# American Benefits Council
## Benefits Briefing Webinar: FASB Pension Issues
## Thursday, December 5, 2 p.m. to 3:30 p.m. ET

**BENEFITS BRIEFING: FASB Pension Issues**
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The American Benefits Council will host a **Benefits Briefing webinar** on **Thursday, December 5** at **2 p.m. Eastern Time**, to discuss the implications for pension plans of financial accounting rules (as established by the Federal Accounting Standards Board's (FASB)), along with the changes made to pension funding rules under Moving Ahead for Progress in the 21st Century (MAP-21). The webinar will provide background and education on FASB's pension project and the role of the benefits community.

***Lynn Dudley***, *senior vice president, retirement and international benefits policy*, and ***Diann Howland***, *vice president, legislative affairs,* will moderate the call. She will be joined by the following guest speakers:

- ***Peter C. Proestakes***, *Assistant Director of Technical Activities, FASB*
- ***Phillip R. Hood***, *Project Manager, FASB*
- ***Mike Kiely***, *vice president of government affairs, United Parcel Service*
- ***Alan Glickstein***, *senior benefits consultant and actuary, Towers Watson*
- ***Kent Mason***, *partner, Davis & Harman, LLP*

The webinar will include a question and answer period. Members are encouraged to submit other questions and comments in advance to ldudley@abcstaff.org.

**Background:**
Pension accounting rules measure pension obligations through the use of discount rates that could be used in settling the pension obligations as of the measurement date. This hypothetical settlement would be based on the cost of buying high-quality corporate bonds that could be used to cover the plan's projected obligations. This approach is thus based on a settlement of a plan's obligations on one day in a transaction that almost no fully ongoing plan (i.e., a plan that is not terminating or taking steps to shrink its existing liability) would enter into.

MAP-21 allows plan sponsors to measure pension liability for funding purposes using the 25-year average of segment rates plus or minus an interest rate corridor. The corridor for 2012 was 10 percent but it phases upward by 5 percent per year until it reaches 2016 when it settles at 30 percent. The effect is to mitigate the effect of artificially low interest rates temporarily; over the next few years, this funding stabilization will decline.

Plan sponsors have raised concerns about the volatility inherent in the accounting rules. Some plan sponsors are seeking greater consistency with funding stabilization and 69 members of the U.S. House of Representatives recently signed a letter urging FASB to address pension accounting volatility. Some plan sponsors are seeking changes in the rules regarding the mix of bonds included in the discount rate calculation, which is another important issue. FASB has an open pension accounting project.

**New:** Council webinars may be used toward continuing education/renewal requirements for many professional accreditation programs, but only by means of self-certification. Descriptions of past programs are available by clicking here. Please retain your registration confirmation for your verification records.

***For questions related to registration*** *– or if you have colleagues at your organization who would like to participate in this call, but do not regularly receive Council materials – please contact Deanna Johnson, director, membership, or Sondra West, membership services coordinator, at (202) 289-6700.*