



Marraccini, Eugene <marraccinie@pbsd.k12.pa.us>

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## GASB 68 INFO

1 message

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**Bob Coon** <rcoon@btccpa.com>  
To: "Marraccini, Eugene" <marraccinie@pbsd.k12.pa.us>

Fri, Feb 13, 2015 at 9:55 AM

Gene,

Here is a brief recap of GASB #68:

- Under the current standards no pension liability is reported if the school district fully funds the annual required contribution.

Under GASB 68 a pension liability must be reported as 06/30/15:

- Each school district recognizes it's proportional share of the collective net pension liability provided by PSERS.
- The difference between actual plan contributions made by the school district related to the contractual required contributions up to the measurement date and the school districts proportionate share of the collective employer contributions is recognized by the school district as: a deferred outflow/inflow of resources (balance sheet) in the period of the difference and a part of pension expense.

Attached are some examples

Bob

Robert H. Coon, CPA

Bielau, Tierney, Coon and Company, P.C.

2740 Smallman Street Suite 202

Pittsburgh, PA 15222

412 261 0330

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### Difference between Actual Employer Contributions and the Employer's Proportionate Share of Collective Employer Contributions

- The difference between actual plan contributions made by an employer related to the contractually required contribution up to the measurement date and the amount of the employer's proportionate share of collective employer contributions recognized by the plan should be:
  - Recognized by the employer as a deferred outflow/inflow of resources in the period of the difference
  - Recognized as part of pension expense beginning in the period of the difference over a closed period using a systematic and rational method:
    - » Closed period equal to the average of the expected remaining service lives of all employees (active, inactive and retirees)
- This deferred outflow/inflow of resources may be reported on a net basis with that resulting from a change in the employer's proportion of collective plan



### Cost Sharing Plan—Illustration of Proportion

Sample School District Year Ended June 30, 2014 (amounts in thousands)		
Sample School District's future total projected contributions	570,000	640,000
Total future projected employer contributions for cost-sharing plan	300,000,000	320,000,000
Percentage allocable to Sample School District	0.19%	0.20%

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### Cost Sharing Plan—Illustration of Proportion (continued)

Sample School District  
Year Ended June 30, 2014  
(amounts in thousands)

<b>End of period amounts (June 30, 2014):</b>			
Total cost-sharing plan at end of period	\$ 3,523,000	1,989,000	3,053,000
Less: Amount allocable to other school districts (88.80%)	3,515,954	1,985,022	3,045,994
<b>Amounts allocable to Sample School District (0.20%)</b>	<b>\$ 7,046</b>	<b>3,978</b>	<b>6,106</b>



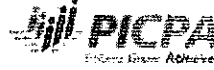
### Cost sharing Plan—Illustration of Proportion (continued)

Sample School District  
Year Ended June 30, 2014  
(amounts in thousands)

<b>Change in Sample School District amounts from change in proportion:</b>			
Total cost-sharing plan amounts at beginning of period (June 30, 2013)	\$ 3,143,139	6,042,183	3,338,222
Amount allocable to Sample School District based current period percentage (0.30%)	\$ 6,286	12,034	5,670
Amount allocable to Sample School District based on prior period percentage (0.18%)	5,972	11,480	5,345
<b>Increase in beginning amounts from change in proportion</b>	<b>\$ 314</b>	<b>604</b>	<b>333</b>
<b>Increase in deferred outflows to Sample School District</b>	<b>\$ 43</b>		

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## Cost sharing plan—Illustration of Proportion (continued)

Sample School District  
Year Ended June 30, 2014  
(amounts in thousands)

Sample School District contributions (year ended June 30, 2014):	
Total employer contributions for cost-sharing plan	\$ 863,626
Amount of total employer contributions allocable to Sample School District (0.20%)	\$ 1,727
Amount contributed to the plan by Sample School District	1,767
Increase in deferred outflows to Sample School District	\$ 40



## Note Disclosures & RSI

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