

GASB 68

Accounting and Financial Reporting for Pensions – an amendment of GASB 27



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Scope of Statement

- For pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics
 - Contributions from employers and nonemployer contributing entities to the pension plan on those contributions that are irrevocable
 - Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms
 - Pension plan assets are legally protected from the creditors of the employers, nonmember contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are protect from creditors of the plan

Defined Pension Plans

- Establishes standards for measuring and recognizing liabilities, deferred inflows/outflows of resources, and expenses/expenditures
- Also identifies
 - Methods & assumptions to project benefit payments
 - Discount projected benefit payments to actuarial present value
 - Attribute that present value to periods of employee services

Note Disclosure and RSI

- Particular requirements are based on type of employer plan; classified as follows:
 - Single employers – pension plans are provided to employees of only one employer
 - Agent employers – plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer
 - Cost-sharing employers – pension obligation to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer

More Detail for the Following

- ◉ Defined Benefit Pensions
- ◉ Single and Agent Employers
- ◉ Notes to the FS
- ◉ RSI
- ◉ Cost-Sharing Employers
- ◉ Defined Contribution Pensions
- ◉ Special Fund Situations

Additional Info

- Effective for fiscal years beginning after June 15, 2014; early application is encouraged
- See full text at <http://www.gasb.org/cs/BlobServer?blobkey=id&blobwhere=1175824328088&blobheader=application%2Fpdf&blobcol=urldata&blobtable=MungoBlobs>