- a. The accounting for a loss resulting from changes in assumptions in measuring the accumulated postretirement benefit obligation (Case A).
- b. The effect of a gain when the return on plan assets exceeds projections (Case B).
- c. The accounting in a year in which both gains and losses are experienced (Case C).

**715-60-55-80** Entity I's plan is unfunded and the accumulated postretirement benefit obligation is \$6,000,000 at the beginning of 20X3. There is also a \$2,000,000 transition obligation remaining in accumulated other comprehensive income at that date. Beginning in 20X3, and unless otherwise noted, the entity decides to fund at the end of each year an amount equal to the benefits paid that year plus the service cost and interest cost for that year.

**715-60-55-81** For illustrative purposes, the following assumptions are used to project changes in the accumulated postretirement benefit obligation and plan assets during the period 20X3-20X5.

	<u>20X3</u>	<u>20X4</u>	<u>20X5</u>
Discount rate	9.5%	9.0%	9.0%
Expected long-term rate of return on plan assets		10.0%	10.0%
Average remaining years of service of active plan participants	12	12	12

### > > > **Case A: Loss on Obligation**

**715-60-55-82** Pursuant to paragraph [715-60-35-39](#), Entity I amortizes the transition obligation remaining in accumulated other comprehensive income over a 20-year period rather than the average remaining service period of active plan participants at the date of transition (12 years). Projected changes in net periodic postretirement benefit cost and other comprehensive income for 20X3 and changes in the postretirement benefit liability and accumulated other comprehensive income for 20X3 are summarized as follows.

	<u>Net Periodic Postretirement Benefit Cost</u>	<u>Other Comprehensive Income</u>	<u>Postretirement Benefit Liability</u>	<u>Transition Obliga Remaining in Accumulated Ot Comprehensiv Income</u>
Beginning of year 20X3			\$ (6,000,000)	\$ 2,000
Recognition of components of net periodic postretirement benefit cost:				
Service cost	\$ 300,000		(300,000)	
Interest cost	570,000		(570,000)	
Amortization of transition obligation				
	<u>300,000</u>	<u>\$ (300,000)</u>		<u>(300)</u>
Total net periodic postretirement benefit cost	<u>\$ 1,170,000</u>			
Total other comprehensive income		<u>\$ (300,000)</u>		
Excess of assets contributed to plan over benefit payments (\$1,500,000 - \$630,000 = \$870,000)			870,000	
Benefit payments from plan			<u>630,000</u>	
Net change			<u>630,000</u>	<u>(300)</u>
End of year 20X3—projected			<u>\$ (5,370,000)</u>	<u>\$ 1,700</u>

**715-60-55-83** When Entity I's plan assets and obligations are measured at December 31, 20X3, the accumulated postretirement benefit obligation is \$760,000 greater than projected (a loss occurs) because the discount rate declined to 9 percent and for various other reasons not specifically identified. Entity I elects to amortize amounts in excess of the corridor over the average remaining service period of active plan participants.

**715-60-55-84** As used herein, amounts in excess of the corridor refers to the portion of the net gain or loss remaining in accumulated other comprehensive income in excess of the greater of those defined amounts.

**715-60-55-85** The projected and actual postretirement benefit liability and accumulated other comprehensive income at December 31, 20X3, and the difference between those projected and actual amounts at that date follow.

	<u>Projected 12/31/X3</u>	<u>Loss Recognized in Other Comprehensive Income</u>	<u>Actual 12/31/X3</u>
Accumulated postretirement benefit obligation	\$(6,240,000)	\$ (760,000)	\$(7,000,000)
Plan assets at fair value	870,000		870,000
Funded status and recognized liability	<u>\$(5,370,000)</u>	<u>\$ (760,000)</u>	<u>\$(6,130,000)</u>
Accumulated other comprehensive income:			
Net loss	\$ -	\$ 760,000	\$ 760,000
Transition obligation	<u>1,700,000</u>		<u>1,700,000</u>
	<u>\$ 1,700,000</u>	<u>\$ 760,000</u>	<u>\$ 2,460,000</u>

**715-60-55-86** In addition to disclosures regarding changes in plan assets and benefit obligations required by paragraph 715-20-50-1(a) through 1(b), the 20X3 financial statements

include the following disclosure of the components of net periodic postretirement benefit cost (as required by paragraph [715-20-50-1\(h\)](#)).

Service cost	\$ 300,000
Interest cost	570,000
Amortization of transition obligation	<u>300,000</u>
Net periodic postretirement benefit cost	<u><u>\$ 1,170,000</u></u>

Pending Content:

**Transition Date:** (P) December 16, 2017; (N) December 16, 2018 | **Transition Guidance:** [715-20-65-3](#)

In addition to disclosures regarding changes in plan assets and benefit obligations required by paragraph [715-20-50-1\(a\)](#) through [1\(b\)](#), the 20X3 financial statements include the following disclosure of the components of net periodic postretirement benefit cost (as required by paragraph [715-20-50-1\(h\)](#)).

Service cost	\$ 300,000
Interest cost	570,000
Amortization of transition obligation	<u>300,000</u>
Net periodic postretirement benefit cost	<u><u>\$ 1,170,000</u></u>

The components of net periodic postretirement benefit cost other than the service cost component are included in the line item "other income/(expense)" in the income statement.

### > > > Case B: Gains on Assets

**715-60-55-87** Net periodic postretirement benefit cost and other comprehensive income for 20X4, and changes in the postretirement benefit liability and accumulated other comprehensive income are projected at the beginning of the year. That projection serves as the basis for interim accounting until a subsequent event occurs requiring remeasurement. The projection at the beginning of 20X4 follows.

	<u>Net Periodic Postretirement Benefit Cost</u>	<u>Other Comprehensive Income</u>	<u>Postretirement Benefit Liability</u>	<u>Amou Acci Compi Transi Obligat</u>
Beginning of year 20X4			\$ (6,130,000)	\$ 1,700,000
Recognition of components of net periodic postretirement benefit cost:				
Service cost	\$ 320,000		(320,000)	
Interest cost	630,000		(630,000)	
Amortization of transition obligation	300,000	\$ (300,000)		(300,000)
Amortization of net loss <sup>(a)</sup>	5,000	(5,000)		
Expected return on plan assets <sup>(b)</sup>	(87,000)		87,000	
Total net periodic postretirement benefit cost	<u>\$ 1,168,000</u>			
Total other comprehensive income		<u>\$ (305,000)</u>		
Excess of assets contributed to plan over benefit payments (\$1,650,000 - \$700,000 = \$950,000)			950,000	
Benefit payments from plan			700,000	
Net change			<u>787,000</u>	<u>(300,000)</u>
End of year 20X4—projected			<u>\$ (5,343,000)</u>	<u>\$ 1,400,000</u>

(a) See Schedule 2 (paragraph 715-60-55-94) for computation.

(b) See Schedule 1 (paragraph 715-60-55-93) for computation.

**715-60-55-88** When Entity I's plan assets and obligations are measured at December 31, 20X4, the fair value of the plan assets is \$150,000 greater than expected (an experience gain) because market performance was better than the 10 percent return that was assumed. The projected and actual postretirement benefit liability and accumulated other comprehensive income at December 31, 20X4, and the difference between those projected and actual amounts at that date follow.

	<u>Projected 12/31/X4</u>	<u>Gain Recognized in Other Comprehensive Income</u>	<u>Actual 12/31/X4</u>
Accumulated postretirement benefit obligation	\$(7,250,000)		\$(7,250,000)
Plan assets at fair value	1,907,000	\$ 150,000 <sup>(a)</sup>	2,057,000
Funded status and recognized liability	<u>\$(5,343,000)</u>	<u>\$ 150,000</u>	<u>\$(5,193,000)</u>
Accumulated other comprehensive income:			
Net (gain) or loss	\$ 755,000	\$ (150,000)	\$ 605,000
Transition obligation	1,400,000		1,400,000
	<u>\$ 2,155,000</u>	<u>\$ (150,000)</u>	<u>\$ 2,005,000</u>

(a) See Schedule 1 (paragraph 715-60-55-93) for computation.

**715-60-55-89** The 20X4 financial statements include the following disclosure of the components of net periodic postretirement benefit cost.

Service cost	\$ 320,000
Interest cost	630,000
Expected return on plan assets	(87,000)
Amortization of transition obligation	300,000
Amortization of net actuarial loss	<u>5,000</u>
Net periodic postretirement benefit cost	<u><u>\$ 1,168,000</u></u>

Pending Content:

**Transition Date:** *(P) December 16, 2017; (N) December 16, 2018* | **Transition Guidance:** **715-20-65-3**

The 20X4 financial statements include the following disclosure of the components of net periodic postretirement benefit cost.

Service cost	\$ 320,000
Interest cost	630,000
Expected return on plan assets	(87,000)
Amortization of transition obligation	300,000
Amortization of net actuarial loss	<u>5,000</u>
Net periodic postretirement benefit cost	<u><u>\$ 1,168,000</u></u>

The components of net periodic postretirement benefit cost other than the service cost component are included in the line item "other income/(expense)" in the income statement.

> > > **Case C: Loss on Assets and Gain on Obligation**

**715-60-55-90** Projected changes in net periodic postretirement benefit cost and other comprehensive income for 20X5 and changes in the postretirement benefit liability and accumulated other comprehensive income for 20X5 are summarized as follows.

	Net Periodic Postretirement Benefit Cost	Other Comprehensive Income	Postretirement Benefit Liability	Amounts Remai Accumulated (I Comprehensive Transition Obligation	-
Beginning of year 20X5			\$ (5,193,000)	\$ 1,400,000	-
Recognition of components of net periodic postretirement benefit cost:					
Service cost	\$ 360,000		(360,000)		
Interest cost	652,500		(652,500)		
Amortization of transition obligation	300,000	\$ (300,000)		(300,000)	
Amortization of net loss <sup>(a)</sup>	-	-			
Expected return on plan assets <sup>(b)</sup>	(193,700)		193,700		
Total net periodic postretirement benefit cost	<u>\$ 1,118,800</u>				
Total other comprehensive income		<u>\$ (300,000)</u>			
Excess of assets contributed to plan over benefit payments (\$1,912,500 - \$900,000 = \$1,012,500)			1,012,500		
Benefit payments from plan			900,000		
Net change			<u>1,093,700</u>	<u>(300,000)</u>	-
End of year 20X5—projected			<u>\$ (4,099,300)</u>	<u>\$ 1,100,000</u>	-

(a) See Schedule 2 (paragraph 715-60-55-94) for computation.

(b) See Schedule 1 (paragraph 715-60-55-93) for computation.

**715-60-55-91** When Entity I's plan assets and obligations are measured at December 31, 20X5, both an asset loss of \$220,360 and a liability gain of \$237,260 are determined. The projected and actual postretirement benefit liability and accumulated other comprehensive income at December 31, 20X5, and the difference between those projected and actual amounts at that date follow.

	Projected 12/31/X5	Gain (Loss) Recognized in Other Comprehensive Income	Actual 12/31/X5
Accumulated postretirement benefit obligation	\$(7,362,500)	\$ 237,260	\$(7,125,240)
Plan assets at fair value	3,263,200	(220,360) <sup>(a)</sup>	3,042,840
Funded status and recognized liability	<u>\$(4,099,300)</u>	<u>\$ 16,900</u>	<u>\$(4,082,400)</u>
Accumulated other comprehensive income:			
Net (gain) or loss	\$ 605,000	\$ (16,900)	\$ 588,100
Transition obligation	1,100,000		1,100,000
	<u>\$ 1,705,000</u>	<u>\$ (16,900)</u>	<u>\$ 1,688,100</u>

(a) See Schedule 1 (paragraph 715-60-55-93) for computation.

**715-60-55-92** The 20X5 financial statements include the following disclosure of the components of net periodic postretirement benefit cost.

Service cost	\$ 360,000
Interest cost	652,500
Expected return on plan assets	(193,700)
Amortization of transition obligation	<u>300,000</u>
Net periodic postretirement benefit cost	<u><u>\$ 1,118,800</u></u>

Pending Content:

**Transition Date:** *(P) December 16, 2017; (N) December 16, 2018* | **Transition Guidance:** **715-20-65-3**

The 20X5 financial statements include the following disclosure of the components of net periodic postretirement benefit cost.

Service cost	\$ 360,000
Interest cost	652,500
Expected return on plan assets	(193,700)
Amortization of transition obligation	<u>300,000</u>
Net periodic postretirement benefit cost	<u><u>\$ 1,118,800</u></u>

The components of net periodic postretirement benefit cost other than the service cost component are included in the line item "other income/(expense)" in the income statement.

> > > **Supporting Schedules**

> > > > **Schedule 1: Plan Assets**

**715-60-55-93** This schedule reflects the calculation of market-related value, the fair value of plan assets, the actual return on plan assets, and the deferred asset gain or loss for the year (the difference between actual and **expected return on plan assets** included in the net amortization and deferral component of net periodic postretirement benefit cost).



	20X3	20X4	20
Expected long-term rate of return on plan assets		10.0%	1
Beginning balance, market-related value <sup>(a)</sup>	\$ -	\$ 870,000	\$ 1,937,000
Contributions to plan (end of year)	1,500,000	1,650,000	1,912,000
Benefits paid by plan	(630,000)	(700,000)	(900,000)
Expected return on plan assets		87,000	193,700
	<u>870,000</u>	<u>1,907,000</u>	<u>3,142,700</u>
20% of each of last 5 years' asset gains (losses)		30,000	(14,000)
Ending balance, market-related value	<u>\$ 870,000</u>	<u>\$ 1,937,000</u>	<u>\$ 3,128,700</u>
Beginning balance, fair value of plan assets	\$ -	\$ 870,000	\$ 2,057,000
Contributions to plan	1,500,000	1,650,000	1,912,000
Benefits paid	(630,000)	(700,000)	(900,000)
Actual return (loss) on plan assets <sup>(b)</sup>	-	237,000	(26,300)
Ending balance, fair value of plan assets	<u>\$ 870,000</u>	<u>\$ 2,057,000</u>	<u>\$ 3,040,700</u>
Deferred asset gain (loss) for year <sup>(c)</sup>	<u>\$ -</u>	<u>\$ 150,000</u>	<u>\$ (22,300)</u>
Gain (loss) not included in ending balance market-related value <sup>(d)</sup>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ (8,000)</u>

(a) This Example uses an approach that adds in 20% of each of the last 5 years' gains or losses.

(b) See Schedule 3 (paragraph 715-60-55-95) for computation.

(c) (Actual return on plan assets) – (expected return on plan assets).

(d) (Ending balance, fair value of plan assets) – (ending balance, market-related value of plan assets).

### > > > > Schedule 2: Test for Amortization of the Net Gain or Loss Initially Recognized in Other Comprehensive Income

**715-60-55-94** The following Schedule provides a way to calculate the minimum amortization of the net gain or loss included in accumulated other comprehensive income, to be included as a component of net periodic postretirement benefit cost.

	20X3	20X4	2
10% of beginning balance of accumulated postretirement benefit obligation	<u>\$ 600,000</u>	<u>\$ 700,000</u>	<u>\$ 7</u>
10% of beginning balance of market-related value of plan assets <sup>(a)</sup>	<u>\$ -</u>	<u>\$ 87,000</u>	<u>\$ 1</u>
Greater of the above	<u>\$ 600,000</u>	<u>\$ 700,000</u>	<u>\$ 7</u>
Net (gain) loss in accumulated other comprehensive income at beginning of year		\$ 760,000	\$ 6
Asset gain (loss) not included in beginning balance of market-related value <sup>(b)</sup>		-	1
Amount subject to amortization		<u>\$ 760,000</u>	<u>\$ 7</u>
Amount in excess of the corridor subject to amortization		<u>\$ 60,000</u>	<u>\$</u>
Divided by average remaining service period (years)		12	
Required amortization		<u>\$ 5,000</u>	

(a) See Schedule 1 (the table in the preceding paragraph) for calculation of market-related value of plan assets.

(b) See Schedule 1 (the table in the preceding paragraph) for calculation of gain or loss not included in prior year's balance market-related value.

### > > > > Schedule 3: Determination of Actual Return or Loss on Plan Assets

**715-60-55-95** The determination of the actual return or loss on plan assets component of net periodic postretirement benefit cost is as follows:

	20X3	20X4	20X5
Plan assets at fair value, beginning of year	\$ -	\$ 870,000	\$ 2,000,000
Plus: assets contributed to plan	1,500,000	1,650,000	1,900,000
Less: benefit payments from plan	<u>(630,000)</u>	<u>(700,000)</u>	<u>(900,000)</u>
	870,000	1,820,000	3,000,000
Less: plan assets at fair value, end of year	<u>(870,000)</u>	<u>(2,057,000)</u>	<u>(3,000,000)</u>
Actual (return) loss on plan assets	<u>\$ -</u>	<u>\$ (237,000)</u>	<u>\$ -</u>

## > > Example 4: Defined Dollar Capped Plans

**715-60-55-96** The following Cases (Case A and Case B, paragraphs [715-60-55-97](#) through [55-102](#)) demonstrate the operation of defined dollar capped plans and the possible effect of the cap on projecting costs for purposes of measuring the accumulated postretirement benefit obligation and net periodic postretirement benefit cost. The Cases are simplified and illustrate only one aspect of the measurement process (see paragraphs [715-60-15-7](#) and [715-60-35-75](#)).

### > > > Case A: Dollar Cap Defined on Individual Coverage

**715-60-55-97** Entity J sponsors a postretirement health care plan for its salaried employees. The plan has an annual limitation (a cap) on the dollar amount of the employer's share of the cost of covered benefits incurred by a plan participant. The retiree is responsible, therefore, for the amount by which the cost of the benefit coverage under the plan incurred during a year exceeds that cap. The entity adjusts the cap annually for the effects of inflation. For 20X3, the cap is \$1,500; the inflation adjustment in 20X4 and 20X5 is assumed to be 4 percent. The employer's **health care cost trend rate** assumption is 13 percent for 20X4 and 12 percent for 20X5.

**715-60-55-98** The employer's projected cost of providing benefit coverage in 20X3-20X5 for a 67-year-old retiree follows. Similar projections are made for each age at which a plan participant is expected to receive benefits under the plan. In this Case, the incurred claims cost exceeds the cap on the employer's share of the cost in each year.

	Expected Cost for 67-Year-Old Retiree		
	20X3	20X4	20X5
Gross eligible charges	\$ 3,065	\$ 3,463	\$ 3,879
Medicare <sup>(a)</sup>	(890)	(1,003)	(1,125)
Deductible or coinsurance	<u>(325)</u>	<u>(340)</u>	<u>(355)</u>
Incurred claims cost	<u>\$ 1,850</u>	<u>\$ 2,120</u>	<u>\$ 2,399</u>
Annual cap on employer's cost	\$ 1,500	\$ 1,560	\$ 1,622
Employer's share of incurred claims cost	\$ 1,500	\$ 1,560	\$ 1,622
Retiree's share of gross eligible charges <sup>(b)</sup>	\$ 675	\$ 900	\$ 1,132

(a) The change in Medicare reflects the portion of the gross eligible charges for which Medicare is responsible under enacted Medicare legislation.

(b) Deductible and/or coinsurance plus share of incurred claims: 20X3—[\$325 + (\$1,850 - \$1,500)]; 20X4—[\$340 + (\$2,120 - \$1,560)]; 20X5—[\$355 + (\$2,399 - \$1,622)].

**715-60-55-99** If, based on the health care cost trend rate assumptions, the employer's share of costs for each plan participant is not expected to be less than the cap in the future, Entity J could measure its expected postretirement benefit obligation by projecting the annual cap. However, if per capita claims data for some plan participants or estimates of the health care cost trend rate indicate that in the future the employer's share of the incurred claims cost will be less

than the cap for at least some plan participants, the employer's obligation is to be measured as described in paragraphs [715-60-35-90](#) through [35-105](#).

### > > > > **Case B: Dollar Cap Defined in the Aggregate for the Retiree Group**

**715-60-55-100** Entity K sponsors a contributory postretirement health care plan for its hourly employees. The plan has an annual limitation (a cap) on the dollar amount of the employer's share of the cost of covered benefits incurred by the retiree group as a whole. The Entity agrees to bear annual costs equal to a specified dollar amount (\$1,500 in 20X3) multiplied by the number of retired plan participants (the employer contribution); participating retirees are required to contribute a stated amount each year (\$1,000 in 20X3). The cap on the employer's share of annual costs and the retirees' contribution rates are increased 5 percent annually. The shortfall in a year (the amount by which incurred claims cost exceeds the combined employer and retiree contributions) is initially borne by the employer but is passed back to retirees in the subsequent year through supplemental retiree contributions for that year (a retrospective adjustment).

**715-60-55-101** The employer projects the aggregate cost of benefits expected to be paid to current plan participants (40 retirees) in each future period as follows.

	<u>20X3</u>	<u>20X4</u>	<u>20X5</u>
Gross eligible charges	\$ 160,000	\$ 215,000	\$ 197,000
Medicare	(46,500)	(62,350)	(57,300)
Deductible or coinsurance	<u>(20,750)</u>	<u>(27,440)</u>	<u>(24,700)</u>
Incurred claims cost	<u>\$ 92,750</u>	<u>\$ 125,210</u>	<u>\$ 115,000</u>
Retiree contributions <sup>(a)</sup>	\$ 40,000	\$ 42,000	\$ 44,080
Maximum employer contribution <sup>(b)</sup>	<u>60,000</u>	<u>63,000</u>	<u>66,160</u>
	<u>\$ 100,000</u>	<u>\$ 105,000</u>	<u>\$ 110,240</u>
Shortfall (to be recovered by additional retiree contributions in subsequent year)		\$ 20,210	\$ 4,760
Supplemental contribution from retirees due to shortfall in prior year			\$ 20,210

(a) Per retiree: 20X3—\$1,000; 20X4—\$1,050; 20X5—\$1,102.

(b) Per retiree: 20X3—\$1,500; 20X4—\$1,575; 20X5—\$1,654.

**715-60-55-102** If, as in this Case, retirees absorb the entire shortfall in annual contributions and if there is a projected shortfall for all future years, the employer could measure its expected postretirement benefit obligation by projecting its annual contribution (contribution rate x expected number of retirees = expected obligation for the year).

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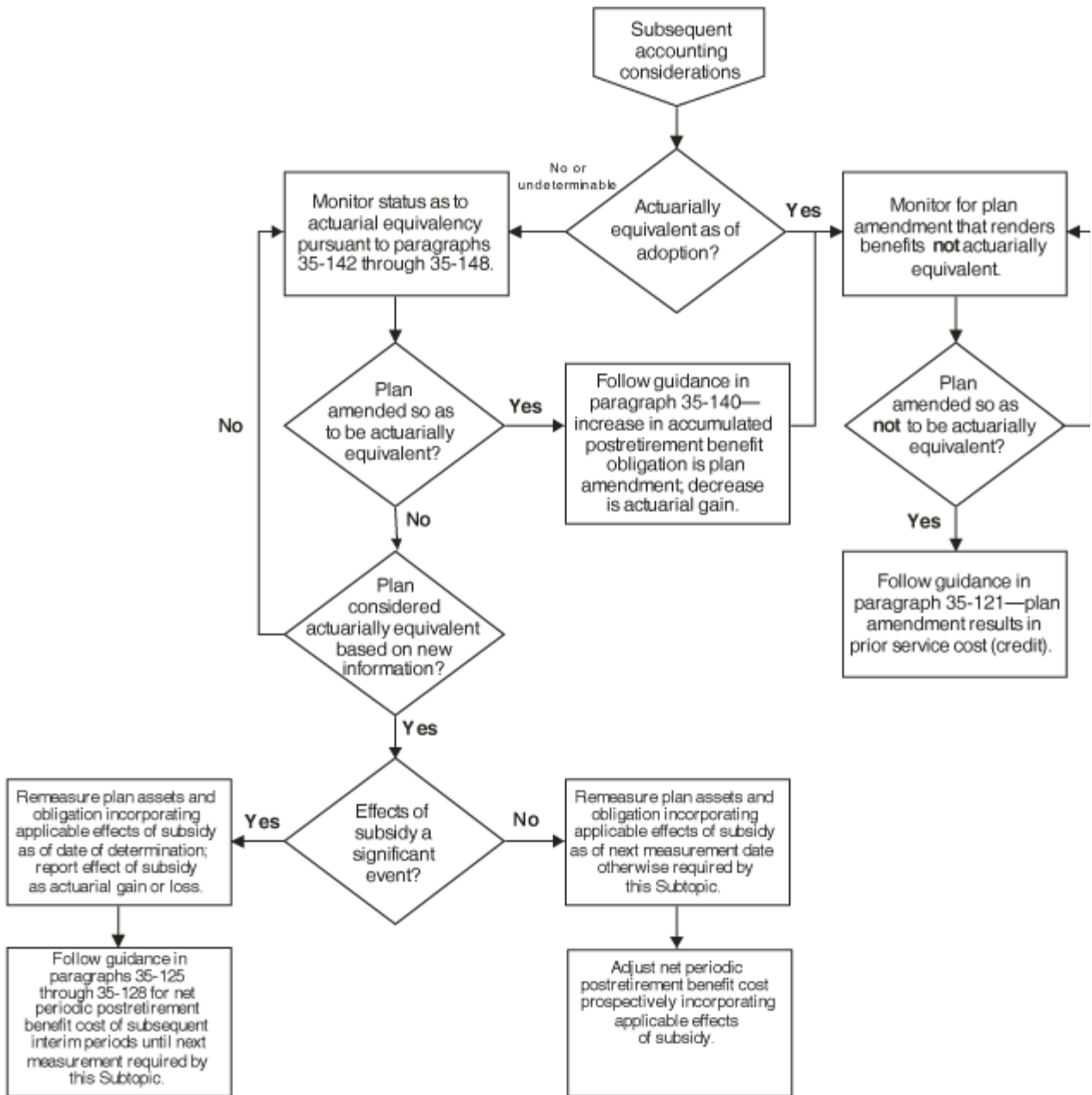
## Medicare Prescription Drug, Improvement, and Modernization Act

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### > **Implementation Guidance**

**715-60-55-103** The following flowchart illustrates the application of certain aspects of the accounting for the effects of the Medicare Prescription Drug, Improvement, and Modernization Act.

**Note:** All paragraph references are within Topic/Subtopic: [715-60](#).




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## Settlements, Curtailments, and Certain Termination Benefits

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## > Implementation Guidance

### > > Settlements

**715-60-55-104** A transaction that does not meet the three criteria in the definition of the term **settlement** does not constitute a settlement for purposes of the Settlements, Curtailments, and Certain Termination Benefits Subsections.

**715-60-55-105** For example, investing in a portfolio of high-quality fixed-income securities with principal and interest payment dates similar to the estimated payment dates of **benefits** may avoid or minimize certain risks. However, that investment decision does not constitute a settlement because that decision can be reversed, and investing in that portfolio does not relieve the employer (or the **plan**) of primary responsibility for a postretirement benefit obligation nor does it eliminate significant risks related to that obligation.

### > > Curtailments

**715-60-55-106** This Subtopic requires recognition in **net periodic postretirement benefit cost** of any related **prior service cost** or **transition obligation** included in accumulated other comprehensive income.

**715-60-55-107** A curtailment does not only result from events that occur outside a **postretirement benefit plan**.

**715-60-55-108** Although many curtailments may result from events that occur outside a plan, such as closing a plant, discontinuing a component of an entity, or otherwise terminating employees, a curtailment also can result from a **plan amendment** (including a negative plan amendment) that has the effect of eliminating the accrual of defined benefits for some or all of the future services of a significant number of active plan participants. (See Example 5, Case B [paragraphs [715-60-55-143](#) through [55-145](#)].)

**715-60-55-109** If such an amendment occurs, accounting for a curtailment should be applied to all of the following:

- a. Any decrease in the **accumulated postretirement benefit obligation** representing the reduction or elimination of benefits attributable to future service, which may result in a curtailment gain
- b. Any increase in the accumulated postretirement benefit obligation resulting from employees retiring earlier than expected as a result of the amendment, which may result in a curtailment loss
- c. Any prior service cost or any transition obligation remaining in accumulated other comprehensive income attributable to the future years of service of the employee group for which future accrual of benefits has been eliminated.

**715-60-55-110** A gain results if at the time of a curtailment there exists negative prior service cost included in accumulated other comprehensive income due to a previous plan amendment that reduced benefits under the plan. Under paragraph [715-60-35-20](#), negative prior service cost included in accumulated other comprehensive income that results from an amendment that reduces benefits under the plan is treated the same as prior service cost that results from an amendment that improves benefits. For purposes of measuring the effect of a curtailment, prior service cost included in accumulated other comprehensive income includes any negative prior service cost from a prior plan amendment. Thus, the negative prior service cost included in accumulated other comprehensive income associated with the future years of service that are

affected by the curtailment is a gain. That gain, to the extent it is not offset by any other effects of the curtailment, is currently recognized as a component of income. (See paragraphs [715-60-55-143 through 55-146](#).)

## > > **Relationship of Settlements or Curtailments to Other Events**

**715-60-55-111** An employer that immediately recognized its transition obligation in income upon adopting the provisions of this Subtopic subsequently amends its plan to eliminate its obligation for **postretirement benefits** and partially compensates affected participants by increasing their pension benefits. In this case, the employer has terminated its postretirement benefit plan and effectively settled its remaining postretirement benefit obligation by increasing its obligation to pay pension benefits. Because the cost to the employer of settling its postretirement benefit obligation is the increase in the obligation for pension benefits, the gain on the termination of the plan must be measured taking into account the cost of the pension benefit increase. That increase should be accounted for as an increase in a pension liability (or a decrease in a pension asset). The obligation for postretirement benefits should be eliminated. The difference is a gain on **plan termination** that should be recognized pursuant to Subtopic [715-30](#).

## > **Illustrations**

### > > **Example 1: Accounting for Settlements**

**715-60-55-112** The following Cases illustrate the accounting for settlements in various circumstances:

- a. Settlement when a transition obligation remains in accumulated other comprehensive income (Case A)
- b. Settlement when a **transition asset** remains in accumulated other comprehensive income (Case B)
- c. Effect of mid-year settlement on transition constraint (Case C).

### > > > **Case A: Settlement When a Transition Obligation Remains in Accumulated Other Comprehensive Income**

**715-60-55-113** Entity L sponsors a postretirement life insurance plan. On December 31, 20X4, Entity L settles the accumulated postretirement benefit obligation for its current **retirees** (\$70,000) through the purchase of nonparticipating life insurance contracts.

**715-60-55-114** In accounting for the settlement, Entity L must determine whether recognition in income of an additional amount of any transition obligation remaining in accumulated other comprehensive income is required pursuant to the constraint on delayed recognition in income of the transition obligation (see paragraphs [715-60-35-39 through 35-40](#)). At December 31, 20X4, the cumulative postretirement benefit cost accrued after the date of transition exceeds the cumulative benefits payments after that date (including payments made pursuant to the settlement) in this Case; thus, the constraint on delayed recognition in income of the transition obligation remaining in accumulated other comprehensive income is not operative. The results of the settlement are as follows.

	December 31, 20X4		
	Before Settlement	Settlement	After Settlement
Accumulated postretirement benefit obligation	\$ (257,000)	\$ 70,000	\$ (187,000)
Plan assets at fair value	73,000	(70,000) <sup>(a)</sup>	3,000
Funded status and recognized liability	<u>\$ (184,000)</u>	<u>\$ -</u>	<u>\$ (184,000)</u>
Accumulated other comprehensive income:			
Net gain	\$ (44,575)	\$ 12,124 <sup>(a)</sup>	\$ (32,451)
Prior service cost	33,000		33,000
Transition obligation	195,000	(12,124) <sup>(a)</sup>	182,876
	<u>\$ 183,425</u>	<u>\$ -</u>	<u>\$ 183,425</u>

(a) The maximum settlement gain subject to recognition in income is the net gain included in accumulated other comprehensive income after transition plus any transition asset remaining in accumulated other comprehensive income (\$44,575 + \$0 = \$44,575) (see paragraph 715-60-35-151). If, as in this Case, only part of the accumulated postretirement benefit obligation is settled, a pro rata portion of the maximum gain based on the relationship of the accumulated postretirement benefit obligation settled to the total accumulated postretirement benefit obligation ( $\$70,000 \div \$257,000$  or 27.2%) is subject to recognition in income. That amount ( $\$44,575 \times 27.2\% = \$12,124$ ) must first reduce any transition obligation remaining in accumulated other comprehensive income; any excess is recognized in income in the current period (see paragraphs 715-60-35-152 through 35-155). In this Case, the settlement gain is entirely offset against the transition obligation remaining in accumulated other comprehensive income.

### > > > Case B: Settlement when a Transition Asset Remains in Accumulated Other Comprehensive Income

**715-60-55-115** Entity M sponsors a postretirement life insurance plan. On January 2, 20X5, Entity M settles the accumulated postretirement benefit obligation for its current retirees (\$200,000) through the purchase of nonparticipating life insurance contracts.

**715-60-55-116** Pursuant to paragraphs 715-60-35-150 through 35-155, a settlement gain of \$78,506 is recognized in income, determined as follows.

	January 2, 20X5		
	Before Settlement	Settlement	After Settlement
Accumulated postretirement benefit obligation	\$ (257,000)	\$ 200,000	\$ (57,000)
Plan assets at fair value	350,900	(200,000)	150,900
Funded status and recognized asset	<u>\$ 93,900</u>	<u>\$ -</u>	<u>\$ 93,900</u>
Accumulated other comprehensive income:			
Net gain	\$ (44,575)	\$ 34,679 <sup>(a)</sup>	\$ (9,896)
Prior service cost	33,000		33,000
Transition asset	(56,333)	43,827 <sup>(a)</sup>	(12,506)
	<u>\$ (67,908)</u>	<u>\$ 78,506</u>	<u>\$ 10,598</u>

- (a) The maximum settlement gain is measured as the net gain included in accumulated other comprehensive income after transition plus the transition asset remaining in accumulated other comprehensive income (\$44,575 + \$56,333 = \$100,908) (see paragraph 715-60-35-151). Since only a portion of the accumulated postretirement benefit obligation is settled, a pro rata portion of the maximum gain based on the relationship of the accumulated postretirement benefit obligation settled to the total accumulated postretirement benefit obligation ( $\$200,000 \div \$257,000$  or 77.8%) is subject to recognition in income. That amount ( $\$100,908 \times 77.8\% = \$78,506$ ) must first reduce any transition obligation remaining in accumulated other comprehensive income (\$0); any excess is recognized in income in the current period (see paragraphs 715-60-35-152 through 35-155). In this Case, the entire settlement gain of \$78,506 is recognized in income. The transition constraint of paragraph 715-60-35-39 that requires additional recognition in income of a *transition obligation* remaining in accumulated other comprehensive income in certain circumstances is not applicable because there is a *transition asset* remaining in accumulated other comprehensive income.

**715-60-55-117** The transition constraint in paragraph 715-60-35-39 that requires additional recognition in income of a transition obligation remaining in accumulated other comprehensive income in certain circumstances is not applicable because there is a transition asset remaining in accumulated other comprehensive income.

### > > > Case C: Effect of Mid-Year Settlement on Transition Constraint

**715-60-55-118** This Case illustrates the accounting for a settlement of part of the accumulated postretirement benefit obligation that occurs mid-year and the interaction between that event and other provisions of this Subtopic, such as the constraint on delayed recognition in net periodic postretirement benefit cost of the transition obligation.

**715-60-55-119** Entity N's accumulated postretirement benefit obligation for its postretirement life insurance plan was \$6,000,000, and there were no **plan assets**. In 20X3, the entity establishes a **policy of funding** at the end of each year an amount equal to the benefits paid during the year plus the service and interest cost for the year. Benefits are paid at the end of each year and in 20X3 are \$630,000, which is less than the net periodic postretirement benefit cost accrued for the year (\$1,170,000); thus, no additional transition obligation is recognized in net periodic postretirement benefit cost pursuant to paragraph 715-60-35-39. Entity N elects to amortize net gains and losses included in accumulated other comprehensive income in excess of the corridor over the average remaining service period of plan participants (see paragraphs 715-60-35-29 through 35-30 and 715-60-55-84).

**715-60-55-120** At the beginning of 20X4, Entity N projects the life insurance benefits expected to be paid in 20X4 to retirees' beneficiaries to determine whether recognition in net



periodic postretirement benefit cost of an additional amount of the transition obligation remaining in accumulated other comprehensive income will be required (see paragraph 715-60-35-40). Although Entity N is considering settling a portion of the accumulated postretirement benefit obligation, the effects of the settlement are not included in the projection because plan settlements are not anticipated for measurement or recognition before their occurrence. The projection indicates that no additional amount is required to be recognized in net periodic postretirement benefit cost. On June 30, 20X4, Entity N contributes additional funds (\$1,430,000) and settles a portion (\$1,900,000) of the accumulated postretirement benefit obligation for its current retirees through the purchase of nonparticipating life insurance contracts.

**715-60-55-121** The changes in the funded status of the plan and amounts included in accumulated other comprehensive income during the first six months of the year are as follows.

	Actual 12/31/X3	Six Months Postretirement Benefit Cost	Assets Contributed to Plan	Effects of Remeasurement Immediately before Settlement	Bei Settl 6/31
Accumulated postretirement benefit obligation	\$(6,600,000)	\$ (457,000) <sup>(a)</sup>		\$ 420,000 <sup>(b)</sup>	\$ (6,6
Plan assets at fair value	870,000	43,500 <sup>(c)</sup>	\$ 1,430,000	- <sup>(b)</sup>	2,3
Funded status and recognized liability	<u>\$(5,730,000)</u>	(413,500)	<u>\$ 1,430,000</u>	<u>\$ 420,000</u>	<u>\$ (4,2</u>
Accumulated other comprehensive income:					
Net (gain) or loss	\$ 360,000	-		\$ (420,000) <sup>(b)</sup>	\$ (
Transition obligation	5,700,000	(150,000)			5,5
Total accumulated other comprehensive income	<u>\$ 6,060,000</u>	(150,000)		<u>\$ (420,000)</u>	<u>\$ 5,4</u>
Total net periodic postretirement benefit cost		<u>\$ (563,500)</u>			

- (a) Represents 6 months' service cost of \$160,000 and interest cost of \$297,000 on the accumulated postretirement benefit for 20X4, assuming a 9% discount rate.
- (b) A gain results from the remeasurement of the accumulated postretirement benefit obligation immediately before the settlement result of a change in the assumed discount rates based on the interest rates inherent in the price at which the accumulated postretirement benefit obligation for the retirees will be settled. No gain or loss results from remeasurement of plan asset.
- (c) Represents 6 months' return on plan assets, assuming a 10% return.
- (d) Because there is a settlement (treated as a benefit payment) and funds are provided by the employer to effect that settlement constraint on delayed recognition in net periodic postretirement benefit cost of the transition obligation pursuant to paragraph 35-39 may be applicable. The test to determine whether additional recognition in income is necessary should be done by amounts for the full year.

**715-60-55-122** Detailed calculations are presented in the following paragraph.

	June 30, 20X4			
	<u>Before Settlement</u>	<u>Settlement</u>	<u>Recognition in Income of Transition Obligation</u>	<u>Set</u>
Accumulated postretirement benefit obligation	\$(6,637,000)	\$ 1,900,000		\$ (4
Plan assets at fair value	<u>2,343,500</u>	<u>(1,900,000)</u>		
Funded status and recognized liability	<u>\$(4,293,500)</u>	<u>\$ -</u>		<u>\$ (4</u>
Accumulated other comprehensive income:				
Net (gain) or loss	\$ (60,000)	\$ 17,160 <sup>(a)</sup>		\$
Transition obligation	<u>5,550,000</u>	<u>(17,160) <sup>(a)</sup></u>	<u>\$ (718,822)</u>	<u>4</u>
	<u>\$ 5,490,000</u>	<u>\$ -</u>	<u>\$ (718,822)</u>	<u>\$ 4</u>

- (a) The maximum settlement gain subject to recognition in income is the net gain included in accumulated other comprehensive income after transition plus any transition asset remaining in accumulated other comprehensive income (\$60,000 + \$60,000). If, as in this Case, only part of the accumulated postretirement benefit obligation is settled, a pro rata portion maximum gain based on the relationship of the accumulated postretirement benefit obligation settled to the total accumulated postretirement benefit obligation ( $\$1,900,000 \div \$6,637,000$  or 28.6%) is subject to recognition in income. That amount ( $\$60,000 \times 28.6\% = \$17,160$ ) must first reduce any transition obligation remaining in accumulated other comprehensive income (see paragraphs 715-60-35-152 through 35-155); any excess is recognized in income. In this situation, the settlement gain is entirely offset against the transition obligation remaining in accumulated other comprehensive income.

**715-60-55-123** In this Case, at June 30, 20X4, cumulative benefit payments from the date of transition to December 31, 20X4, are projected to exceed cumulative postretirement benefit cost accrued for that same period as illustrated in the following table. The additional transition obligation to be recognized in income is the amount by which cumulative benefit payments exceed cost accrued, or \$718,822.

	<b>Projected 12/31/X4</b>
Benefit payments:	
Date of transition to beginning of 20X4	\$ 9,160,000
20X4 excluding settlement	410,000
Settlement	<u>1,900,000</u>
Cumulative benefit payments	<u>\$11,470,000</u>
Postretirement benefit cost recognized:	
Date of transition to beginning of 20X4	\$ 9,700,000
20X4	<u>1,051,178 <sup>(a)</sup></u>
Cumulative cost recognized	<u>\$10,751,178</u>
Benefit payments in excess of cost recognized	<u>\$ 718,822</u>

(a) \$563,500 for period 1/1/X4-6/30/X4 plus \$487,678 for period 7/1/X4-12/31/X4. The net postretirement benefit cost of \$487,678 recognized in the second half of 20X4 (see the table in the following paragraph) includes amortization (\$130,108) of the transition obligation that remains in accumulated other comprehensive income after recognizing in income an additional portion (\$718,822) of the transition obligation remaining in accumulated other comprehensive income pursuant to paragraph 715-60-35-39. Because determination of the additional portion of the transition obligation to be recognized in income and the transition obligation amortized in income in the second half of 20X4 are interrelated, those amounts are determined in a single computation that is intended to result in the transition obligation remaining in accumulated other comprehensive income at the end of the year that appropriately reflects the constraint in paragraph 715-60-35-39.

**715-60-55-124** The projected funded status of the plan and the amounts remaining in accumulated other comprehensive income follow.

	<u>After Settlement 6/30/X4</u>	<u>Six Months Postretirement Benefit Cost</u>	<u>Benefit Payments</u>	<u>Assets Contributed to Plan</u>	-
Accumulated postretirement benefit obligation	\$(4,737,000)	\$ (379,745) <sup>(a)</sup>	\$410,000		
Plan assets at fair value	<u>443,500</u>	<u>22,175</u> <sup>(b)</sup>	<u>(410,000)</u>	<u>\$ 1,246,745</u>	-
Funded status and recognized liability	<u><u>\$(4,293,500)</u></u>	<u><u>(357,570)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,246,745</u></u>	=
Accumulated other comprehensive income:					
Net gain	\$ (42,840)	-			
Transition obligation	<u>4,814,018</u>	<u>(130,108)</u> <sup>(c)</sup>			-
Total accumulated other comprehensive income	<u><u>\$ 4,771,178</u></u>	<u><u>(130,108)</u></u>			=
Total net periodic postretirement benefit cost		<u><u>\$ (487,678)</u></u>			

(a) Represents 6 months' service cost of \$150,000 and interest cost of \$229,745 on the accumulated postretirement benefit obligation, assuming a 9.7% discount rate.

(b) Represents 6 months' return on plan assets, assuming a 10% return.

(c) Transition obligation remaining in accumulated other comprehensive income at 6/30/X4, of \$4,814,018 ÷ 18.5 year in amortization period = \$260,217; half-year amortization = \$130,108.

## > > Example 2: Accounting for Curtailments

**715-60-55-125** The following Cases illustrate the accounting for curtailments:

- a. A gain and a transition obligation remain in accumulated other comprehensive income (Case A).
- b. Disposal of a portion of the business when a loss and a transition obligation remain in accumulated other comprehensive income (Case B).

### > > > Case A: A Gain and a Transition Obligation Remain in Accumulated Other Comprehensive Income

**715-60-55-126** Entity P sponsors a postretirement benefit plan. On October 29, 20X4, Entity P decides to reduce its operations by terminating a significant number of employees effective December 31, 20X4. On October 29, 20X4, it is expected that a curtailment gain will result from the termination. A consequence of the curtailment is a significant reduction in the number of employees accumulating benefits under the plan. The remaining years of expected service associated with those terminated employees who were plan participants at the date of transition is 22 percent of the remaining years of service of all plan participants at the date of transition. The remaining years of service before full eligibility associated with those terminated employees who were plan participants at the date of a prior plan amendment is 18 percent of the remaining years of service of all plan participants at the date of that plan amendment.

**715-60-55-127** The sum of the effects of the plan curtailment is a gain of \$5,160 that should be recognized in income when the related employees terminate (see paragraph [715-60-35-171](#)). That gain is determined as follows.

	December 31, 20X4		
	Before Curtailment	Curtailment	After Curtailment
Accumulated postretirement benefit obligation	\$ (257,000)	\$ 54,000 <sup>(a)</sup>	\$ (203,000)
Plan assets at fair value	73,000		73,000
Funded status and recognized liability	<u>\$ (184,000)</u>	<u>\$ 54,000</u>	<u>\$ (130,000)</u>
Accumulated other comprehensive income:			
Net gain	\$ (44,575)		\$ (44,575)
Prior service cost	33,000	\$ (5,940) <sup>(a)</sup>	27,060
Transition obligation	195,000	(42,900) <sup>(a)</sup>	152,100
Total accumulated other comprehensive income	<u>\$ 183,425</u>	<u>\$ (48,840)</u>	<u>\$ 134,585</u>
Gain from curtailment		<u>\$ 5,160</u>	

- (a) The effect of the curtailment consists of two components:
- a. The transition obligation and prior service cost remaining in accumulated other comprehensive income associated with remaining years of service no longer expected to be rendered--measured as 22% (reduction in the remaining years of expected service associated with those terminated employees who were plan participants at the date of transition) of the transition obligation remaining in accumulated other comprehensive income of \$195,000 (\$42,900) and 18% (reduction in the remaining years of service before full eligibility for benefits associated with those terminated employees who were plan participants at the date of a prior plan amendment) of the prior service cost included in accumulated other comprehensive income of \$33,000 related to that amendment (\$5,940) (see paragraphs 715-60-35-164 through 35-166)
  - b. The gain from the decrease in the accumulated postretirement benefit obligation of \$54,000 (due to the termination of employees whose accumulated benefits were not vested under the plan) in excess of the net loss included in accumulated other comprehensive income of \$0, or \$54,000 (see paragraph 715-60-35-169[a]).

### > > > Case B: Disposal of a Portion of the Business When a Loss and a Transition Obligation Remain in Accumulated Other Comprehensive Income

**715-60-55-128** Entity R sponsors a postretirement benefit plan. On December 31, 20X4, Entity R sells a portion of its business at a gain of \$100,000 before considering the effect of the related curtailment of its postretirement benefit plan. In connection with the sale, the number of employees accumulating benefits under the plan is significantly reduced; thus, a curtailment occurs. The remaining years of expected service associated with the terminated employees who were plan participants at the date of transition is 22 percent of the remaining years of service of all plan participants at the date of transition. The remaining years of service before full eligibility associated with the terminated employees who were plan participants at the date of that prior plan amendment is 18 percent of the remaining years of service of all plan participants at the date of that plan amendment.

**715-60-55-129** The sum of the effects of the plan curtailment is a loss of \$36,265 that should be recognized in income with the gain of \$100,000 associated with Entity R's sale of a portion of its business. The loss is determined as follows.

	December 31, 20X4		
	Before Curtailment	Curtailment	After Curtailment
Accumulated postretirement benefit obligation	\$ (343,000)	\$ 54,000 <sup>(a)</sup>	\$ (289,000)
Plan assets at fair value	73,000		73,000
Funded status and recognized liability	<u>\$ (270,000)</u>	<u>\$ 54,000</u>	<u>\$ (216,000)</u>
Accumulated other comprehensive income:			
Net loss	\$ 41,425	\$ (41,425) <sup>(a)</sup>	\$ -
Prior service cost	33,000	(5,940) <sup>(a)</sup>	27,060
Transition obligation	195,000	(42,900) <sup>(a)</sup>	152,100
Total accumulated other comprehensive income	<u>\$ 269,425</u>	<u>\$ (90,265)</u>	<u>\$ 179,160</u>
Curtailment loss		<u>\$ 36,265</u>	

(a) The effect of the curtailment consists of two components:

- a. The transition obligation and prior service cost remaining in accumulated other comprehensive income associated with remaining years of service no longer expected to be rendered--measured as 22% (reduction in the remaining years of expected service associated with those terminated employees who were plan participants at the date of transition) of the transition obligation remaining in accumulated other comprehensive income of \$195,000 (\$42,900) and 18% (reduction in the remaining years of service before full eligibility for benefits associated with those terminated employees who were plan participants at the date of a prior plan amendment) of the prior service cost included in accumulated other comprehensive income of \$33,000 related to that amendment (\$5,940) (see paragraphs 715-60-35-164 through 35-166)
- b. The gain from the decrease in the accumulated postretirement benefit obligation of \$54,000 (due to the termination of employees whose accumulated benefits were not vested under the plan) in excess of the net loss included in accumulated other comprehensive income of \$41,425, or \$12,575 (see paragraph 715-60-35-169[a]).

### > > Example 3: Accounting for a Partial Settlement and a Full Curtailment that Occur as a Direct Result of a Sale of a Line of Business

**715-60-55-130** Entity S sells a line of business on December 31, 20X4; before that date, the entity had no formal plan for disposal of those operations. Entity S has a separate postretirement benefit plan that provides health care benefits to retirees of the division that is sold. In connection with that sale, all of the employees of that division are terminated by Entity S resulting in no further accumulation of benefits under the postretirement benefit plan (a full curtailment), most of the terminated employees are hired by the acquiring entity (some terminated employees fully eligible for benefits elect to retire immediately), an accumulated postretirement benefit obligation of \$80,000 for postretirement benefits related to the hired employees is assumed by the acquiring entity (a partial settlement, since the obligation for current retirees is retained by Entity S), and plan assets of \$100,000, representing \$80,000 for the settlement of the accumulated postretirement benefit obligation and \$20,000 as an excess contribution, are transferred from the plan to the acquiring entity. A \$300,000 gain from the sale is calculated before considering the related effects on the plan.

**715-60-55-131** The employer's accounting policy is to determine the effects of a curtailment before determining the effects of a settlement when both events occur simultaneously.

**715-60-55-132** The effect of the curtailment is determined as follows.

	December 31, 20X4		
	Before Curtailment	Curtailment-Related Effects Resulting from Sale	After Curtailment
Accumulated postretirement benefit obligation	\$ (257,000)	\$ (10,000) <sup>(a)</sup>	\$ (267,000)
Plan assets at fair value	110,000		110,000
Funded status and recognized liability	<u>\$ (147,000)</u>	<u>\$ (10,000)</u>	<u>\$ (157,000)</u>
Accumulated other comprehensive income:			
Net gain	\$ (49,575)	\$ 10,000 <sup>(a)</sup>	\$ (39,575)
Prior service cost	33,000	(33,000) <sup>(b)</sup>	
Transition obligation	195,000	(195,000) <sup>(c)</sup>	
Total accumulated other comprehensive income	<u>\$ 178,425</u>	<u>\$ (218,000)</u>	<u>\$ (39,575)</u>
Curtailment loss		<u>\$ 228,000</u>	

- (a) The increase in the accumulated postretirement benefit obligation as a result of the fully eligible employees retiring earlier than expected is a loss of \$10,000. That loss reduces the net gain included in accumulated other comprehensive income of \$49,575; any excess (none in this Example) would be recognized in income as the effect of a curtailment (see paragraphs 715-60-35-169 through 35-170).
- (b) Measured as 100% (reduction in the remaining years of service before full eligibility for benefits associated with those terminated employees who were plan participants at the date of a prior plan amendment) of the prior service cost included in accumulated other comprehensive income of \$33,000 related to that amendment (see paragraphs 715-60-35-164 through 35-166).
- (c) Measured as 100% (reduction in the remaining years of expected service associated with those terminated employees who were plan participants at the date of transition) of the transition obligation remaining in accumulated other comprehensive income of \$195,000 (see paragraphs 715-60-35-164 through 35-166).

**715-60-55-133** The \$8,128 loss related to the settlement and transfer of plan assets that is recognized in income with the gain from the sale is determined as follows.

	December 31, 20X4		
	After Curtailment	Settlement and Transfer of Plan Assets	After Settlement
Accumulated postretirement benefit obligation	\$ (267,000)	\$ 80,000 <sup>(a)</sup>	\$ (187,000)
Plan assets at fair value	110,000	(100,000) <sup>(a)</sup>	10,000
Funded status and recognized liability	<u>\$ (157,000)</u>	<u>\$ (20,000)</u>	<u>\$ (177,000)</u>
Accumulated other comprehensive income:			
Net gain	\$ (39,575)	\$ 11,872 <sup>(b)</sup>	\$ (27,703)
Prior service cost	-		-
Transition obligation	-		-
Total accumulated other comprehensive income	<u>\$ (39,575)</u>	<u>\$ 11,872</u>	<u>\$ (27,703)</u>
Settlement loss		<u>\$ 8,128</u>	

(a) The accumulated postretirement benefit obligation for the employees hired by the purchaser is determined to be \$80,000 and is settled when Entity S transfers plan assets of an equal amount to the purchaser. In connection with the purchase agreement, Entity S transfers an additional \$20,000 of plan assets.

(b) Represents a pro rata amount of the maximum gain based on the relationship of the accumulated postretirement benefit obligation settled to the total accumulated postretirement benefit obligation (\$80,000 / \$267,000 or 30%). The maximum gain is measured as the net gain included in accumulated other comprehensive income after transition plus any transition asset remaining in accumulated other comprehensive income (\$39,575 + \$0 = \$39,575). The settlement gain is, therefore, 30% of \$39,575, or \$11,872; recognition in income of that gain is subject to first reducing any transition obligation remaining in accumulated other comprehensive income. As there is no transition obligation remaining in accumulated other comprehensive income (the remainder was recognized in income in connection with the curtailment), the gain of \$11,872 is recognized in income together with the excess \$20,000 transfer of plan assets as part of the net gain from the sale (see paragraphs 715-60-35-151 through 35-155).

**715-60-55-134** The sum of the effects related to postretirement benefits resulting from the sale is a loss of \$236,128, the components of which are as follows.

Curtailment loss (paragraph 715-60-55-132)	\$ 228,000
Net settlement loss (see the table in the preceding paragraph)	8,128
Effects of sale	<u>\$ 236,128</u>

## > > Example 4: Accounting for the Effects of an Offer of Special Termination Benefits

**715-60-55-135** This Example illustrates the measurement of the effects of an offer of special **termination benefits** pursuant to paragraphs 715-60-25-4 through 25-6 and the accounting for the related curtailment.

**715-60-55-136** On January 16, 20X5, Entity T offers for a short period of time (until January 30, 20X5) special benefits to its employees who elect voluntary termination of employment during that period (special termination benefits). As part of the offer, employees who voluntarily terminate will be credited with an additional five years of service and five years of age to determine eligibility for **postretirement health care benefits**. Employees are normally eligible for those benefits upon attaining age 55 and rendering at least 20 years of service.

**715-60-55-137** On January 30, 20X5, employees representing 18 percent of the work force accept the offer of special termination benefits. For those employees, the accumulated postretirement benefit obligation attributed to prior service periods based on their previously expected retirement dates (without consideration of the special offer) is \$280,000. If those



employees were assumed to terminate (retire) immediately upon attaining full eligibility for benefits (age 55 with 20 years of service), the accumulated postretirement benefit obligation for those employees would be \$450,000. The accumulated postretirement benefit obligation for those employees after they accept the offer of the special termination benefits (**full eligibility date** accelerated, benefit coverage begins immediately) is \$630,000.

**715-60-55-138** The remaining years of expected service associated with the terminated employees who were plan participants at the date of transition is 24 percent of the remaining years of service of all plan participants at the date of transition. In addition, the portion of the prior service cost remaining in accumulated other comprehensive income arising from a prior plan amendment associated with the remaining years of service before full eligibility that are no longer expected to be rendered by the terminated employees is \$25,000.

**715-60-55-139** In this illustration, the effects resulting from the curtailment are not reasonably estimable until January 30, 20X5, the acceptance date of the offer of special termination benefits. Consequently, at January 30, 20X5, the employer recognizes a loss of \$453,400 that includes the cost of the special termination benefits (\$180,000) and the net loss from the curtailment (\$273,400) determined as follows.

	January 30, 20X5		
	<u>Before Employee Terminations</u>	<u>Special Termination Benefits</u>	<u>Effect of Curtailment</u>
Accumulated postretirement benefit obligation:			
Employees accepting offer	\$ (280,000)	\$ (180,000) <sup>(a)</sup>	\$ (170,000) <sup>(b)</sup>
Other employees	(633,000)		
	<u>(913,000)</u>	<u>(180,000)</u>	<u>(170,000)</u>
Plan assets at fair value	141,000		
Funded status and recognized liability	<u>\$ (772,000)</u>	<u>\$ (180,000)</u>	<u>\$ (170,000)</u>
Accumulated other comprehensive income:			
Net gain	\$ (88,000)		\$ 88,000 <sup>(b)</sup>
Prior service cost	148,500		(25,000) <sup>(c)</sup>
Transition obligation	693,333		(166,400) <sup>(c)</sup>
Total accumulated other comprehensive income	<u>\$ 753,833</u>		<u>\$ (103,400)</u>
Net loss		<u>\$ 180,000</u>	<u>\$ 273,400</u>

- (a) The loss from acceptance of the special termination benefits is \$180,000 (\$450,000 - \$630,000), representing the difference between the accumulated postretirement benefit obligation measured assuming that active plan participants eligible for benefits would terminate employment at their full eligibility date and that fully eligible plan participants would terminate immediately and the accumulated postretirement benefit obligation reflecting the special termination benefits (715-60-25-5).
- (b) The increase in the accumulated postretirement benefit obligation as a result of the employees (fully eligible and other active plan participants not yet fully eligible for benefits) retiring at a date earlier than expected is a net increase of \$170,000 (\$280,000 - \$450,000). That amount is reduced by the net gain of \$88,000 included in accumulated other comprehensive income (see paragraph 715-60-35-169[b]) as part of the accounting for the curtailment.
- (c) Additional effects of the curtailment are the reduction of \$25,000 in the prior service cost included in accumulated other comprehensive income (arising from a prior plan amendment) associated with the remaining years of service eligibility that are no longer expected to be rendered by the terminated employees and the reduction of \$166,400 in the transition obligation remaining in accumulated other comprehensive income associated with remaining years longer expected to be rendered—measured as 24% (reduction in the remaining years of expected service as those employees affected by the early retirement who were plan participants at the date of transition) of the transition obligation remaining in accumulated other comprehensive income of \$693,333 (see paragraphs 715-60-35-166).

## >> Example 5: Reduction in the Accumulated Postretirement Benefit Obligation

**715-60-55-140** It is important to distinguish between a reduction in the accumulated postretirement benefit obligation caused by a negative plan amendment and a reduction caused by a curtailment. Unless the plan is being terminated, a reduction in the accumulated postretirement benefit obligation caused by a curtailment (a curtailment that reduces the **expected postretirement benefit obligation**) is potentially recognizable as a current component of income.

**715-60-55-141** The following Cases illustrate when a reduction in the accumulated postretirement benefit obligation is caused by:

- a. A negative plan amendment (Case A)
- b. A curtailment (Case B).

**> > > Case A: Negative Plan Amendment**

**715-60-55-142** On December 31, 20X1, Entity A changes the terms of its retiree health care plan to require current and future retirees to contribute \$100 per month toward the cost of benefits provided by the plan. The plan was previously noncontributory. As a result of the change, the accumulated postretirement benefit obligation for both active employees and retirees at December 31, 20X1, decreases by \$500,000. That reduction is a negative plan amendment because the change in plan terms has reduced the benefits under the plan attributed to employee service already rendered. A curtailment has not occurred because there has been no reduction in the expected years of future service of active plan participants and the plan continues to provide additional benefits for future services.

**> > > Case B: Curtailment**

**715-60-55-143** On December 31, 20X1, Entity B changes the terms of its retiree life insurance plan for future retirees from a death benefit equal to 5 percent of final pay for each year of service to a death benefit equal to 5 percent of the pay rate in effect at December 31, 20X1, for each year of service before that date. Because Entity B switched the terms under which benefits are based to provide benefits only for services rendered before December 31, 20X1, the entity will no longer provide benefits for future service and there will be no increases in retiree life insurance for any employee services rendered after that date. That change constitutes a curtailment because accruals of death benefits for future employee service are no longer required (that is, the change eliminates the need for future accruals of death benefits for all of the future services of the active plan participants). However, the change in plan terms does not result in a termination of the plan because there is a continuing obligation to pay the future death benefits already earned by employees and current retirees. Only the accrual of additional death benefits for employees' future services has been eliminated.

**715-60-55-144** Because this plan was previously a final-pay plan, the accumulated postretirement benefit obligation at December 31, 20X1, before the amendment included an amount based on projected future employee pay levels. In this Case, that amount equaled \$400,000. Thus, the accumulated postretirement benefit obligation at December 31, 20X1, decreases by \$400,000 as a result of the plan amendment because increases in employees' future pay levels will no longer increase their death benefits under the plan. That reduction is potentially a currently recognizable curtailment gain.

**715-60-55-145** Whether any or all of the \$400,000 should be recognized currently as a component of net periodic postretirement benefit cost depends on the existence and amount of any net loss included in accumulated other comprehensive income that must be offset before that curtailment gain can be recognized. Any prior service cost or transition obligation included in accumulated other comprehensive income also will enter into determining the net curtailment **gain or loss**.

**> > Example 6: Negative Plan Amendment Results in a Curtailment**

**715-60-55-146** The following Cases illustrate the accounting for a negative plan amendment that results in a curtailment:

- a. The accounting for a negative plan amendment that results in a curtailment gain (Case A)
- b. The accounting for a negative plan amendment that results in a curtailment loss (Case B)
- c. The accounting for a negative plan amendment and a curtailment that results in recognition as a component of net periodic postretirement benefit cost of prior service cost

included in accumulated other comprehensive income (Case C).

### > > > Case A: Negative Plan Amendment Results in a Curtailment Gain

**715-60-55-147** Entity A sponsors an unfunded postretirement benefit plan whose only benefit is life insurance coverage equal to an employee's final pay. On December 31, 20X1, Entity A amends its plan to eliminate that benefit for active employees who are not 40 years of age or older, which is a significant portion of its work force. The resulting reduction in the accumulated postretirement benefit obligation consists of two components: \$150,000 represents benefits based on past pay and service already rendered by employees under age 40 (a negative plan amendment), and \$250,000 represents that portion of the accumulated postretirement benefit obligation based on a projection of those employees' future pay. Because the change in plan terms eliminates the accrual of additional benefits for those employees, the \$250,000 is potentially a currently recognizable curtailment gain.

	December 31, 20X1				
	Before Negative Plan Amendment	Negative Plan Amendment	After Negative Plan Amendment	Curtailment	Ct
Accumulated postretirement benefit obligation (recognized liability)	\$ (750,000)	\$ 150,000	\$ (600,000)	\$ 250,000	\$
Amounts recognized in accumulated other comprehensive income:					
Prior service cost	\$ 50,000	\$ (50,000) <sup>(a)</sup>	\$ -		
Transition obligation	70,000	(70,000) <sup>(a)</sup>	-		
Net loss	100,000		100,000	\$ (100,000) <sup>(b)</sup>	
Negative prior service cost		(30,000)	(30,000)		\$
	<u>\$ 220,000</u>	<u>\$ (150,000)</u>	<u>\$ 70,000</u>	<u>\$ (100,000)</u>	<u>\$</u>

(a) The decrease in the accumulated postretirement benefit obligation due to a negative plan amendment is used first to any existing prior service cost recognized in accumulated other comprehensive income, then to reduce any transition recognized in accumulated other comprehensive income.

(b) The decrease in the accumulated postretirement benefit obligation due to a curtailment is used first to reduce any net recognized in accumulated other comprehensive income at the date of the curtailment.

**715-60-55-148** The journal entry to record the negative plan amendment is as follows.

Postretirement benefit liability	\$150,000	
Other comprehensive income		\$150,000

**715-60-55-149** The journal entry to record the curtailment gain is as follows.

Postretirement benefit liability	\$250,000	
Other comprehensive income		\$100,000
Curtailment gain		\$150,000 <sup>(a)</sup>

(a) The curtailment gain is not a component of net periodic postretirement benefit cost and should be disclosed separately.

**715-60-55-150** The negative plan amendment results in negative prior service cost because it reduces the accumulated postretirement benefit obligation by an amount that exceeds the prior service cost and the remaining transition obligation included in accumulated other comprehensive income. The negative prior service cost of \$30,000 is recognized in net periodic postretirement benefit cost by amortizing it over future periods beginning January 1, 20X2, in accordance with paragraph [715-60-35-17](#). Only those participants who are active at the date of the amendment and who are not yet fully eligible for benefits (that is, participants who are 40 years of age or older) are considered in applying that paragraph to the net negative prior service cost that results from this plan amendment.

**715-60-55-151** If Entity A had instead amended the plan on October 31, 20X1, and it had a calendar-year fiscal year-end, the effects of the negative plan amendment in determining net periodic postretirement benefit cost for 20X1 would be recognized prospectively starting from November 1, 20X1. The net periodic postretirement benefit cost for the first 10 months of the year would reflect the terms of the plan before the plan amendment.

> > > **Case B: Negative Plan Amendment that Results in a Curtailment Loss**

**715-60-55-152** Entity B sponsors an unfunded postretirement health care benefit plan covering employees at five locations. On December 1, 20X1, Entity B amends its plan so that any employee at location X who does not retire by the end of 20X1 will not be entitled to receive benefits. Those employees at location X who retire by December 31, 20X1, will receive benefits under the plan terms. Employees at the other four locations are not affected by the amendment and will continue to earn benefits.

**715-60-55-153** As a result of the amendment, Entity B's accumulated postretirement benefit obligation is reduced by \$400,000, representing the elimination of benefits attributable to years of service already rendered by active employees who are not eligible to retire and those eligible employees who choose not to retire (a negative plan amendment). The remaining employees at location X decide to take early retirement on December 31, 20X1 (a curtailment). The unexpected early retirements cause a \$200,000 increase in the accumulated postretirement benefit obligation that is accounted for as part of the curtailment. The previously expected remaining years of service associated with all employees at location X who were plan participants at the date of transition represent 20 percent of the previously expected remaining years of service of all plan participants at the date of transition. As a result, \$100,000 (20 percent x \$500,000) is recognized representing accelerated **amortization** of the transition obligation remaining in accumulated other comprehensive income. Because the prior service cost included in accumulated other comprehensive income is eliminated by the negative plan amendment, it does not enter into the accounting for the curtailment.

**715-60-55-154** Unlike the terms of the plan described in Example 6, Case A (see paragraphs [715-60-55-147](#) through [55-151](#)), benefits under this plan are not pay-related. Thus, the accounting for the curtailment does not include any gain for the elimination of the effects of a projection of final pay.

	December 31, 20X1				
	Before Negative Plan Amendment	Negative Plan Amendment	After Negative Plan Amendment	Curtailment	C
Accumulated postretirement benefit obligation (recognized liability)	\$ (950,000)	\$ 400,000	\$ (550,000)	\$ (200,000)	\$
Amounts recognized in accumulated other comprehensive income:					
Prior service cost	\$ 100,000	\$ (100,000) <sup>(a)</sup>	\$ -		
Transition obligation	800,000	(300,000) <sup>(a)</sup>	500,000	\$ (100,000)	\$
Net gain	(150,000)		(150,000)	150,000 <sup>(b)</sup>	
	<u>\$ 750,000</u>	<u>\$ (400,000)</u>	<u>\$ 350,000</u>	<u>\$ 50,000</u>	<u>\$</u>

(a) The decrease in the accumulated postretirement benefit obligation due to a negative plan amendment is used first to existing prior service cost recognized in accumulated other comprehensive income, then to reduce any transition obligation recognized in accumulated other comprehensive income.

(b) The increase in the accumulated postretirement benefit obligation due to a curtailment is used first to reduce any net gain recognized in accumulated other comprehensive income at the date of the curtailment.

**715-60-55-155** The journal entry to record the negative plan amendment is as follows.

Postretirement benefit liability	\$ 400,000	
Other comprehensive income		\$ 400,000

**715-60-55-156** The journal entry to record the curtailment loss is as follows.

Curtailment loss	\$ 150,000 <sup>(a)</sup>	
Other comprehensive income	50,000	
Postretirement benefit liability		\$ 200,000

(a) The curtailment loss is not a component of net periodic postretirement benefit cost and should be disclosed separately.

### > > > Case C: Negative Plan Amendment and a Curtailment

**715-60-55-157** Entity C sponsors an unfunded postretirement health care benefit plan. Benefits under the plan are not pay-related; thus, no assumption is required about employees' future pay levels in measuring the accumulated postretirement benefit obligation. When it initially adopted the requirements of this Topic, Entity C immediately recognized its transition obligation in net income. On December 31, 20X1, the entity changes the plan's eligibility requirements from the attainment of age 65 while in service and 20 years of service to 20 years of service to be rendered after attaining age 45. The new **credited service period** is not deemed to be nominal in relation to employees' average total years of service before their full eligibility dates. This change reduces the accumulated postretirement benefit obligation for benefits attributable to past service (a negative plan amendment) by \$300,000 for employees hired before age 45.

**715-60-55-158** Because a significant number of employees previously expected to receive benefits under the plan are under age 45, the change in plan terms also meets the definition of a curtailment because it eliminates those employees as active participants under the plan. Their

remaining years of expected service represent 15 percent of the previously expected remaining years of service of all plan participants at the date of a prior plan amendment that increased benefits. Because no portion of the accumulated postretirement benefit obligation includes any amounts attributed to future pay levels, the impact of accounting for the curtailment is limited to accelerating the recognition in net periodic postretirement benefit cost of the portion of remaining prior service cost included in accumulated other comprehensive income (15 percent x \$100,000) related to those employees' future years of service.

	December 31, 20X1				
	<u>Before Negative Plan Amendment</u>	<u>Negative Plan Amendment</u>	<u>After Negative Plan Amendment</u>	<u>Curtailment</u>	<u>C</u>
Accumulated postretirement benefit obligation (recognized liability)	\$ (850,000)	\$ 300,000	\$ (550,000)		\$
Amounts recognized in accumulated other comprehensive income:					
Prior service cost	\$ 400,000	\$ (300,000) <sup>(a)</sup>	\$ 100,000	\$ (15,000) <sup>(b)</sup>	\$
	<u>\$ 400,000</u>	<u>\$ (300,000)</u>	<u>\$ 100,000</u>	<u>\$ (15,000)</u>	<u>\$</u>

- (a) The decrease in the accumulated postretirement benefit obligation due to a negative plan amendment is used first to existing prior service cost recognized in accumulated other comprehensive income, then to reduce any transition obligation recognized in accumulated other comprehensive income.
- (b) A portion of prior service cost is recognized as a component of net periodic postretirement benefit cost because the net of \$100,000 arose from a previous amendment and the current employees under age 45 who were participants at the previous amendment are no longer participants. Accordingly, their future service has been eliminated as a basis for recognition of the prior service cost as a component of net periodic postretirement benefit cost. If the negative prior service cost from the new amendment exceeded the prior service cost recognized in accumulated other comprehensive income from the previous amendment, none of the net negative prior service cost would be recognized as a component of net periodic postretirement benefit cost currently. The net negative prior service cost would be amortized over active participants' future service periods to full eligibility.

**715-60-55-159** The journal entry to record the negative plan amendment is as follows.

Postretirement benefit liability	\$ 300,000	
Other comprehensive income		\$ 300,000

**715-60-55-160** The journal entry to record the curtailment loss is as follows.

Curtailment loss	\$ 15,000	
Other comprehensive income		\$ 15,000

## >> Example 7: Termination Benefits

**715-60-55-161** In general an employer should measure the postretirement benefit incentive to be received by employees in exchange for early termination as the difference between the **actuarial present value** of the accrued benefits for employees terminating with the enhanced benefits and the accrued benefits for those employees assuming they terminated without the enhancements.

**715-60-55-162** The following simplified examples address situations involving a typical postretirement benefit plan under which participants become eligible for benefits upon attaining age 55 while in service and rendering 10 years of service and a plan under which benefits are based on years of service. To simplify the examples further, discounting and health care cost trends have been ignored.

> > > **Case A: A Typical 55 and 10 Plan**

**715-60-55-163** Under Entity X's postretirement health care benefit plan, the annual cost of coverage is estimated to be \$4,500 for retirees under age 65 and \$1,500 for those 65 and older. The probability of employees retiring is 40 percent at age 57, 50 percent at age 62, and 10 percent at age 65. There is a 100 percent probability that retirees will die at age 75. Employees that retire on or after attaining age 55 while in service and rendering 10 or more years of service receive full employer-paid postretirement benefit coverage.

**715-60-55-164** As part of an incentive package to encourage employees to retire early, Entity X offers for a short period of time to add three years of age and three years of service to an employee's age and accumulated service credits to determine eligibility for postretirement benefits. Two employees, A and B, accept the offer. A is age 57 and has rendered 20 years of service. B is age 52 and has rendered 12 years of service.

**715-60-55-165** The expected postretirement benefit obligation for A and B before the offer is \$36,150 each, determined as follows.

Retirement Age	Benefits		Probability of Retirement	Expected Postretirement Benefit Obligation
	Pre-Age 65	Age 65 to 75		
57	(\$4,500 x 8 yrs)	+ (\$1,500 x 10 yrs)	x 40%	\$ 20,400
62	(\$4,500 x 3 yrs)	+ (\$1,500 x 10 yrs)	x 50	14,250
65		(\$1,500 x 10 yrs)	x 10	1,500
				<u>\$ 36,150</u>

**715-60-55-166** The accumulated postretirement benefit obligation for A and B before the offer is \$36,150 and \$28,920, respectively, determined as follows.

Employee	Expected Postretirement Benefit Obligation	Years of Service Rendered to Total Required	Accumulated Postretirement Benefit Obligation
A	\$ 36,150	18/18 <sup>(a)</sup>	\$ 36,150
B	36,150	12/15 <sup>(b)</sup>	28,920
	<u>\$ 72,300</u>		<u>\$ 65,070</u>

(a) A was hired at age 37 and, therefore, after 18 years of service has rendered the required 10 years of service and attained age 55 while in service to be fully eligible for benefits.

(b) B must render 3 more years of service to attain age 55 while in service to be fully eligible for benefits.

**715-60-55-167** The special termination postretirement benefit is measured as the difference between the following two amounts:

a. The benefits attributed to past service based on what A and B receive if they retire at the earliest date at which they could retire and receive postretirement benefits under the plan,



ignoring the special termination benefits. That date would be immediately for A and in 3 years (upon attaining age 55) for B.

b. The benefits A and B receive if they accept the special termination benefits offer and retire immediately.

**715-60-55-168** The calculation of those two amounts follows.

Accrued Benefits Ignoring Special Termination Benefits and Assuming A Retires Immediately and B Retires at Age 55

Employee	Benefits		Portion Earned	Accrued Benefits
	Pre-Age 65	Age 65 to 75		
A	(\$4,500 x 8 yrs)	+ (\$1,500 x 10 yrs)	x 18/18	= \$ 51,000
B	(\$4,500 x 10 yrs)	+ (\$1,500 x 10 yrs)	x 12/15	= 48,000
				<u>\$ 99,000</u>

Accrued Benefits That Reflect Special Termination Benefits Assuming A and B Retire Immediately

Employee	Benefits		Portion Earned	Accrued Benefits
	Pre-Age 65	Age 65 to 75		
A	(\$4,500 x 8 yrs)	+ (\$1,500 x 10 yrs)	x 100%	= \$ 51,000
B	(\$4,500 x 13 yrs)	+ (\$1,500 x 10 yrs)	x 100	= 73,500
				<u>\$124,500</u>

**715-60-55-169** Thus, the cost of the special termination postretirement benefits is \$25,500 (\$124,500 - \$99,000). If A and B represent a significant portion of Entity X's work force, the increase in the accumulated postretirement benefit obligation attributable solely to their early retirement, \$33,930 (\$99,000 - \$65,070, both calculated without regard to the special termination benefits), would be accounted for as a curtailment. Otherwise, the \$33,930 would be an experience loss.

### >>> Case B: Benefits Based on Years of Service

**715-60-55-170** The facts are the same as in Case A except that under the plan's terms retiring employees receive 2 1/2 percent coverage for each year of service. Thus, before the acceptance of special termination benefits, the full eligibility dates for A and B would be their expected retirement dates.

**715-60-55-171** The accumulated postretirement benefit obligation for A and B before accepting the offer is \$28,920, determined as follows.

<u>At Retirement</u>		<u>Benefits</u>		<u>Benefit Coverage</u>	<u>Probability of Retirement</u>	<u>Service to Date/ Service to Retirement</u>	<u>Acc Pos</u>		
<u>Age</u>	<u>Years of Service</u>	<u>Pre-Age 65</u>	<u>Age 65 to 75</u>						
<i>Employee A</i>									
57	20	(\$4,500 x 8 yrs) +	(\$1,500 x 10 yrs) x	50%	x	40%	x	20/20	= \$
62	25	(\$4,500 x 3 yrs) +	(\$1,500 x 10 yrs) x	62½	x	50	x	20/25	=
65	28		(\$1,500 x 10 yrs) x	70	x	10	x	20/28	=
<i>Employee B</i>									
57	17	(\$4,500 x 8 yrs) +	(\$1,500 x 10 yrs) x	42½%	x	40%	x	12/17	=
62	22	(\$4,500 x 3 yrs) +	(\$1,500 x 10 yrs) x	55	x	50	x	12/17	=
65	25		(\$1,500 x 10 yrs) x	62½	x	10	x	12/17	=
								<u>\$</u>	

**715-60-55-172** The special termination postretirement benefit is measured in the same manner as in Case A.

**715-60-55-173** Accrued Benefits Ignoring Special Termination Benefits and Assuming A Retires Immediately and B Retires at Age 55

<u>Employee</u>	<u>Benefits</u>		<u>Benefit Coverage</u>	<u>Portion Earned</u>	<u>Accrued Benefits</u>
	<u>Pre-Age 65</u>	<u>Age 65 to 75</u>			
A	(\$4,500 x 8 yrs) +	(\$1,500 x 10 yrs) x	50%	x	20/20 = \$ 25,500
B	(\$4,500 x 10 yrs) +	(\$1,500 x 10 yrs) x	37½	x	12/15 = 18,000
					<u>\$ 43,500</u>

**715-60-55-174** Accrued Benefits That Reflect Special Termination Benefits Assuming A and B Retire Immediately

<u>Employee</u>	<u>Benefits</u>		<u>Benefit Coverage</u>	<u>Portion Earned</u>	<u>Accrued Benefits</u>
	<u>Pre-Age 65</u>	<u>Age 65 to 75</u>			
A	(\$4,500 x 8 yrs) +	(\$1,500 x 10 yrs) x	57½%	x	100% = \$ 29,325
B	(\$4,500 x 13 yrs) +	(\$1,500 x 10 yrs) x	37½	x	100 = 27,563
					<u>\$ 56,888</u>

**715-60-55-175** Thus, the cost of the special termination postretirement benefits is \$13,388 (\$56,888 - \$43,500), and \$14,580 (\$43,500 - \$28,920) would be accounted for as a curtailment or an experience loss.

## Split-Dollar Life Insurance Arrangements

### > Implementation Guidance

**715-60-55-176** A typical **endorsement split-dollar life insurance** arrangement may have the following terms:

- a. An employer purchases a life insurance policy to insure the life of an employee and pays a single premium at inception of the policy. Based on the insurance carrier's experience (for example, mortality) it can either charge or credit the policyholder for the negative or positive experience, respectively. The additional premium or credit is typically effectuated through an adjustment to the cash surrender value of the policy.
- b. The employer enters into a separate agreement that splits the policy **benefits** between the employer and the employee. The employer owns the policy, controls all rights of ownership, and may terminate the insurance policy (and, in turn, the policy benefits promised to the employee). To effect the split-dollar arrangement, the employer endorses a portion of the death benefits to the employee (the employee designates a beneficiary for this portion of the death benefits). Upon the death of the employee, the employee's beneficiary typically receives the designated portion of the death benefits directly from the insurance entity and the employer receives the remainder of the death benefits.

**715-60-55-177** The employee's portion of the death benefits is commonly based on one of the following:

- a. Amounts that exceed the gross premiums paid by the employer
- b. Amounts that exceed the sum of the gross premiums paid by the employer and an additional fixed or variable investment return on those premiums
- c. The net insurance at the date of death (that is, the face amount of the death benefit under the policy, less the cash surrender value)
- d. Amounts equal to a multiple of the employee's base salary at retirement or death (for example, twice the employee's base salary).

**715-60-55-178** All available evidence should be considered in determining the substance of the arrangement, such as explicit written terms of the arrangement, communications made by the employer to the employee, the employer's past practices in administering the same or similar arrangements, and whether the employer is the primary obligor for the postretirement benefit.

**715-60-55-179** For example, if the employer agrees to provide a death benefit to the employee even in the event of default by the insurance entity, that would provide an indication that the promise made to the employee is to provide a postretirement death benefit. If the amount of the death benefit is not explicitly tied to an insurance policy, then the amount of the postretirement benefit should also be the amount of the death benefit promised to the employee. Conversely, if the terms of the arrangement are such that the employer has no obligation to the employee upon default of the insurance entity, that would provide an indication that the postretirement benefit is a promise to maintain a life insurance policy during the employee's retirement. In determining the appropriate measurement and **attribution** of the cost and obligation under any particular arrangement, employers should refer to the guidance in this Subtopic, as applicable.

**715-60-55-180** For example, if the terms of the arrangement are such that the employer has no obligation, either stated or implied, to provide loans to an employee to cover insurance policy premiums in the postretirement period, that may be an indication that there is no postretirement obligation. However, if the employer through the collateral assignment arrangement with the employee has an obligation, either stated or implied, to provide loans to an employee to cover the experience gains and losses of the insurance entity, that may indicate that an employer has a postretirement benefit obligation. In determining the appropriate measurement and attribution

of the cost and obligation under any particular arrangement, employers should refer to the guidance in this Subtopic, as applicable.

**715-60-55-181** In determining the nature and substance of the arrangement, the employer should assess what future cash flows the employer is entitled to, if any, as well as the employee's obligation and ability to repay the employer. For example, if the arrangement limited the amount the employer could recover to the amount of the cash surrender value of the insurance policy held by the employee (or retiree), and if the employer's loan to the employee (or retiree) is greater than the cash surrender value of the insurance policy, at the balance sheet date the employer's asset would be limited to the amount of the cash surrender value of the insurance policy. Conversely, if the arrangement required the employee to repay the employer irrespective of the collateral assigned and the employer has determined that the employee loan is collectible and intends to seek recovery beyond the cash surrender value of the life insurance policy, the employer should recognize the value of the loan (including accrued interest, if applicable) considering the guidance in Subtopic [835-30](#). An employer should evaluate all available information in determining the nature and substance of the collateral assignment split-dollar life insurance arrangement.

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## 715-60-60 Relationships

**General Note:** The Relationships Section contains links to guidance that may be helpful to, but not required by, a user of the Subtopic. This Section may not be all-inclusive. The relationship items are organized according to the Topic structure in the Codification.

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### General

#### > **Business Combinations**

**715-60-60-1** For guidance on the accounting when an employer is acquired in a business combination and that employer sponsors a single-employer **defined benefit postretirement plan**, see paragraph [805-20-25-25](#).

**715-60-60-2** For guidance on plans to terminate certain employees if a business combination is probable, see paragraphs [805-20-55-50](#) through [55-51](#).

#### > **Consolidation**

**715-60-60-3** For consolidation guidance on employee benefit plans, see paragraph [810-10-15-12](#).

#### > **Extractive Activities—Mining**

**715-60-60-4** For guidance on the United Mine Workers of America Combined Benefit Fund, see Subtopic [930-715](#).

## > Regulated Operations

**715-60-60-5** For guidance on rate-regulated entities, and the actions of regulators that may change the timing of recognition of **net periodic postretirement benefit cost**, see Subtopic [980-715](#).

**715-60-60-6** For guidance on a continuing other postretirement **plan** of a rate-regulated entity, see Subtopic [980-715](#).

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## 715-60-65 Transition and Open Effective Date Information

**General Note:** The Transition Section contains a description of the required transition provisions and a list of the related paragraphs that have been modified. This Section will retain the transition content during the transition period. After the transition period, the transition content will be removed yet will be available in archived versions of the Section.

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### General

**715-60-65-1** Paragraph superseded on 03/23/2010 after the end of the transition period stated in FASB Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, and FSP FAS 158-1.

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## 715-60-75 XBRL Elements

**General Note:** This section contains a list of XBRL elements that reference paragraphs in this Subtopic. For additional details regarding changes to the development version of the US GAAP Financial Reporting Taxonomy, refer to the [FASB taxonomy review and comment system](#) on the FASB web site.

### Defined Benefit Plan, Benefit Obligation, Benefits Paid

[Label and/or reference(s) most recently revised on 11/23/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanBenefitObligationBenefitsPaid*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(a\)\(6\)](#)

### **Defined Benefit Plan, Benefit Obligation, Prescription Drug Subsidy Receipt**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanBenefitObligationPrescriptionDrugSubsidyReceipt*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4](#)

### **Defined Benefit Plan, Changes in Benefit Obligation and Plan Assets, Description**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanExplanationOfSignificantChangeInBenefitObligationOrPlanAssetsNotApp*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-3\(c\)](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(r\)](#)

### **Defined Benefit Plan, Expected Future Prescription Drug Subsidy Receipt, Next Twelve Months {72}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugSubsidyReceiptsNextTwelveMonths*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(f\)](#)

### **Defined Benefit Plan, Expected Future Prescription Drug Subsidy Receipt, Year Five {68}**

[Label and/or reference(s) most recently revised on 12/05/2016 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugSubsidyReceiptsYearFive1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

### **Defined Benefit Plan, Expected Future Prescription Drug Subsidy Receipt, Year Four {68}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugSubsidyReceiptsYearFour1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

### **Defined Benefit Plan, Expected Future Prescription Drug Subsidy Receipt, Year Three {67}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugSubsidyReceiptsYearThree1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

### **Defined Benefit Plan, Expected Future Prescription Drug Subsidy Receipt, Year Two {69}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugSubsidyReceiptsYearTwo1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

### **Defined Benefit Plan, Expected Future Prescription Drug Subsidy Receipt, after Year Five {67}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugSubsidyReceiptsAfterYearFive*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(f)

### **Defined Benefit Plan, Plan Assets, Benefits Paid**

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsBenefitsPaid*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(b)(5)

### **Defined Benefit Plan, Plan Assets, Prescription Drug Subsidy Receipt**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedBenefitPlanPlanAssetsPrescriptionDrugSubsidyReceipt*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**



- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-4

### **Defined Benefit Plan, Postretirement Medical Plan with Prescription Drug Benefits, Description {0}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DescriptionOfPostretirementMedicalPlansWithPrescriptionDrugBenefits*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-6(a)

### **Defined Benefit Plan, Prescription Drug Benefit Subsidy, Effect Not Determined [true false] {0}**

[Label and/or reference(s) most recently revised on 08/16/2017 after the last taxonomy release.]

**Element Name:** *PrescriptionDrugBenefitSubsidyEffectNotDetermined*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-6(b)

### **Defined Benefit Plan, Prescription Drug Benefit, Accumulated Postretirement Benefit Obligation, Decrease for Subsidy**

[Label and/or reference(s) most recently revised on 08/17/2016 after the last taxonomy release.]

**Element**

**Name:** *DefinedBenefitPlanPrescriptionDrugBenefitAccumulatedPostretirementBenefitObligationDec*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-3(a)

### **Defined Benefit Plan, Prescription Drug Benefit, Net Periodic Postretirement Benefit Cost, (Increase) Decrease for Subsidy {10}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *PrescriptionDrugBenefitEffectOfSubsidyOnNetPeriodicPostretirementBenefitCost1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > Medicare Prescription Drug, Improvement, and Modernization Act, 50-3\(b\)](#)

## Pension and Other Postretirement Plans, Policy [Policy Text Block] {665}

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementPlansPolicy*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > General, 50-1](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1](#)
- [715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 50 Disclosure > General, 50-1](#)
- [715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1](#)
- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-2](#)

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## 715 Compensation—Retirement Benefits 70 Defined Contribution Plans

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### 715-70-00 Status

**General Note:** The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

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### General

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**715-70-00-1** The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date

<b>Defined Contribution Plan</b>	Amended	<u>Accounting Standards Update No. 2014-06</u>	03/14/2014
<b>Defined Contribution Postretirement Plan</b>	Superseded	<u>Accounting Standards Update No. 2014-06</u>	03/14/2014
<b>Fair Value</b> (3rd def.)	Added	<u>Accounting Standards Update No. 2012-04</u>	10/01/2012
<u>715-70-15-2</u>	Added	<u>Accounting Standards Update No. 2012-04</u>	10/01/2012
<u>715-70-35-2</u>	Superseded	<u>Accounting Standards Update No. 2012-04</u>	10/01/2012
<u>715-70-50-1</u>	Amended	<u>Accounting Standards Update No. 2014-06</u>	03/14/2014
<u>715-70-55-6</u>	Amended	<u>Accounting Standards Update No. 2016-01</u>	01/05/2016
<u>715-70-55-7</u>	Amended	<u>Accounting Standards Update No. 2012-04</u>	10/01/2012
<u>715-70-55-9</u>	Amended	<u>Accounting Standards Update No. 2012-04</u>	10/01/2012

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## 715-70-05 Overview and Background

**General Note:** The Overview and Background Section provides overview and background material for the guidance contained in the Subtopic. It does not provide the historical background or due process. It may contain certain material that users generally consider useful to understand the typical situations addressed by the standards. The Section does not summarize the accounting and reporting requirements.

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### General

**715-70-05-1** This Subtopic provides guidance on the accounting and reporting of **defined contribution plans**.

**715-70-05-2** An employer's present obligation under the terms of a plan is fully satisfied when the contribution for the period is made, provided that costs (defined contributions) are not being deferred and recognized in periods after the related service period of the individual to whose account the contributions are to be made.

**715-70-05-3** In a postretirement health plan, an employer may establish individual postretirement health care accounts for each employee, each year contributing a specified amount to each active employee's account. The balance in each employee's account may be used by that employee after the employee's retirement to purchase health care insurance or for other health care benefits. Rather than providing for defined health care benefits, the employer is providing a defined amount of money that may be used by retirees toward the payment of their health care costs.

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## 715-70-15 Scope and Scope Exceptions

**General Note:** The Scope and Scope Exceptions Section outlines the items (for example, the entities, transactions, instruments, or events) to which the guidance in the Subtopic does or does not apply. In some cases, the Section may contain definitional or other text to frame the scope.

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### General

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#### > Overall Guidance

**715-70-15-1** This Subtopic follows the same Scope and Scope Exceptions as outlined in the Overall Subtopic, see Section [715-10-15](#).

#### > Plans with Characteristics of both a Defined Contribution and a Defined Benefit Plan

**715-70-15-2** A pension or other postretirement benefit plan having characteristics of both a defined benefit plan and a **defined contribution plan** requires careful analysis. If the substance of the plan is to provide a defined benefit, as may be the case with some target benefit plans, the accounting requirements shall be determined in accordance with the provisions of Subtopic [715-30](#) or [715-60](#) applicable to a defined benefit plan and the disclosure requirements shall be determined in accordance with the provisions of paragraphs [715-20-50-1](#) and [715-20-50-5](#).

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## 715-70-20 Glossary

**General Note:** The Master Glossary contains all terms identified as glossary terms throughout the Codification. Clicking on any term in the Master Glossary will display where the term is used. The Master Glossary may contain identical terms with different definitions, some of which may not be appropriate for a particular Subtopic. For any particular Subtopic, users should only use the glossary terms included in the particular Subtopic Glossary Section (Section 20).

### Defined Contribution Plan

A plan that provides an individual account for each participant and provides benefits that are based on all of the following: amounts contributed to the participant's account by the employer or employee; investment experience; and any forfeitures allocated to the account, less any administrative expenses charged to the plan.

- a. Defined contribution health and welfare plans—Defined contribution health and welfare plans maintain an individual account for each plan participant. They have terms that specify

the means of determining the contributions to participants' accounts, rather than the amount of benefits the participants are to receive. The benefits a plan participant will receive are limited to the amount contributed to the participant's account, investment experience, expenses, and any forfeitures allocated to the participant's account. These plans also include flexible spending arrangements.

b. **Defined contribution postretirement plan**—A plan that provides postretirement benefits in return for services rendered, provides an individual account for each plan participant, and specifies how contributions to the individual's account are to be determined rather than specifies the amount of benefits the individual is to receive. Under a defined contribution postretirement plan, the benefits a plan participant will receive depend solely on the amount contributed to the plan participant's account, the returns earned on investments of those contributions, and the forfeitures of other plan participants' benefits that may be allocated to that plan participant's account.

### **Fair Value**

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### **Market Participants**

Buyers and sellers in the principal (or most advantageous) market for the asset or liability that have all of the following characteristics:

- a. They are independent of each other, that is, they are not related parties, although the price in a related-party transaction may be used as an input to a fair value measurement if the reporting entity has evidence that the transaction was entered into at market terms
- b. They are knowledgeable, having a reasonable understanding about the asset or liability and the transaction using all available information, including information that might be obtained through due diligence efforts that are usual and customary
- c. They are able to enter into a transaction for the asset or liability
- d. They are willing to enter into a transaction for the asset or liability, that is, they are motivated but not forced or otherwise compelled to do so.

### **Orderly Transaction**

A transaction that assumes exposure to the market for a period before the measurement date to allow for marketing activities that are usual and customary for transactions involving such assets or liabilities; it is not a forced transaction (for example, a forced liquidation or distress sale).

### **Related Parties**

Related parties include:

- a. Affiliates of the entity
- b. Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity
- c. Trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management

- d. Principal owners of the entity and members of their immediate families
- e. Management of the entity and members of their immediate families
- f. Other parties with which the entity may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests
- g. Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

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## 715-70-35 Subsequent Measurement

**General Note:** The Subsequent Measurement Section provides guidance on an entity's subsequent measurement and subsequent recognition of an item. Situations that may result in subsequent changes to carrying amount include impairment, credit losses, fair value adjustments, depreciation and amortization, and so forth.

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### General

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#### > Defined Contribution Plans

**715-70-35-1** To the extent a plan's defined contributions to an individual's account are to be made for periods in which that individual renders services, the net pension or other postretirement benefit cost for a period shall be the contribution called for in that period. If a plan calls for contributions for periods after an individual retires or terminates, the estimated cost shall be accrued during the employee's service period.

**715-70-35-2** [Paragraph superseded by Accounting Standards Update No. 2012-04]

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## 715-70-50 Disclosure

**General Note:** The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

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### General

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**715-70-50-1** An employer shall disclose the amount of cost recognized for defined contribution pension plans and for other **defined contribution postretirement benefit plans** for all periods presented separately from the amount of cost recognized for defined benefit plans. The disclosures shall include a description of the nature and effect of any significant changes during the period affecting comparability, such as a change in the rate of employer contributions, a business combination, or a divestiture.

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## 715-70-55 Implementation Guidance and Illustrations

**General Note:** The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and circumstances in relation to the requirements of the Subtopic.

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### General

#### > **Implementation Guidance**

**715-70-55-1** This Section, which is an integral part of the requirements of this Subtopic, provides general guidance related to accounting and disclosure requirements of defined contribution pension and other postretirement benefit plans.

#### > > **Floor-Offset Plans**

**715-70-55-2** An employer has two legally separate pension or other postretirement benefit plans—a defined benefit plan and a **defined contribution plan**. The terms of the defined benefit plan specify that the employer's obligation under that plan is reduced to the extent that a participant's account balance in the defined contribution plan shall be used to pay incurred benefits covered by the defined benefit plan. Those plans shall be considered two plans for purposes of applying this Subtopic.

**715-70-55-3** The defined benefit plan is commonly described as a floor-offset plan. As participants' account balances in the defined contribution plan grow, the employer's obligation under the defined benefit plan diminishes. However, the nature of the employer's obligation under each plan, how that obligation is satisfied, the availability of plan assets to pay benefits, and the accounting for a defined benefit versus a defined contribution plan are sufficiently dissimilar for the two plans that they cannot be considered a single plan for purposes of applying the guidance in this Subtopic. See paragraphs [715-60-55-32](#) through [55-34](#) for additional guidance on floor-offset plans.

#### > > **Employer Contributions from a Terminated Defined Benefit Plan to a Defined Contribution Plan**

**715-70-55-4** When an employer terminates a defined benefit plan and contributes the assets withdrawn to a defined contribution plan and the amount contributed is in excess of the employer's required (or maximum) annual contribution to the plan, the assets in excess of the

required contribution are maintained in a suspense account pending allocation to plan participants. Those assets are not allocated to individual participants' accounts, and the employer retains the risks and rewards of ownership of the assets.

**715-70-55-5** The excess contribution that is not allocated to individual participants shall be accounted for as an asset regardless of the source of funds to make the excess unallocated contribution (for example, either from an asset reversion of a defined benefit plan or otherwise).

**715-70-55-6** The unallocated amount shall be treated as if it were part of the employer's investment portfolio and recorded as an asset until allocation to individual participants. For example, if the unallocated amount consists of marketable equity securities, the accounting as required by Subtopic 320-10 shall apply. If the employer is subject to specialized industry accounting rules, as indicated in paragraph 320-10-15-3, such specialized industry rules would apply. Income attributable to such securities, including dividends, interest, and realized gains and losses, should be reported in a manner consistent with the employer's reporting of similar items.

#### Pending Content:

**Transition Date:** *(P) December 16, 2017; (N) December 16, 2018* | **Transition Guidance:** 825-10-65-2

The unallocated amount shall be treated as if it were part of the employer's investment portfolio and recorded as an asset until allocation to individual participants. For example, if the unallocated amount consists of equity securities, the accounting as required by Subtopic 321-10 shall apply. If the employer is subject to specialized industry accounting rules, as indicated in paragraph 320-10-15-3 or paragraph 321-10-15-3, such specialized industry rules would apply. Income attributable to such securities, including dividends, interest, and realized gains and losses, should be reported in a manner consistent with the employer's reporting of similar items.

**715-70-55-7** Compensation expense shall be reflected at the time the allocation is made by the plan based on the **fair value** of the assets at that time.

**715-70-55-8** The employer shall report the portion of the unallocated assets of the plan that consist of employer common stock as treasury stock in the employer's financial statements.

**715-70-55-9** With respect to the employer's own debt securities and a third party's debt securities the employer shall report the portion of the unallocated assets of the plan that consist of employer debt securities as an asset rather than as an extinguishment of debt. This Subtopic applies only to employer debt securities included in the unallocated assets of a defined contribution plan and shall not apply to other circumstances in which an entity acquires its own debt securities. Debt securities, both of third parties and of the employer, included in the unallocated assets of a defined contribution plan shall be measured at the lower of cost or fair value with any write-downs reflected in the income statement.

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## 715-70-75 XBRL Elements

**General Note:** This section contains a list of XBRL elements that reference paragraphs in this Subtopic. For additional details regarding changes to the development version of the US GAAP



Financial Reporting Taxonomy, refer to the [FASB taxonomy review and comment system](#) on the FASB web site.

### **Defined Contribution Plan Disclosures [Table Text Block] {54}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *DefinedContributionPlanDisclosuresTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1](#)

### **Defined Contribution Plan [Table]**

[Label and/or reference(s) most recently revised on 11/26/2013 after the last taxonomy release.]

**Element Name:** *DefinedContributionPlanTable*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1](#)

### **Defined Contribution Plan, Cost {2194}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *DefinedContributionPlanCostRecognized*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1](#)

### **Defined Contribution Plan, Nature and Effect of Change, Description {1}**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element**

**Name:** *DescriptionOfNatureAndEffectOfSignificantChangesDuringPeriodAffectingComparability*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1](#)

### **Defined Contribution Plan, Type [Extensible List]**

[Label and/or reference(s) most recently revised on 11/18/2016 after the last taxonomy release.]

**Element Name:** *DefinedContributionPlanTypeExtensibleList*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1](#)

### **Other Postretirement Benefits Cost (Reversal of Cost) {85}**

[Label and/or reference(s) most recently revised on 01/26/2017 after the last taxonomy release.]

**Element Name:** *OtherPostretirementBenefitExpense*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)

### **Other Postretirement Benefits Plan [Member]**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *OtherPostretirementBenefitPlansDefinedBenefitMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4\(d\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)

### **Pension Cost (Reversal of Cost) {270}**

[Label and/or reference(s) most recently revised on 01/26/2017 after the last taxonomy release.]

**Element Name:** *PensionExpense*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1](#)

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1\(h\)](#)

**Pension Plan [Member] {1095}**

[Label and/or reference(s) most recently revised on 11/22/2016 after the last taxonomy release.]

**Element Name:** *PensionPlansDefinedBenefitMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4(c)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

**Pension and Other Postretirement Benefits Cost (Reversal of Cost) {410}**

[Label and/or reference(s) most recently revised on 01/26/2017 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementBenefitExpense*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1(h)

**Pension and Other Postretirement Plans, Pensions, Policy [Policy Text Block] {170}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementPlansPensionsPolicy*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-2

**Pension and Other Postretirement Plans, Policy [Policy Text Block] {665}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementPlansPolicy*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-2

**Retirement Plan Type [Axis]**

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *RetirementPlanTypeAxis*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4(c)
- 712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4(d)
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2

**Retirement Plan Type [Domain]**

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *RetirementPlanTypeDomain*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- [712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4\(c\)](#)
- [712 Compensation—Nonretirement Postemployment Benefits > 10 Overall > 15 Scope > General, 15-4\(d\)](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1](#)
- [715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-2](#)

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## 715 Compensation—Retirement Benefits

### 80 Multiemployer Plans

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#### 715-80-00 Status

**General Note:** The Status Section identifies changes to this Subtopic resulting from Accounting Standards Updates. The Section provides references to the affected Codification content and links to the related Accounting Standards Updates. Nonsubstantive changes for items such as editorial, link and similar corrections are included separately in Maintenance Updates.

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#### General

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**715-80-00-1** The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
<b>Nonpublic Entity</b>	Added	<a href="#">Accounting Standards Update No. 2011-09</a>	09/21/2011
<b>Pension Benefits</b>	Added	<a href="#">Accounting Standards Update No. 2011-09</a>	09/21/2011
<b>Postretirement Benefits Other Than Pensions</b>	Added	<a href="#">Accounting Standards Update No. 2011-09</a>	09/21/2011
<b>Single-Employer Plan</b>	Added	<a href="#">Accounting Standards Update No. 2011-09</a>	09/21/2011
<b>Single-Employer Plan</b> (1st def.)	Added	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014
<b>Single-Employer Plan</b> (2nd def.)	Superseded	<a href="#">Accounting Standards Update No. 2014-06</a>	03/14/2014

<u>715-80-35-1</u>	Amended	<u>Accounting Standards Update No. 2012-04</u>	10/01/2012
<u>715-80-50-1</u>	Superseded	<u>Accounting Standards Update No. 2011-09</u>	09/21/2011
<u>715-80-50-2</u>	Amended	<u>Accounting Standards Update No. 2011-09</u>	09/21/2011
<u>715-80-50-3 through 50-11</u>	Added	<u>Accounting Standards Update No. 2011-09</u>	09/21/2011
<u>715-80-50-4</u>	Amended	<u>Accounting Standards Update No. 2014-06</u>	03/14/2014
<u>715-80-50-5</u>	Amended	<u>Accounting Standards Update No. 2015-10</u>	06/12/2015
<u>715-80-55-6 through 55-8</u>	Added	<u>Accounting Standards Update No. 2011-09</u>	09/21/2011
<u>715-80-65-1</u>	Added	<u>Accounting Standards Update No. 2011-09</u>	09/21/2011

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## 715-80-05 Overview and Background

**General Note:** The Overview and Background Section provides overview and background material for the guidance contained in the Subtopic. It does not provide the historical background or due process. It may contain certain material that users generally consider useful to understand the typical situations addressed by the standards. The Section does not summarize the accounting and reporting requirements.

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### General

**715-80-05-1** This Subtopic provides guidance on the accounting and reporting of multiemployer pension and other postretirement benefit plans. For purposes of this Subtopic, a **multiemployer plan** is a pension plan or other postretirement benefit plan to which two or more unrelated employers contribute, usually pursuant to one or more collective-bargaining agreements.

**715-80-05-2** In a multiemployer setting, eligibility for benefits is defined by the plan; retired employees continue to receive benefits whether or not their former employers continue to contribute to the plan.

**715-80-05-3** However, in a multiemployer postretirement benefit plan, plan participants not yet eligible for benefits may lose accumulated postretirement benefits if their current or former employer withdraws from a plan unless they take or have a job with other employers who participate in the plan.

**715-80-05-4** While the postretirement benefit plan may have the option of canceling the accrued service credits that apply toward the required service, within the bargaining unit, of plan participants who were employed by a withdrawing employer and who become or are employed

by another participating employer, that rarely occurs because of the difficulty of matching employees to specific employers. For example, in certain industries, an employee may work for more than one employer in a single day and different employers on different days, making it difficult to associate any portion of that employee's past service with a specific employer.

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## 715-80-15 Scope and Scope Exceptions

**General Note:** The Scope and Scope Exceptions Section outlines the items (for example, the entities, transactions, instruments, or events) to which the guidance in the Subtopic does or does not apply. In some cases, the Section may contain definitional or other text to frame the scope.

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### General

#### > Overall Guidance

**715-80-15-1** This Subtopic follows the same Scope and Scope Exceptions as outlined in the Overall Subtopic, see Section [715-10-15](#), with specific exceptions and qualifications noted below.

#### > Transactions

**715-80-15-2** The guidance in this Subtopic applies to all multiemployer pension or other postretirement benefit plans.

**715-80-15-3** The guidance in this Subtopic does not apply to multiple-employer plans – as distinguished from multiemployer plans. Multiple-employer plans are in substance aggregations of single-employer plans, combined to allow participating employers to pool plan assets for investment purposes or to reduce the costs of plan administration. Those plans ordinarily do not involve collective-bargaining agreements. They may also have features that allow participating employers to have different benefit formulas, with the employer's contributions to the plan based on the benefit formula selected by the employer.

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## 715-80-20 Glossary

**General Note:** The Master Glossary contains all terms identified as glossary terms throughout the Codification. Clicking on any term in the Master Glossary will display where the term is used. The Master Glossary may contain identical terms with different definitions, some of which may not be appropriate for a particular Subtopic. For any particular Subtopic, users should only use the glossary terms included in the particular Subtopic Glossary Section (Section 20).

### **Conduit Debt Securities**

Certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing financing for a specific third party (the conduit bond obligor) that is not a part of the state or local government's financial reporting entity. Although conduit debt securities bear the name of the governmental entity that issues them, the governmental entity often has no obligation for such debt beyond the resources provided by a lease or loan agreement with the third party on whose behalf the securities are issued. Further, the conduit bond obligor is responsible for any future financial reporting requirements.

### **Multiemployer Plan**

A pension or postretirement benefit plan to which two or more unrelated employers contribute, usually pursuant to one or more collective-bargaining agreements. A characteristic of multiemployer plans is that assets contributed by one participating employer may be used to provide benefits to employees of other participating employers since assets contributed by an employer are not segregated in a separate account or restricted to provide benefits only to employees of that employer. A multiemployer plan is usually administered by a board of trustees composed of management and labor representatives and may also be referred to as a joint trust or union plan. Generally, many employers participate in a multiemployer plan, and an employer may participate in more than one plan. The employers participating in multiemployer plans usually have a common industry bond, but for some plans the employers are in different industries and the labor union may be their only common bond. Some multiemployer plans do not involve a union. For example, local chapters of a not-for-profit entity (NFP) may participate in a plan established by the related national organization.

### **Nonpublic Entity**

An entity that does not meet any of the following criteria:

- a. Its debt or equity securities are traded in a public market, including those traded on a stock exchange or in the over-the-counter market (including securities quoted only locally or regionally).
- b. It is a conduit bond obligor for conduit debt securities that are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local or regional markets).
- c. Its financial statements are filed with a regulatory agency in preparation for the sale of any class of securities.

### **Not-for-Profit Entity**

An entity that possesses the following characteristics, in varying degrees, that distinguish it from a business entity:

- a. Contributions of significant amounts of resources from resource providers who do not expect commensurate or proportionate pecuniary return
- b. Operating purposes other than to provide goods or services at a profit
- c. Absence of ownership interests like those of business entities.

Entities that clearly fall outside this definition include the following:

- a. All investor-owned entities



- b. Entities that provide dividends, lower costs, or other economic benefits directly and proportionately to their owners, members, or participants, such as mutual insurance entities, credit unions, farm and rural electric cooperatives, and employee benefit plans.

### **Pension Benefits**

Periodic (usually monthly) payments made pursuant to the terms of the pension plan to a person who has retired from employment or to that person's beneficiary.

### **Postretirement Benefits**

All forms of benefits, other than retirement income, provided by an employer to retirees. Those benefits may be defined in terms of specified benefits, such as health care, tuition assistance, or legal services, that are provided to retirees as the need for those benefits arises, such as certain health care benefits, or they may be defined in terms of monetary amounts that become payable on the occurrence of a specified event, such as life insurance benefits.

### **Postretirement Benefits Other than Pensions**

See [Postretirement Benefits](#).

### **Single-Employer Plan**

A pension plan or other postretirement benefit plan that is maintained by one employer. The term also may be used to describe a plan that is maintained by related parties such as a parent and its subsidiaries.

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## 715-80-35 Subsequent Measurement

**General Note:** The Subsequent Measurement Section provides guidance on an entity's subsequent measurement and subsequent recognition of an item. Situations that may result in subsequent changes to carrying amount include impairment, credit losses, fair value adjustments, depreciation and amortization, and so forth.

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### General

**715-80-35-1** An employer participating in a **multiemployer plan** shall recognize as net pension cost or net periodic postretirement benefit cost the required contribution for the period, which shall include both cash and the fair value of noncash contributions, and shall recognize as a liability any unpaid contributions required for the period.

**715-80-35-2** In some situations, withdrawal from a multiemployer plan may result in an employer having an obligation to the plan for a portion of the unfunded benefit obligation of the pension or other postretirement benefit plans. If withdrawal under circumstances that would give rise to an obligation is either probable or reasonably possible, the provisions of Topic [450](#) shall apply.

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## 715-80-50 Disclosure

**General Note:** The Disclosure Section provides guidance regarding the disclosure in the notes to financial statements. In some cases, disclosure may relate to disclosure on the face of the financial statements.

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### General

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**715-80-50-1** [Paragraph superseded by Accounting Standards Update No. 2011-09]

**715-80-50-2** An employer shall apply the provisions of Topic 450 to its participation in a **multiemployer plan** if it is either probable or reasonably possible that either of the following would occur:

- a. An employer would withdraw from the plan under circumstances that would give rise to an obligation.
- b. An employer's contribution to the fund would be increased during the remainder of the contract period to make up a shortfall in the funds necessary to maintain the negotiated level of benefit coverage (a maintenance of benefits clause).

#### > **Multiemployer Plans That Provide Pension Benefits**

**715-80-50-3** An employer shall provide the disclosures required by paragraphs 715-80-50-4 through 50-10 in annual financial statements. The disclosures of the employer's contributions made to the plan in paragraphs 715-80-50-4 through 50-10 include all items recognized as net pension costs (see paragraph 715-80-35-1). The disclosures based on *the most recently available* information shall be the most recently available through the date at which the employer has evaluated subsequent events.

**715-80-50-4** An employer that participates in a multiemployer plan that provides **pension benefits** shall provide a narrative description both of the general nature of the multiemployer plans that provide pension benefits and of the employer's participation in the plans that would indicate how the risks of participating in these plans are different from **single-employer plans**.

**715-80-50-5** When feasible, the information required by this paragraph shall be provided in a tabular format. Information that requires greater narrative description may be provided outside the table. For each individually significant multiemployer plan that provides pension benefits, an employer shall disclose the following:

- a. Legal name of the plan.
- b. The plan's Employer Identification Number and, if available, its plan number.
- c. For each statement of financial position presented, the most recently available certified zone status provided by the plan, as currently defined by the Pension Protection Act of 2006 or a subsequent amendment of that Act. The disclosure shall specify the date of the plan's year-end to which the zone status relates and whether the plan has utilized any extended amortization provisions that affect the calculation of the zone status. If the zone status is not available, an employer shall disclose, as of the most recent date available, on the basis of the financial statements provided by the plan, the total plan assets and accumulated benefit obligations, whether the plan was:

1. Less than 65 percent funded
2. Between 65 percent and 80 percent funded
3. At least 80 percent funded.

d. The expiration date(s) of the collective-bargaining agreement(s) requiring contributions to the plan, if any. If more than one collective-bargaining agreement applies to the plan, the employer shall provide a range of the expiration dates of those agreements, supplemented with a qualitative description that identifies the significant collective-bargaining agreements within that range as well as other information to help investors understand the significance of the collective-bargaining agreements and when they expire (for example, the portion of employees covered by each agreement or the portion of contributions required by each agreement).

e. For each period that a statement of income (statement of activities for a **not-for-profit entity**) is presented:

1. The employer's contributions made to the plan
2. Whether the employer's contributions represent more than 5 percent of total contributions to the plan as indicated in the plan's most recently available annual report (Form 5500 for U.S. plans). The disclosure shall specify the year-end date of the plan to which the annual report relates.

f. As of the end of the most recent annual period presented:

1. Whether a funding improvement plan or rehabilitation plan (for example, as those terms are defined by the Employment Retirement Security Act of 1974) had been implemented or was pending
2. Whether the employer paid a surcharge to the plan
3. A description of any minimum contribution(s), required for future periods by the collective-bargaining agreement(s), statutory obligations, or other contractual obligations, if applicable.

Factors other than the amount of the employer's contribution to a plan, for example, the severity of the underfunded status of the plan, may need to be considered when determining whether a plan is significant.

**715-80-50-6** An employer shall provide a description of the nature and effect of any significant changes that affect comparability of total employer contributions from period to period, such as:

- a. A business combination or a divestiture
- b. A change in the contractual employer contribution rate
- c. A change in the number of employees covered by the plan during each year.

**715-80-50-7** The requirements in paragraph [715-80-50-5](#) assume that the other information about the plan is available in the public domain. For example, for U.S. plans, the plan information in Form 5500 is publicly available. In circumstances in which plan level information is

not available in the public domain, an employer shall disclose, in addition to the requirements of paragraphs 715-80-50-5 through 50-6, the following information about each significant plan:

- a. A description of the nature of the plan benefits
- b. A qualitative description of the extent to which the employer could be responsible for the obligations of the plan, including benefits earned by employees during employment with another employer
- c. Other quantitative information, to the extent available, as of the most recent date available, to help users understand the financial information about the plan, such as total plan assets, actuarial present value of accumulated plan benefits, and total contributions received by the plan.

If the quantitative information in paragraph 715-80-50-5(c), 715-80-50-5(e)(2), or 715-80-50-7(c) cannot be obtained without undue cost and effort, that quantitative information may be omitted and the employer shall describe what information has been omitted and why. In that circumstance, the employer also shall provide any qualitative information as of the most recent date available that would help users understand the financial information that otherwise is required to be disclosed about the plan.

**715-80-50-8** Disclosures about multiemployer plans that are subject to the guidance in the preceding paragraph shall be included in a separate section of the tabular disclosure required by paragraph 715-80-50-5.

**715-80-50-9** In addition to the information about the significant multiemployer plans that provide pension benefits required by paragraphs 715-80-50-5 and 715-80-50-7, an employer shall disclose in a tabular format for each annual period for which a statement of income or statement of activities is presented, both of the following:

- a. Its total contributions made to all plans that are not individually significant
- b. Its total contributions made to all plans.

**715-80-50-10** See Example 1 (paragraph 715-80-55-6) for an illustration of the application of the disclosure requirements in paragraphs 715-80-50-4 through 50-9.

## > **Multiemployer Plans That Provide Postretirement Benefits Other Than Pensions**

**715-80-50-11** An employer shall disclose the amount of contributions to multiemployer plans that provide **postretirement benefits other than pensions** for each annual period for which a statement of income or statement of activities is presented. The disclosures shall include a description of the nature and effect of any changes that affect comparability of total employer contributions from period to period, such as:

- a. A business combination or a divestiture
- b. A change in the contractual employer contribution rate
- c. A change in the number of employees covered by the plan during each year.

The disclosures also shall include a description of the nature of the benefits and the types of employees covered by these benefits, such as medical benefits provided to active employees and retirees.

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## 715-80-55 Implementation Guidance and Illustrations

**General Note:** The Implementation Guidance and Illustrations Section contains implementation guidance and illustrations that are an integral part of the Subtopic. The implementation guidance and illustrations do not address all possible variations. Users must consider carefully the actual facts and circumstances in relation to the requirements of the Subtopic.

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### General

#### > Implementation Guidance

**715-80-55-1** This Section, which is an integral part of the requirements of this Subtopic, provides general guidance related to accounting and disclosure requirements of multiemployer pension and other postretirement benefit plans.

#### > > Employer's Obligation to Retirees in a Multiemployer Plan

**715-80-55-2** An employer participates in a multiemployer defined benefit pension plan. When the employer enters the plan or improves benefits under the plan, the employer unconditionally promises to pay certain future contributions to the plan and executes an agreement that specifies the amounts of those future contributions. The amounts of those future contributions are calculated based on the plan's prior service cost associated with the participants entering the plan or the improved benefits. In return, the plan unconditionally promises to pay retirement benefits to the employer's covered participants in the plan. The existence of the executed agreement does not require that a liability be reported beyond any contributions currently due and unpaid.

#### > > Multiemployer Plan as Successor Plan

**715-80-55-3** A **multiemployer plan** shall not be considered a substantially equivalent replacement plan (a successor plan) for an employer that terminates its single-employer defined benefit pension or other postretirement plan. Acceleration of the recognition as a component of net periodic postretirement benefit cost of prior service cost included in accumulated other comprehensive income would be required.

**715-80-55-4** The characteristics and the accounting for a multiemployer plan are sufficiently different from a single-employer plan that neither plan can be a successor plan for the other. The nature of the employer's promise is different in each plan. In a single-employer plan, the employer promises to provide defined benefits. In a multiemployer plan, the employer promises to make a defined contribution. That employees continue to render service is important only if the accounting for a defined benefit plan is being applied, which includes the deferred recognition in earnings of certain items. Because the unit of account is the individual plan, the termination of a single-employer defined benefit plan without replacing it with a successor defined benefit plan concludes the employer's ability to apply defined benefit plan accounting. Therefore, to continue to recognize the prior service cost as a component of net periodic postretirement benefit cost over future periods for the terminated plan in this situation is not appropriate.

## > > **Employer Recognition of Certain Future Contributions to a Multiemployer Postretirement Plan**

**715-80-55-5** An employer that has a single-employer postretirement benefit plan decides to provide health care benefits to its retirees through participation with several unrelated employers in a group postretirement health care benefit arrangement that does not result from collective bargaining. The arrangement is administered by an independent board of trustees and provides a uniform level of benefits to all retirees by utilizing group medical insurance contracts. Each participating employer is assessed an annual contribution for its share of insurance premiums, plus administrative costs, and may require its respective retirees to pay a portion of the annual assessment. Retirees whose former employer discontinues paying the annual assessment have the right to continue participation if they assume the cost of the annual premiums needed to maintain their existing benefits. The employer shall not account for this arrangement as a multiemployer plan. A characteristic of a multiemployer plan is that its obligation to retirees continues even if a former employer discontinues its participation in the plan. That characteristic is not present in the arrangement described.

### > **Illustrations**

#### > > **Example 1: Disclosures for Multiemployer Plans That Provide Pension Benefits**

**715-80-55-6** This Example illustrates certain, but not all, of the disclosure requirements in paragraphs [715-80-50-4](#) through [50-9](#).

**715-80-55-7** Entity A contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- c. If Entity A chooses to stop participating in some of its multiemployer plans, Entity A may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

**715-80-55-8** Entity A's participation in these plans for the annual period ended December 31, 20X0, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 20X0 and 20X9 is for the plan's year-end at December 31, 20X9, and December 31, 20X8, respectively. The zone status is based on information that Entity A received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject. Finally, the number of employees covered by Entity A's multiemployer plans decreased by 5 percent from 20X9 to 20X0, affecting the period-to-period comparability of the contributions for years 20X9 and 20X0. The significant reduction in covered employees corresponded to a reduction in overall business. There have been no significant changes that affect the comparability of 20X8 and 20X9 contributions.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions of Entity A			Surcharge Imposed
		20X0	20X9		20X0	20X9	20X8	
ABC Fund 34	32-1899999	Red as of 9/30/2009	Yellow as of 9/30/2008	Pending	\$ 1,883,000	\$ 2,309,000	\$ 2,226,000	Yes
ABC Fund 37	52-5599999 - 002	Green	Yellow	No	3,342,000	3,609,000	3,586,000	No
ABC Fund 40	92-3499999	Yellow	Yellow	No	5,798,000	6,435,000	6,374,000	No
ABC Fund 43	82-4299999	Red	Red	Pending	3,539,000	3,234,000	3,218,000	Yes
ABC Fund 46 <sup>(b)</sup>	82-6899999	Green	Green	No	778,000	816,000	833,000	No
ABC Fund 49	52-6199999	Yellow	Yellow	No	534,000	547,000	491,000	No
ABC Fund 52	72-8599999 - 001	Red	Green	Implemented	1,349,000	1,134,000	1,050,000	No
ABC Fund 55	82-2899999	Green	Green	No	1,224,000	1,046,000	1,151,000	No
<b>Plans for which plan financial information is not publicly available outside Entity A's financial statements</b>								
ABC Fund 61 <sup>(c)</sup>	N/A	N/A	N/A	N/A	418,000	482,000	491,000	N/A
ABC Fund 73 <sup>(d)</sup>	N/A	N/A	N/A	N/A	1,872,000	1,764,000	1,693,000	N/A
<b>Other funds</b>					147,000	160,000	169,000	
<b>Total contributions:</b>					<u>\$ 20,884,000</u>	<u>\$ 21,536,000</u>	<u>\$ 21,282,000</u>	

- (a) Entity A is party to two significant collective-bargaining agreements that require contributions to ABC Fund 37. Agreements D and E expire on 12/31/2008 and 12/31/2009 respectively. Of the two, Agreement D is more significant because 70 percent of Entity A's employee participants in ABC Fund 37 are covered by that agreement. Agreement E also is significant because its participants are involved in multiple projects that Entity A is scheduled to start in 20X4.
- (b) ABC Fund 46 utilized the special 30-year amortization rules provided by Public Law 111-192, Section 211 to amortize its losses from 2008. The plan is required to use the amortization provisions of that law after using the amortization provisions of that law.
- (c) Plan information for ABC Fund 61 is not publicly available. ABC Fund 61 provides fixed, monthly retirement payments on the basis of the credits earned by employees. To the extent that the plan is underfunded, the future contributions to the plan may increase and may be used to fund retirement benefits for other employers who have ceased operations. Entity A could be assessed a withdrawal liability in the event that it decides to cease participating in the plan. The financial statements for the years ended June 30, 20X0 and 20X9 indicated total assets of \$62,000,000 and \$51,000,000, respectively; total actuarial accumulated plan benefits of \$120,000,000 and \$110,000,000, respectively; and total contributions for all participating employers of \$9,000,000 and \$9,000,000, respectively. The plan's financial statements for the plan years ended June 30, 20X0 and 20X9 indicate that the plan was less than 65 percent funded in both years.
- (d) Plan information for ABC Fund 73 is not publicly available. ABC Fund 73 provides fixed retirement payments on the basis of the credits earned by employees. However, in the event that the plan is underfunded, the monthly benefit amount can be reduced by the trustees of the plan. Entity A is not responsible for the status of the plan because ABC Fund 73 operates in a jurisdiction that does not require withdrawing participants to pay a withdrawal liability or other payment. Entity A is unable to provide additional quantitative information on the plan because Entity A is unable to obtain that information without undue cost and effort. The agreement of ABC Fund 73 requires contributions on the basis of hours worked. The agreement also has a minimum contribution requirement of \$1,000 per month.

Entity A was listed in its plans' Forms 5500 as providing more than 5 percent of the total contributions for the following plans and plan years:

Pension Fund	Year Contributions to Plan Exceeded More Than 5 Percent of Total Contributions (as of December 31 of the Plan's Year-End)
ABC Fund 34	20X9 and 20X8
ABC Fund 43	20X8
ABC Fund 52	20X8
ABC Fund 61	20X9

At the date the financial statements were issued, Forms 5500 were not available for the plan years ending in 20X0.

## 715-80-65 Transition and Open Effective Date Information

**General Note:** The Transition Section contains a description of the required transition provisions and a list of the related paragraphs that have been modified. This Section will retain the transition content during the transition period. After the transition period, the transition content will be removed yet will be available in archived versions of the Section.

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## General

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**715-80-65-1** Paragraph superseded on 06/17/2013 after the end of the transition period stated in Accounting Standards Update No. 2011-09, *Compensation—Retirement Benefits—Multiemployer Plans (Subtopic 715-80): Disclosures about an Employer’s Participation in a Multiemployer Plan*.

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## 715-80-75 XBRL Elements

**General Note:** This section contains a list of XBRL elements that reference paragraphs in this Subtopic. For additional details regarding changes to the development version of the US GAAP Financial Reporting Taxonomy, refer to the [FASB taxonomy review and comment system](#) on the FASB web site.

### **Multiemployer Plan Name [Axis] {164}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlanNameAxis*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5\(a\)](#)

### **Multiemployer Plan Name [Domain] {0}**

[Label and/or reference(s) most recently revised on 11/11/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlanNameDomain*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5\(a\)](#)

### **Multiemployer Plan Number {73}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlanNumber*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**



- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5\(b\)](#)

### **Multiemployer Plan Type [Axis] {158}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlanTypeAxis*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-3](#)
- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-11](#)

### **Multiemployer Plan, Collective-Bargaining Arrangement, Percentage of Contributions Required for Multiple Collective-Bargaining Arrangements**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element**

**Name:** *MultiemployerPlanCollectiveBargainingArrangementPercentageOfContributionsRequiredFor*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5\(d\)](#)

### **Multiemployer Plan, Collective-Bargaining Arrangement, Required Percentage of Contributions**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element**

**Name:** *MultiemployerPlanCollectiveBargainingArrangementRequiredPercentageOfContributions*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5\(d\)](#)

### **Multiemployer Plan, Contribution Rate Increase (Decrease)**

[Label and/or reference(s) most recently revised on 12/02/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlanContributionRateIncreaseDecrease*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-6\(b\)](#)
- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-11\(b\)](#)

## Multiemployer Plan, Contributions by Employer

[Label and/or reference(s) most recently revised on 11/16/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlanContributionsByEmployer*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5(e)(1)
- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-9
- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-11

## Multiemployer Plan, Plan Information [Axis] {14}

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlanPlanInformationAxis*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-7

## Multiemployer Plans, Accumulated Benefit Obligation {9}

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansAccumulatedBenefitObligation*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-7(c)

## Multiemployer Plans, Business Combination or Divestiture, Description {0}

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansBusinessCombinationOrDivestitureDescription*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-6(a)
- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-11(a)

## Multiemployer Plans, Certified Zone Status [Fixed List] {92}

[Label and/or reference(s) most recently revised on 07/27/2017 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansCertifiedZoneStatus*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5\(c\)](#)

### **Multiemployer Plans, Certified Zone Status, Date {11}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansCertifiedZoneStatusDate*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5\(c\)](#)

### **Multiemployer Plans, Certified Zone Status, Extended Amortization Provisions [true false] {2}**

[Label and/or reference(s) most recently revised on 08/16/2017 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansCertifiedZoneStatusExtendedAmortizationProvisions*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5\(c\)](#)

### **Multiemployer Plans, Collective-Bargaining Arrangement, Description {17}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansCollectiveBargainingArrangementExpirationDateDescription*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5\(d\)](#)

### **Multiemployer Plans, Collective-Bargaining Arrangement, Expiration Date {59}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansCollectiveBargainingArrangementExpirationDate*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5\(d\)](#)

### **Multiemployer Plans, Collective-Bargaining Arrangement, Expiration Date, First {19}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansCollectiveBargainingArrangementExpirationDateFirst*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5(d)

### **Multiemployer Plans, Collective-Bargaining Arrangement, Expiration Date, Last {22}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansCollectiveBargainingArrangementExpirationDateLast*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5(d)

### **Multiemployer Plans, Collective-Bargaining Arrangement, Percentage of Employer's Participants {11}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element**

**Name:** *MultiemployerPlansCollectiveBargainingArrangementPercentageOfEmployersParticipants*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5(d)

### **Multiemployer Plans, Collective-Bargaining Arrangement, Percentage of Participants {26}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansCollectiveBargainingArrangementPercentageOfParticipants*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5(d)

### **Multiemployer Plans, Contribution Rate Increase (Decrease), Description {1}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansContributionRateIncreaseDecreaseDescription*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-6\(b\)](#)
- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-11\(b\)](#)

### **Multiemployer Plans, Employees Increase (Decrease), Description {3}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansEmployeesIncreaseDecreaseDescription*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-6\(c\)](#)
- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-11\(c\)](#)

### **Multiemployer Plans, Employees Increase (Decrease), Percentage {1}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansEmployeesIncreaseDecreasePercentage*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-6\(c\)](#)
- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-11\(c\)](#)

### **Multiemployer Plans, Funded Status [Fixed List] {28}**

[Label and/or reference(s) most recently revised on 07/27/2017 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansFundedStatus*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5\(c\)](#)

### **Multiemployer Plans, Funding Improvement Plan and Rehabilitation Plan [Fixed List] {69}**

[Label and/or reference(s) most recently revised on 07/27/2017 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansFundingImprovementPlanAndRehabilitationPlan*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- [715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5\(f\)\(1\)](#)

**Multiemployer Plans, General Nature {7}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansGeneralNature*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-4

**Multiemployer Plans, Information Not Available {0}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansInformationNotAvailable*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-7

**Multiemployer Plans, Minimum Contribution {8}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansMinimumContribution*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5(f)(3)

**Multiemployer Plans, Minimum Contribution, Description {4}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansMinimumContributionDescription*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5(f)(3)

**Multiemployer Plans, Period Contributions, Significance of Contributions [true false] {25}**

[Label and/or reference(s) most recently revised on 08/16/2017 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansPeriodContributionsSignificanceOfContributions*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5(e)(2)

### **Multiemployer Plans, Plan Assets {10}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansPlanAssets*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-7(c)

### **Multiemployer Plans, Plan Benefits, Description {7}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansPlanBenefitsDescription*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-7(a)
- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-11

### **Multiemployer Plans, Plan Contributions**

[Label and/or reference(s) most recently revised on 08/17/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansPlanContributions1*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-7(c)

### **Multiemployer Plans, Report Date {2}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansReportDate*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5(e)(2)

### **Multiemployer Plans, Surcharge [Fixed List] {76}**

[Label and/or reference(s) most recently revised on 07/27/2017 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansSurcharge*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5(f)(2)

**Multiemployer Plans, Underfunded Status, Description {2}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *MultiemployerPlansUnderfundedStatusDescription*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-7(b)

**Pension and Other Postretirement Plans, Pensions, Policy [Policy Text Block] {170}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementPlansPensionsPolicy*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-2

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1

**Pension and Other Postretirement Plans, Policy [Policy Text Block] {665}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *PensionAndOtherPostretirementPlansPolicy*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-2

**This XBRL element references the following paragraph(s)/term(s) in other Subtopic(s):**

- 715 Compensation—Retirement Benefits > 20 Defined Benefit Plans—General > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 30 Defined Benefit Plans—Pension > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 60 Defined Benefit Plans—Other Postretirement > 50 Disclosure > General, 50-1
- 715 Compensation—Retirement Benefits > 70 Defined Contribution Plans > 50 Disclosure > General, 50-1



**Schedule of Multiemployer Plans [Table Text Block] {158}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *ScheduleOfMultiemployerPlansTableTextBlock*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5

**Schedule of Multiemployer Plans [Table]**

[Label and/or reference(s) most recently revised on 11/24/2013 after the last taxonomy release.]

**Element Name:** *ScheduleOfMultiemployerPlansTable*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-5

**Withdrawal from Multiemployer Defined Benefit Plan [Member] {16}**

[Label and/or reference(s) most recently revised on 08/19/2016 after the last taxonomy release.]

**Element Name:** *WithdrawalFromMultiemployerDefinedBenefitPlanMember*

**This XBRL element references the following paragraph(s)/term(s) in this Subtopic:**

- 715 Compensation—Retirement Benefits > 80 Multiemployer Plans > 50 Disclosure > General, 50-2