

Publications

Accounting Proposals Present Obstacles for Multiemployer Plan Sponsors

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There has been growing concern among credit rating agencies, financial institutions, and investors about the underfunding of multiemployer plans. This concern has been met with increased regulation by lawmakers and professional governing bodies alike. The United States Congress passed the Pension Protection Act of 2006 which, among other things, categorizes the extent of underfunding and requires underfunded multiemployer plans to implement funding programs to restore their pension plan funding percentages to sufficient levels.

The International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) are both considering new rules which would require auditors to provide a substantial amount of additional information on the audited financial statements of employers that contribute to multiemployer plans. There is concern that, if finalized in their present form, the proposed rules would have significant adverse consequences to those contributing employers, the unions that represent their employees, the multiemployer plans that provide benefits to their employees, and the users of the financial statements who may be misled by the information presented. Please see the attached article for further information.