



FRED 71 DRAFT AMENDMENTS TO FRS 102: MULTI-EMPLOYER DEFINED BENEFIT PLANS

Issued 31 March 2019

ICAEW welcomes the opportunity to comment on FRED 71 *Draft amendments to FRS 102: Multi-employer defined benefit plans* published by the Financial Reporting Council (FRC) in January 2019, a copy of which is available from this [link](#).

We agree with the FRC's decision to take a pragmatic approach to this matter by setting clear and unambiguous requirements for the transition from defined contribution accounting to defined benefit accounting for multi-employer pension schemes when sufficient information becomes available.

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KEY POINTS

SUPPORT FOR PROPOSED AMENDMENTS

1. We agree with the FRC's decision to take a pragmatic approach to this matter by setting clear and unambiguous requirements for the transition from defined contribution accounting to defined benefit accounting for multi-employer pension schemes when sufficient information becomes available.

ANSWERS TO SPECIFIC QUESTIONS

Question 1

Do you agree with the proposed amendments to FRS 102? If not, why not?

2. Yes, we agree with the proposed amendments to FRS 102 relating to the transition from defined contribution accounting to defined benefit accounting for a multi-employer pension plan when sufficient information becomes available . As noted in the consultation paper, FRS 102 does not specifically deal with this situation and as a result there could be several interpretations of the appropriate accounting treatment. We support the FRC's decision to take a pragmatic approach in this instance by setting clear unambiguous requirements for this mater.

Question 2

In relation to the Consultation stage impact assessment, do you have any comments on the costs and benefits identified? Please provide evidence to support your views.

3. We agree that the proposed amendments will provide consistency of information to users of financial statements and provide clarity to preparers.