Deloitte.

Deloitte Touche Tohmatsu Limited
2 New Street Square
London EC4A 3BZ
United Kingdom

Tel: +44 (0) 20 7936 3000
Fax: +44 (0) 20 7583 1198
www.deloitte.com

Direct: +44 20 7007 0884
Direct Fax: +44 20 7007 0158
vepoole@deloitte.co.uk

Sir David Tweedie
Chairman
International Accounting Standards Board
30 Cannon Street
London
United Kingdom
EC4M 6XH

Email: commentletters@iasb.org

6 September 2010

Dear Sir David,

Re: Exposure Draft ED/2010/3 Defined Benefit Plans-Proposed amendments to IAS 19 Employee Benefits

Deloitte Touche Tohmatsu Limited is pleased to respond to the Exposure Draft, ED/2010/3 *Defined Benefit Plans-Proposed Amendments to IAS 19 Employee Benefits* (the 'ED').

We support the Board's proposal to eliminate the option to defer recognition of changes in defined benefit assets and liabilities because the current deferred recognition represents a smoothing mechanism that often fails to capture and present relevant information on the status of the defined benefit plans. Further, the deferred recognition approach is inconsistent with the definition and recognition criteria of assets and liabilities in the Framework and it represents a source of complexity within IAS 19.

However, we do not support introducing other proposed changes, including a new presentation method, the elimination of the expected rate of return on plan assets and changes in definitions of employee benefits, in this short-term project. We believe these issues should be reconsidered as part of the Board's planned fundamental review of the accounting for employee benefits and some should be timed to coincide with the Financial Statement Presentation Project (FSPP) which we would expect to address what is financial performance, what is other comprehensive income (OCI) and why, when and how amounts recognised in OCI are recycled to profit or loss. Therefore, until the completion of these projects, we support the status quo with respect to many of the issues addressed in the ED.

Further, we do not support combining post-employment benefits and other long-term benefits into a single category since the change would have unintended consequences with respect to the measurement of certain long-term bonus plans with contingent performance targets. We are not aware of issues arising with respect to the classification of plans between post-employment benefits and long-term benefits that warrant a change at the present time.

Finally, while we agree with the proposed objectives of disclosures about an entity's defined benefit plans, we disagree with several of the proposed new disclosure elements that we believe will be onerous and burdensome for entities to prepare and will not provide relevant and reliable information to users of financial statements. By proposing detailed disclosure requirements, the ED appears to deviate from the stated objective set out by the Board that users of the financial statements should be provided with relevant information that is not obscured by excessive detail.

Our detailed responses to the invitation to comment questions are included in the Appendix to this letter.

If you have any questions concerning our comments, please contact Veronica Poole in London at +44 (0) 207 007 0884.

Sincerely,

Veronica Poole
Global IFRS Leader – Technical

Appendix: Invitation to Comment

Question 1

The exposure draft proposes that entities should recognise all changes in the present value of the defined benefit obligation and in the fair value of plan assets when they occur. (Paragraphs 54, 61 and BC9–BC12) Do you agree? Why or why not?

We agree that all changes in the present value of the defined benefit obligation and in the fair value of plan assets should be recognised when they occur. The current deferred recognition (the corridor approach) often fails to capture and present relevant information on the status of defined benefit plans. This method is inconsistent with the definition and recognition criteria of assets and liabilities in the Framework and it adds complexity within IAS 19. The proposal enhances comparability between entities by eliminating an accounting option, increases transparency about an entity's true obligation and represents a move towards convergence with U.S. GAAP, at least from the perspective of the statement of financial position.

Question 2

Should entities recognise unvested past service cost when the related plan amendment occurs? (Paragraphs 54, 61 and BC13) Why or why not?

We agree with the recognition of unvested past service cost in the period in which the related plan amendment occurs because it eliminates an inconsistency with the general measurement requirements applicable to other elements of defined benefit plans in IAS 19.

Question 3

Should entities disaggregate defined benefit cost into three components: service cost, finance cost and remeasurements? (Paragraphs 119A and BC14–BC18)Why or why not?

We believe that the short-term targeted amendments to IAS 19 should be limited to addressing issues that require immediate attention and should not propose changes that may need to be revisited based on the decisions reached in other IASB projects. Accordingly, we do not support the disaggregation of defined benefit costs into three components at this time. While we do not disagree with the idea of disaggregation in and of itself, we believe that the determination of an appropriate disaggregation method is intrinsically linked to the accounting model and as such it should be considered as part of a fundamental review of IAS 19 and of the financial statements presentation project ("FSPP"). Until then, we believe that entities should be permitted to continue to present current service cost, interest cost and expected return on plan assets as currently permitted in paragraph 119 of IAS 19. While we believe that in general the elimination of accounting options is desirable, we do not believe it would be appropriate to impose an interim change prior to the outcome of a full review of pension accounting. See our response to Question 5 and 6 for further details on our views in that respect.

Question 4

Should the service cost component exclude changes in the defined benefit obligation resulting from changes in demographic assumptions? (Paragraphs 7and BC19–BC23) Why or why not?

Notwithstanding our view that the Board should not modify the current requirements of IAS 19 with respect to the presentation of service costs and changes in actuarial assumptions, if the Board was to proceed with the proposed changes in that respect, we agree that the service cost component should exclude changes in the defined benefit obligation resulting from changes in demographic assumptions. Demographic assumptions form part of the actuarial assumptions and they should be treated in the same manner as other actuarial assumptions.

Question 5

The exposure draft proposes that the finance cost component should comprise net interest on the net defined benefit liability (asset) determined by applying the discount rate specified in paragraph 78 to the net defined benefit liability (asset). As a consequence, it eliminates from IAS 19 the requirement to present an expected return on plan assets in profit or loss.

Should net interest on the net defined benefit liability (asset) be determined by applying the discount rate specified in paragraph 78 to the net defined benefit liability (asset)? Why or why not? If not, how would you define the finance cost component and why? (Paragraphs 7, 119B, 119C and BC23–BC32)

We do not support the definition and presentation of net interest on the net defined benefit liability (asset). The appropriate rate(s) to be used to discount the defined benefit obligation and to measure the return on plan assets to be reported in the performance statement should be addressed as part of a more fundamental review of the principles applicable to defined benefit plans. Until such a project is undertaken, we believe that the Board should retain the current requirements of IAS 19; in particular that an entity should present the expected return on plan assets in profit or loss. Also, until completion of the FSPP, it would be premature to impose where interest cost on the defined benefit obligation and the expected return on plan assets should be presented within profit or loss. Further, we believe that the proposal is counterintuitive because it results in applying a rate of return on plan assets that has no relationship to the assets themselves. The resulting amount is not a pure measure of the passage of time as it includes the credit risk inherent in high quality corporate bonds where there is a deep market. As a result, while the amendment proposed avoids the subjectivity inherent in the expected rate, it does not necessarily provide more relevant information to the users of the financial statements. Additionally, we do not believe that the current determination of an expected rate is so subjective as to be unreliable. The subjectivity involved in estimating an expected return can be addressed by appropriate disclosures. For all of these reasons, we believe that the Board should not proceed with this amendment at this time. Similarly, we believe that the accounting for reimbursement rights should not change and therefore, the Board should not proceed with the proposed consequential amendment to paragraph 104A.

Question 6

Should entities present:
(a) service cost in profit or loss?
(b) net interest on the net defined benefit liability (asset) as part of finance costs in profit or loss?
(c) remeasurements in other comprehensive income?
(Paragraphs 119A and BC35–BC45) Why or why not?

We do not support the proposed presentation method. We are concerned that introducing such a change outside a fundamental review of IAS 19 and in the absence of completion of the FSPP that is expected to provide clarity on what distinguishes amounts recognised in profit or loss from those recognised in other comprehensive income will result in a change that is not fully understood and potentially short-term.

IAS 19.BC41 (current) states '*The Board found the immediate recognition approach attractive. However, the Board believes that it is not feasible to use this approach for actuarial gains and losses <u>until the Board resolves substantial issues about performance reporting. These issues include:</u>*

(a) whether financial performance includes those items that are recognised directly in equity;
(b) the conceptual basis for determining whether items are recognised in the income statement or directly in equity;
(c) whether net cumulative actuarial losses should be recognised in the income statement, rather than directly in equity; and
(d) whether certain items reported initially in equity should subsequently be reported in the income statement ('recycling').

When the Board makes further progress with those issues, it may decide to revisit the treatment of actuarial gains and losses' (emphasis added).

While we agree with the elimination of the option to defer recognition in this short-term project and understand the need to reduce presentation options in performance reporting eventually, we do not believe the

Board has solved, or made progress on, the issues above to justify eliminating the current option to present all changes in the present value of the defined benefit obligation and in the fair value of plan assets in profit or loss when they occur.

Therefore, until these issues are resolved, we support a status quo in terms of where actuarial gains and losses should be presented, i.e., entities should be allowed to present these amounts either in profit or loss or in other comprehensive income without recycling based on an entity's accounting policy.

Question 7

(a) Do you agree that gains and losses on routine and non-routine settlement are actuarial gains and losses and should therefore be included in the remeasurement component? (Paragraphs 119D and BC47) Why or why not?

(b) Do you agree that curtailments should be treated in the same way as plan amendments, with gains and losses presented in profit or loss? (Paragraphs 98A, 119A(a) and BC48)

(c) Should entities disclose (i) a narrative description of any plan amendments, curtailments and non-routine settlements, and (ii) their effect on the statement of comprehensive income? (Paragraphs 125C(c), 125E, BC49 and BC78) Why or why not?

(a) We agree that gains and losses on *routine settlements* are actuarial gains and losses (experience adjustments) which should be treated like other actuarial gains and losses and recognised in profit or loss or other comprehensive income as explained in our comment on Question 6. However, BC78 of the ED explains that *non-routine settlements* refer to transactions not envisaged in the terms of the plan. Accordingly, we believe that non-routine settlements are more akin to plan amendments than to actuarial assumptions, and therefore, should be presented in profit or loss rather than as part of the remeasurement component. Further, we find that the definition of non-routine settlements provided in paragraph 7 of the ED lacks clarity. This definition should be improved to incorporate the notion that what distinguishes a routine from a non-routine settlement is whether it results from a transaction envisaged in the terms of the plans and the measurement methodology, as explained in BC78. It would also be useful to clarify whether, and at what point, management intended actions that do not reflect enacted amendments should be considered as part of actuarial assumptions.

(b) We agree that curtailments should be treated in the same way as plan amendments, with gains and losses presented in profit or loss. However, the ED proposes to delete paragraphs 109 and 110 from IAS 19, thereby eliminating the explanation of how the curtailment gains and losses are calculated. We would expect that these amounts would be calculated in the same manner as gains and losses on settlements but we note that paragraph 119D refers specifically to settlements. The Board should clarify whether paragraph 119D would apply also to curtailments.

(c) We generally agree with the proposals on the disclosures (paragraph 125C(c) and 125E) and we believe that an entity should provide a narrative description of plan amendments, curtailments and non-routine settlements. However, we believe that this disclosure should be required only when a significant change in the defined benefit liability (asset) has happened or is expected to happen. Disclosing any plan amendment, curtailment and non-routine settlement would be onerous for financial statements preparers and would not provide relevant information to users. We also question whether the benefits obtained from the separate disclosure of gains and losses arising from changes in demographic assumptions and from financial assumptions justify the costs required to compile the information. Finally, we believe that an entity should not be required to disclose separately the impact of non-routine settlements and curtailments when they relate to the same transaction since it can be difficult to distinguish the effect of settlements from curtailments in such circumstances.

Question 8

The exposure draft states that the objectives of disclosing information about an entity's defined benefit plans are:

(a) to explain the characteristics of the entity's defined benefit plans;

(b) to identify and explain the amounts in the entity's financial statements arising from its defined benefit plans; and

(c) to describe how defined benefit plans affect the amount, timing and variability of the entity's future cash flows. (Paragraphs 125A and BC52–BC59) Are these objectives appropriate? Why or why not? If not, how would you amend the objectives and why?

We agree that these objectives are appropriate. We also support the Board's objective to establish disclosures that '*provide sufficient disclosure about defined benefit plans <u>when those plans are material</u> to the operations of the entity*' (paragraph BC53(a)) and '*provide users of financial statements with relevant information that is <u>not obscured by excessive detail</u>*' (paragraph BC53(b)). However we question whether this objective has been met as noted in our responses to Questions 9 to 12.

Question 9

To achieve the disclosure objectives, the exposure draft proposes new disclosure requirements, including:

(a) information about risk, including sensitivity analyses (paragraphs 125C(b), 125I, BC60(a), BC62(a) and BC63–BC66);

(b) information about the process used to determine demographic actuarial assumptions (paragraphs 125G(b) and BC60(d) and (e));

(c) the present value of the defined benefit obligation, modified to exclude the effect of projected salary growth (paragraphs 125H and BC60(f));

(d) information about asset-liability matching strategies (paragraphs 125J and BC62(b)); and

(e) information about factors that could cause contributions to differ from service cost (paragraphs 125K and BC62(c)).

Are the proposed new disclosure requirements appropriate? Why or why not? If not, what disclosures do you propose to achieve the disclosure objectives?

While we agree with the proposed objectives of disclosures, we believe that several requirements would be onerous to preparers and the costs to prepare those disclosures would exceed benefits to users of financial statements, in particular for entities with multiple plans. Our comments on specific disclosures are as follows:

Paragraph 125C(a)(ii),(iii): The Board should better explain the nature of the disclosure that it expects to be disclosed in terms of "the effect of the regulatory framework" (par. 125C(a)(ii)) since the term regulatory framework is itself very broad. Further, the description of "any other entity's responsibilities for governance of the plan" (par. 125C(a)(iii)) may not provide relevant information to users except if the responsibilities of the entity are significant and unusual.

Paragraph 125C(a)(iv): We question the relevance of disclosing how an entity has determined the maximum economic benefit available since this is often a purely legal position and is not indicative of how the entity expects to recover the amount.

Paragraph 125F: We do not believe that the Standard should mandate segregation of assets into specific classes of investments. The requirements should be flexible to allow entities to adapt their disclosures based on the nature and risks of assets in the plans. The specific classes indicated in this paragraph could be given as examples. Also we believe more guidance is required on how to establish whether an investment is determined to be traded in an active market, in particular with respect to investments in funds of funds, investment funds or investment vehicles that hold various underlying investments.

Paragraph 125G(b): We do not understand the objectives and benefits of providing a brief description of the process used to determine demographic actuarial assumptions.

Paragraph 125H: We believe that the disclosure of the present value of the defined benefit obligation excluding the effect of projected growth in salaries would be confusing to the users because the amount presented in the financial statement is based on a different measurement.

Paragraph 125I: We believe more guidance should be provided for determining what is a "significant actuarial assumption" and if a change "is reasonably possible". Without guidance, the analysis would be more appropriately disclosed along with liquidity information that an entity may provide outside the financial statements. Further, we fail to understand the relevance of the information required in paragraph 125I(a)(ii) since it has limited predictive value with respect to future cash flows given that it is derived solely based on past information.

Paragraph 125J: We believe that it would be sufficient to provide a brief narrative disclosure that covers the plan's asset-liability matching strategy (if any) and the plan's investment guidelines or asset allocation policies provided in the plan documents, rather than to require disclosure of the details of any asset-liability matching strategies used by the plan.

Paragraph 125K: While disclosing some factors that may impact future contributions would be meaningful for users to predict future cash flow (e.g. probable change in employees' contribution rate or tax law changes), we believe that those factors are more appropriately disclosed along with liquidity information that an entity may provide outside the financial statements. If the Board is to require this information for financial statements purposes, we note the proposed threshold (i.e. "could cause") is too low as compared to the disclosure objectives in the ED. Further, we believe it should be clarified that the disclosure would be prepared assuming no volatility in fair values of plan assets in the future periods.

Question 10

The exposure draft proposes additional disclosures about participation in multi-employer plans. Should the Board add to, amend or delete these requirements? (Paragraphs 33A and BC67–BC69) Why or why not?

We are concerned that the requirements in paragraph 33A would be difficult to meet in certain circumstances. In certain jurisdictions, the withdrawal liability is an allocation of unfunded vested benefit obligation. Unfunded vested benefit obligation is determined on assumptions similar to funding assumptions and the entity has absolutely no control over the assumptions used (in particular, the discount rate would be unlikely to be consistent with IAS 19 requirements). An entity participating in several multi-employer plans could have a wide range of assumptions underlying the determination of each plan's unfunded vested benefit obligation. The allocation is specified in the plan document. However, different plans can specify a different allocation method and the different methods produce different results. As a result, the information presented may be of limited relevance to users due to the lack of comparability between entities (or even for different plans of a single entity).

Further, it would be difficult to aggregate multi-employer disclosures given the many variables that affect comparability.

Question 11

The exposure draft updates, without further reconsideration, the disclosure requirements for entities that participate in state plans or defined benefit plans that share risks between various entities under common control to make them consistent with the disclosures in paragraphs 125A–125K. Should the Board add to, amend or delete these requirements? (Paragraphs 34B, 36, 38 and BC70) Why or why not?

We do not believe that the resulting information would be relevant and accordingly we suggest deleting this requirement. Indeed, in order to comply with the requirements, an entity would need to determine whether state plans represent defined benefit or defined contribution plans. In many cases, this determination may be difficult. Further, where participation in a state plan is determined to represent a defined benefit plan, the proposal in the ED would result in information with no additional value compared to the information that is already publicly available hence it would be of limited relevance to users.

Question 12

Do you have any other comments about the proposed disclosure requirements? (Paragraphs 125A–125K and BC50–BC70)

We do not have additional comments.

Question 13

The exposure draft also proposes to amend IAS 19 as summarised below:
(a) The requirements in IFRIC 14 IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction, as amended in November 2009, are incorporated without substantive change. (Paragraphs 115A–115K and BC73)
(b) 'Minimum funding requirement' is defined as any enforceable requirement for the entity to make contributions to fund a post-employment or other long-term defined benefit plan. (Paragraphs 7 and BC80)
(c) Tax payable by the plan shall be included in the return on plan assets or in the measurement of the defined benefit obligation, depending on the nature of the tax. (Paragraphs 7, 73(b), BC82 and BC83)
(d) The return on plan assets shall be reduced by administration costs only if those costs relate to managing plan assets. (Paragraphs 7, 73(b), BC82 and BC84–BC86)
(e) Expected future salary increases shall be considered in determining whether a benefit formula expressed in terms of current salary allocates a materially higher level of benefits in later years. (Paragraphs 71A and BC87–BC90)
(f) The mortality assumptions used to determine the defined benefit obligation are current estimates of the expected mortality rates of plan members, both during and after employment. (Paragraphs 73(a)(i) and BC91)
(g) Risk-sharing and conditional indexation features shall be considered in determining the best estimate of the defined benefit obligation. (Paragraphs 64A, 85(c) and BC92–BC96)
Do you agree with the proposed amendments? Why or why not? If not, what alternative(s) do you propose and why?

We generally agree with these proposed amendments. However, we have the following remarks on certain of these proposed amendments as follows:

(a) IFRIC 14
Contrary to what is indicated above we do not believe that the ED incorporates IFRIC 14 without substantial changes. Indeed, it appears that paragraph 115J of the ED does not correctly incorporate IFRIC 14.22. We believe that the paragraph should be amended as follows (new text underlined):

> "*When an entity determines the amount described in paragraph 115H, if the estimated minimum funding requirement contributions for future service exceed the estimated current service cost to the entity <u>in any given period</u>, that excess […]*"

The Board should also ensure that the basis for conclusions of IFRIC 14 is reproduced in its entirety in the revised Standard.

(c) Taxes payable
We believe it should be clarified how taxes payable would be estimated (for example, would it be based on the contributions required to fund the existing net liability of a plan or would it factor in other elements that may impact the level of future contributions such as the expected rate of return on plan assets). It would also be useful to clarify whether "taxes payable" includes employment taxes and other similar social security payments relating to post-employment benefits.

(f) Mortality assumptions
Paragraph 73(a)(i) of the ED refers to the expected mortality rates <u>of plan members</u> (emphasis added). We believe the Board should clarify that standard mortality tables are sufficient (e.g. tables calculated based on nationwide experience) and that there is no need to create specific tables.

Question 14

IAS 19 requires entities to account for a defined benefit multi-employer plan as a defined contribution plan if it exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan. In the Board's view, this would apply to many plans that meet the definition of a defined benefit multiemployer plan. (Paragraphs 32(a) and BC75(b))

Please describe any situations in which a defined benefit multi-employer plan has a consistent and reliable basis for allocating the obligation, plan assets and cost to the individual entities participating in the plan. Should participants in such multi-employer plans apply defined benefit accounting? Why or why not?

As indicated by BC 75(b) of the ED, in situations where an entity is or becomes a dominant party, it should not be exempted from defined benefit accounting. While we concur with the Board that many plans (e.g. the industry wide plans known in some jurisdictions) would be eligible for the IAS 19.32(a) exemption, we note there is a need in some countries for further clarification of this paragraph. The Board should consider adding more guidance indicating when a consistent and reliable basis is considered to exist.

Question 15

Should entities apply the proposed amendments retrospectively? (Paragraphs 162 and BC97–BC101) Why or why not?

We generally agree that the proposed amendments should be applied retrospectively. However, we believe that entities may have difficulties in preparing certain disclosure information for comparative periods (e.g. information required by paragraphs 125E and 125F). Accordingly, similar to the transitional provisions of the March 2009 amendments to IFRS 7, we believe comparative disclosures should not be required in the first year of application and in the first IFRS financial statements of a first-time adopter.

Question 16

In the Board's assessment:
(a) the main benefits of the proposals are:
- ***(i) reporting changes in the carrying amount of defined benefit obligations and changes in the fair value of plan assets in a more understandable way.***
- ***(ii) eliminating some presentation options currently allowed by IAS 19, thus improving comparability.***
- ***(iii) clarifying requirements that have resulted in diverse practices.***
- ***(iv) improving information about the risks arising from an entity's involvement in defined benefit plans.***

(b) the costs of the proposal should be minimal, because entities are already required to obtain much of the information required to apply the proposed amendments when they apply the existing version of IAS 19.
Do you agree with the Board's assessment? (Paragraphs BC103–BC107) Why or why not?

We do not believe the benefits of the proposals outweigh the costs.

Apart from the elimination of the option to defer recognition of changes in defined benefit assets and liabilities in the statement of financial position and the immediate recognition of unvested past service costs, we do not believe that the other substantial changes, including the new presentation method, the elimination of expected rate of return on plan assets and the changes in definitions of employee benefits in the ED have clear benefits. Instead, these changes are likely to be confusing both for financial statements preparers and users because the Board has not provided clear and conceptual reasoning for introducing the changes at this time.

We also believe the costs of preparing disclosures under the ED should not be underestimated.

Question 17

Do you have any other comments on the proposals?

We do not support the proposal to define short-term employee benefits and long-term employee benefits based on the length of time between the date when the employee renders the service that gives rise to the benefit and the date when the entity expects the benefit to become due to be settled. The basis for conclusions does not explain why the Board has decided to change the definition of short-term benefits that was recently amended to be consistent with the classification criterion in IAS 1. We supported that recent amendment. Should the Board decide to pursue this amendment we recommend that the expression in paragraph 4 in the ED '*expected to become due to be settled*' should be modified to '*expected to be settled*' for clarity.

We also disagree with combining post-employment benefits and other long-term employee benefits into a single category. We do not believe there is a substantive problem to be fixed in the current accounting treatment for other long-term employee benefits. Further, the proposed change would have unintended consequences with respect to certain long-term bonus plans with contingent performance targets. Currently, the true-up of the performance estimates on these bonus plans affects profit or loss. As a result of the proposed changes, any difference between the original estimate of performance and actual result would be treated as an experience adjustment and recognised in other comprehensive income. We do not believe that the substance of these estimates is sufficiently similar to actuarial gains and losses to justify this treatment.

While we agree with the views of the Board with regard to the so-called shared risk plans as expressed in BC 92-95, we believe that paragraph 85 needs to be expanded to include a situation where an entity's obligation to pay additional contributions to cover a deficit is limited by regulations or laws. This is important since the determination of the ultimate cost of providing the benefits in jurisdictions where risks are shared between the entity and the participants in the plan is often not well understood and divergence in practice could easily arise. Therefore, further guidance is needed in this area to avoid future requests for clarification.

Finally, we note that the Board intends incorporating the May 2008 IFRIC rejection - Settlements, as set out in paragraph BC 73(f) of the ED, by adding paragraph 73(a)(iv) to IAS 19. However, to make the Board's intent clearer and to avoid unintended changes in practice as a result of the proposal, we would suggest including the following sentence in the final Standard, extracted from the rejection notice *"Events covered by the actuarial assumptions underlying the measurement of the defined benefit obligation are not treated as settlements under this Standard"*.