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GASB Issues Proposal Addressing Certain Component Unit Criteria and Section 457 Deferred Compensation Plans.

Norwalk, CT, March 9, 2020 — The Governmental Accounting Standards Board (GASB) today issued a proposed Statement that would increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which the organization does not have a governing board and the primary government performs the duties that a governing board typically performs.

The Exposure Draft, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, is designed to mitigate financial reporting costs associated with certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and other employee benefit plans.

The proposed Statement also would enhance the relevance, consistency, and comparability of accounting and financial reporting for Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. In addition, it would supersede the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, as amended, for all Section 457 plans.

The [Exposure Draft](#) is available on the GASB website, www.gasb.org. The GASB invites stakeholders to review the proposal and provide comments by April 10, 2020.