

DATE: February 24, 2004

SUBJECT: SR 04-04 Accounting for Deferred Compensation Agreements.

HIGHLIGHTS: The Federal Reserve, along with the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision (the agencies), have issued an [Interagency Advisory on Accounting for Deferred Compensation Agreements and Bank-Owned Life Insurance \(BALI\)](#). Consistent with generally accepted accounting principles (GAAP), the advisory highlights the appropriate accounting for obligations under a type of deferred compensation agreement commonly referred to as a revenue neutral plan or an indexed retirement plan. The benefits payable under these plans are often based on the performance of investments in BOLI.

DOCUMENT

LOCATION: <http://www.federalreserve.gov/boarddocs/SRLETTERS/2004/sr0404.htm>

**FURTHER
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