

Audit Alert: Improvements in employee benefit plan master trust reporting

The Board issued ASU 2017-06, [Employee Benefit Plan Master Trust Reporting](#) – a consensus of the FASB Emerging Issues Task Force, which is intended to improve the usefulness of the information, reported to users of employee benefit plan financial statements. The ASU relates primarily to how a plan reports its interest in a master trust.

The key provisions of the ASU are summarized as follows:

- for each master trust in which a plan holds an interest, the plan is required to disclose, as separate line items, the plan's interest in the statement of net assets available for benefits and any changes in that interest in the statement of changes in net assets available for benefits.
- a plan with a divided interest in the individual investments of the master trust is no longer required to disclose its percentage interest in the master trust, but rather is required to disclose the master trust's investments by general type and the individual plan's dollar amount of its interest in the master trust's investments by general type.
- all plans are required to disclose both their master trust's other asset and liability balances and the dollar amount of the individual plan's interest in each of those balances.
- health and welfare plans are no longer required to provide 401(h) account
- investment disclosures in their financial statements and instead are required to disclose the defined benefit plan's name so that participants may access the investment

information. There are no changes to defined benefit plan disclosures.



The amendments in the ASU are effective for fiscal years beginning after December 15, 2018, with early adoption permitted. Entities will be required to adopt the guidance retrospectively to all periods presented.

Source: Source: Grant Thornton, On the Horizon, March 9, 2017.

We are committed to keep you updated of all developments that may affect the way you do business in Puerto Rico. Please contact us for further assistance in relation to this or any other matter.



Contact us

For assistance in this matter, please contact us via luisarlos.marcano@pr.gt.com



Adding true value means exceeding our clients' expectations, anticipating their needs and being proactive and innovative in the accounting profession.

Through the **Kevane Grant Thornton business and tax application for mobile devices** you will have access to our Alerts, Tax News and other related matters, plus a customized tax calendar for individuals, businesses and other entities, thus providing an excellent tool to manage filing and payment due dates with government agencies in Puerto Rico.

Download for free the application. Available for iPhone, Motorola and all tablets.



Follow us on  and 

March 10, 2017

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2017 Kevane Grant Thornton LLP All rights reserved. Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit www.grantthornton.pr for further details.