

## Interpretation of the Emerging Accounting Issues Working Group

### INT 99-26: Offsetting Pension Assets and Liabilities

#### ISSUE NULLIFIED BY SSAP NO. 92 AND SSAP NO. 102

#### INT 99-26 Dates Discussed

October 4, 1999; December 6, 1999

#### INT 99-26 References

*SSAP No. 8—Pensions* (SSAP No. 8)

**Note:** The guidance from this Interpretation applicable to pensions was incorporated into *SSAP No. 89—Accounting for Pensions, A Replacement of SSAP No. 8*, in paragraph 16.g.

*SSAP No. 14—Postretirement Benefits Other Than Pensions* (SSAP No. 14)

#### INT 99-26 Issue

1. SSAP No. 8 and SSAP No. 14 define the accounting treatment for pensions and postretirement benefits other than pensions (OPEB) obligations.
2. Both SSAP No. 8 and SSAP No. 14 state that a liability is to be recorded if the computed obligation exceeds the plan assets and consequently an asset is booked if the plan assets exceed the computed obligation. Should an entity determine that an asset exists, the amount is recorded as a prepaid assets and nonadmitted under statutory accounting principles.
3. If a reporting entity has multiple pension and OPEB plans, can the entity offset any liabilities generated by one of the plans against the prepaid asset of another plan before computing the nonadmitted amount?

#### INT 99-26 Discussion

4. The working group reached a consensus that it is not an acceptable statutory accounting practice to offset pension or OPEB liabilities generated by one plan against the prepaid asset of another plan.

#### INT 99-26 Status

5. No further discussion is planned.
6. During 2003, the Statutory Accounting Principles Working Group developed *SSAP No. 89—Accounting for Pensions, A Replacement of SSAP No. 8* (SSAP No. 89). Paragraph 16.g. of SSAP No. 89 incorporated the guidance of this INT 99-26.