



Serving those who serve South Carolina

GASB 68

MASC Manager's Forum
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Overview of GASB 68

GASB 68



Governmental Accounting Standards Board (GASB) timeline:

- Exposure Draft issued July 2011
- Statement approved in June 2012
- Statement issued in August 2012
- Effective for fiscal periods beginning after June 15, 2014

Implementation has been a long time coming, but it is upon us!



GASB 68

GASB 68, Accounting and Financial Reporting for Pensions

- Supersedes GASB 27 and 50
- Affects reporting by employers participating in the retirement systems administered by the S.C. Public Employee Benefit Authority (PEBA) who issue Generally Accepted Accounting Principles (GAAP) based financial statements

Impact on participating employers



Employers will be required to:

- record a liability for their proportionate share of the plans' collective Net Pension Liability as well as deferred inflows and outflows of resources in their Statement of Net Position;
- record pension expense based on their proportionate share of an actuarially calculated pension expense in their Statement of Changes in Net Position; and
- include expanded note disclosures and additional required supplementary information in the financial statements.

Intent of the new standards



According to GASB, the new standards are intended to:

- improve the way state and local governments report pension liabilities and expenses providing a more realistic representation of the complete impact of pension obligations, and
- improve the decision-usefulness of the reported information and increase the transparency, consistency, and comparability of pension information across state and local governments

GASB believes pension benefits are part of overall compensation package, and certain pension-related costs should be included in employer's financial statements.



Details

Financial reporting impact



Reports prior to June 30, 2015:

- Expense for contributions paid
- Notes with summary of basic plan information and contribution data

Reports June 30, 2015, and after:

- Net Pension Liability
- Pension Expense
- Deferred Inflows of Resources
- Deferred Outflows of Resources
- Expanded Notes
- RSI Schedules



Net Pension Liability

Total Pension Liability
(Plan Fiduciary Net Position*)

Net Pension Liability

* The market value of plan assets as of the measurement date.



Resources available from PEBA

GASB resource center for employers



<http://www.retirement.sc.gov/gasb/employers.htm>



PEBA's educational series

- General overview of GASB 67
- Detailed overview of requirements of GASB 68

PEBA's GASB 67/68 Educational Series

- [Part One - General Overview](#)
- [Part Two - Net Pension Liability](#)
- [Part Three - Recording the Liability](#)
- [Part Four - Notes and RSI](#)



Contact information

Employer financial reporting contact



- In EES, please ensure we have a “Fin Reporting/GASB” contact listed under your employer contacts.
- If one is not listed, please add one.

A screenshot of the EES Retirement Benefits website. The top navigation bar is blue and contains the logo for 'south carolina opeba' (state health plan | retirement systems) on the left and 'EES Retirement Benefits' on the right. Below the navigation bar, there are two main sections. The left section is a light gray box containing four blue links: 'Change Password', 'Create/Change User Name', 'Change Contact Info', and 'EES Assistance'. The right section is white and contains a blue link 'Employer Contact Information' followed by the text 'Add, update, and maintain your contact information.' Below this text is a horizontal line. At the bottom of the screenshot, there is a light beige box containing the text 'Fin Reporting/GA SB - [What is this?](#)'.



PEBA pension GASB contact

PensionGASB@peba.sc.gov



Questions



Disclaimer

This presentation does not constitute a comprehensive or binding representation regarding the employee benefits offered by the South Carolina Public Employee Benefit Authority (PEBA). The terms and conditions of the retirement and insurance benefit plans offered by PEBA are set out in the applicable statutes and plan documents and are subject to change. Please contact PEBA for the most current information. The language used in this presentation does not create any contractual rights or entitlements for any person.