

Interpretation of the Emerging Accounting Issues Working Group

INT 04-03: Clarification for Calculating the Additional Minimum Pension Liability Under SSAP No. 89—Accounting for Pensions, A Replacement of SSAP No

minimum liability is recognized in the reporting entity's financial statement. Subsequent funding to the plan after the measurement date and prior to the financial statement date shall be used to reduce the additional minimum liability recognized in the reporting entity's financial statements.

Illustration:**Funded Status, FYE 12/31:**

Accumulated Benefit Obligation	\$ (100)
Fair Value of Plan Assets, 9/30	<u>\$ 75</u>
Funded Status	<u>\$ (25)</u>

(Accrued)/prepaid before 4 th quarter contribution	\$ 20
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AML Determination:

Minimum liability (unfunded ABO)	\$ (25)
Less (accrued)/prepaid before 4 th quarter contribution	<u>\$ -</u>
Additional minimum liability	<u>\$ (25)</u>

An actuarial valuation as of September 30 is used to measure plan assets and obligations for a December 31, financial statement reporting date.

If the reporting entity contributes \$20 subsequent to the actuarial valuation date but prior to the financial statement date, the \$25 recognized additional minimum liability is reduced by the subsequent \$20 funding.

INT 04-03 Status

- No further discussion is planned.