University of California

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*
Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*

Issues Resolution Memo No. 68-1

Evaluation of GASB Statement No. 68 as it Relates to the UC Reporting Entities

Issued: GASB Statement No. 68: June 2012
GASB Statement No. 71: November 2013

Background

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions,* will be adopted by the University during the year ended June 30, 2014. This Statement amends the guidance in GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers,* as well as the requirements of Statement No. 50, *Pension Disclosures.*

GASB Statement No. 68 is required to be implemented for the University's fiscal year ending June 30, 2015. However, GASB Statement No. 67 is required to be implemented for UCRP's fiscal year ending June 30, 2014. If GASB Statement No. 68 is not implemented at the same time as GASB Statement No. 67, pension disclosures under GASB Statement No. 25 will still be required for the University at the same time GASB Statement No. 67 disclosures are required for the UCRS financial statements. In order to present one set of pension disclosures and minimize confusion for the readers of the University's financial statements, the University will implement both GASB Statement No. 68 early to coincide with the implementation of GASB Statement No. 67.

GASB Statement No. 71 is required to be applied simultaneously with the provisions of GASB Statement No. 68. GASB Statement No. 71 amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine *all* such amounts

Define Issues

GASB Statement No. 68 establishes accounting for UCRS, which includes UCRP, UCRSP and the PERS Plus 5 Plan by the University

Authoritative Guidance and Approach

Each provision of the statement was reviewed and considered, see attached analysis.**Key Implementation Considerations**

As a result of a detailed analysis of the statement, the following key issues were identified and resolved as follows:

1. Type of defined benefit pension plan – Under the provisions of GASB Statement No. 68, UCRP would be defined as a *cost-sharing multiple-employer defined benefit pension plan* since assets of UCRP provides benefits to employees of more than one employer and the assets of the plan can be used to pay benefits of employees of both the University and Hastings College of Law. Employees of the University and Hastings College of Law participate in the plan, and Hastings College of Law is a separate legal entity and not a component unit of the University. However, (1) UC is the sole plan sponsor of UCRP, (2) employees of Hastings College of Law represent less than 1% of the UCRP's participants, (3) Hastings College of Law is obligated to UC to make plan contributions, (4) if Hastings is unable to make plan contributions, the responsibility to fund future benefits for Hastings retirees would be the responsibility of UC and then UC would have to pursue reimbursement for the liabilities from Hastings, and (5) it's not reasonable to assume that Hastings would or could accept any future responsibilities for UC's UCRP liabilities. Therefore, for purposes of applying GASB Statement No. 68, the requirements of a *single-employer defined benefit pension plan* will be applied in accounting for UCRP by the University.

2. Measurement date – The University will adopt a measurement date of June 30th. The actuarial valuation for July 1st will be rolled forward to June 30th each year. The methodology that will be used to roll forward the actuarial valuation is as follows:

Source data used to prepare the actuarial valuation	Considered significant?	Rationale
Discount rate	Yes	A slight change in the discount rate has a material impact on the net pension liability; therefore to the extent that the plan's fiduciary net position, projected from its June 30th value, is not sufficient to make benefit payments, an index rate as of June 30th will be used in the measurement of the pension liability as of June 30th.
Participant payroll and demographic data	No	Updating this data is not likely to have a significant impact on the net pension liability since the University has a very large workforce and does not experience significant changes in the workforce in a single year.
Experience study results	Yes	The assumptions in the actuarial valuation are updated based upon experience studies and since new assumptions could have a material impact on the net pension liability, the new assumptions will be used in the measurement of the pension liability as of June 30th.
Benefit changes and contribution rates	Yes	Changes to the benefits or contribution rates are the result of actions taken by the Regents and could be material, therefore, any benefit or contribution rate changes that are approved and likely to occur (i.e. not subject to collective bargaining) will be included in the measurement of the pension liability as of June 30th.
Plan's Fiduciary Net Position	Yes	The value of the plan's fiduciary net position as of June 30th will be used.

3. Treatment of LANL and LLNL under GASB Statement No. 68 - The University also makes contributions to UCRP for LANL and LLNL retirees and terminated vested members, whose benefits were retained in UCRP at the time the joint ventures were formed. LANL and LLNL

retirees are former employees of UC, not the Department of Energy (DOE). Under UC's contract with the DOE, the DOE accepted the financial responsibility for funding pension benefits for these retirees. The DOE's annual required contribution for the LANL and LLNL retirees is actuarially determined based upon a contractual arrangement with the DOE that incorporates a formula targeted to maintain the LANL and LLNL segments within UCRP at a 100 percent funded level. Assets attributed to funding DOE liabilities are tracked separately for purposes of determining the DOE's annual required contributions, however, assets of the plan are not legally restricted to pay benefits of LANL and LLNL retirees. UC's accounting policy is to record a receivable or payable from the DOE for amounts that are due under the DOE contracts for pension benefits attributable to the DOE laboratories. For Under GASB No. 68, UC will continue to calculate the net pension liability related to the DOE segment and will report a non-current receivable offsetting the liability in accordance with this accounting policy.

4. Treatment of the Medical Centers – Separate financial reports are issued for the medical centers to comply with debt covenants of the Medical Center Pooled Revenue Bonds. The medical centers are not separate legal entities or component units, but part of the University. However, for purposes of applying this statement to the stand-alone financial statements for the medical centers, the medical centers will report their participation in UCRP as if it is a cost-sharing multiple employer plan and the requirements in paragraphs 48-82 will be applied.

5. Internal loans - The University charges a payroll assessment to all locations to pay for the debt service on advances made to UCRP in FY 2010-11 of $1,100,766,000 in April 2011 and FY 2011-12 of $935,000,000 in July 2011. These advances to UCRP funded the unfunded portion of the modified annual required contribution in FY 2010-11 and FY 2011-12 upon the Regents' approval. The first $1.1 billion transfer was achieved by advancing funds from the Short-Term Investment Pool (STIP) and creating a note receivable that is being paid back through campus assessments over a 30-year amortization period. The $935 million transfer was achieved through external financing with the first principal payment beginning in June 2019.

   Each Medical Center's proportionate share of the internal borrowings for pension liabilities is reported as a noncurrent liability (Pension payable to the University) on the Medical Centers' statement of net position. At the end of each fiscal year, the OP internal loans (in STIP and debt) would be allocated using the current year proportionate share percentages based on the covered compensation of each

Medical Center relative to the University as determined in GASB Statement No. 68. Payments by the medical center for the supplemental pension assessment are recorded as pension expense.

This accounting treatment is being proposed based upon the following factors: If the location's proportion does not change and the share paid all year is consistent with the location's proportionate allocation, then this amount would be zero. The proportionate share would have to remain the same for all pay periods throughout the year so that the locations payments reduce the debt in a similar ratio (since assessments are made based on payroll). However, it's unlikely that a location's share would always remain constant at the beginning, during and at the end of the year. Therefore, any difference between the proportionate share of the internal loans at the beginning and end of the year will be considered a change in proportion and will be reported as "other changes in net position" in the Medical Centers' statement of revenues, expenses, and changes in net position.

Statement No. 68 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Pensions*

	Comments
Introduction 1. The principal objective of this Statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees—both active employees 1 and inactive employees—are provided with pensions. One aspect of that objective is to provide information about the effects of pension-related transactions and other events on the elements of the basic financial statements of state and local governmental employers. This information will assist users in assessing the relationship between a government's inflows of resources and its total cost (including pension expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government's pension obligations and the assets available to satisfy those obligations.	
2. An additional objective of this Statement is to improve the information provided in government financial reports about pension-related financial support provided by certain nonemployer entities that make contributions to pension plans that are used to provide benefits to the employees of other entities.	

	Comments
3. Statement No. 67, Financial Reporting for Pension Plans, establishes standards of financial reporting for defined benefit pension plans and defined contribution pension plans that are used to provide pensions that are within the scope of this Statement. The two Statements are closely related in some areas, and certain provisions of this Statement refer to Statement 67.	
Scope and Applicability of This Statement 4. This Statement establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) in which: a. Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable. b. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms. c. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.	This statement establishes accounting for UCRS, which includes UCRP, UCRSP and the PERS Plus 5 Plan
5. The requirements of this Statement apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts that meet the criteria of paragraph 4 and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. References in this Statement to employees include volunteers. The requirements apply whether the government's financial statements are presented in stand-alone financial reports or are included in the financial reports of another government.	This statement is applicable to the University and the Hastings College of Law
6. For state and local governmental employers whose employees are provided with pensions through pension plans that are not administered through trusts that meet the criteria in paragraph 4 and for state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans, the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental	n/a

	Comments
Employers , as amended, and the requirements of Statement No. 50, Pension Disclosures , as amended, remain applicable.	
Types of Pensions 8. As used in this Statement, the term pensions includes the following: a. Retirement income b. Postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits) that are provided through a pension plan. Pensions do not include postemployment healthcare benefits and termination benefits. However, the effects of a termination benefit on liabilities for defined benefit pensions that are within the scope of this Statement should be accounted for in accordance with this Statement.5 Postemployment benefits other than retirement income that are provided separately from a pension plan and postemployment healthcare benefits should be accounted for and reported as other postemployment benefits.6	UCRS provides retirement income
9. The requirements of paragraphs 17–122 of this Statement address accounting and financial reporting for defined benefit pensions provided through pension plans that are administered through trusts that meet the criteria in paragraph 4. Defined benefit pensions are pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or an amount that is calculated based on one or more factors such as age, years of service, and compensation.	UCRP and the PERS Plus Plan meet this definition
10. Accounting and financial reporting requirements for defined contribution pensions provided through pension plans that are administered through trusts that meet the criteria in paragraph 4 are set forth in paragraphs 123–135. Defined contribution pensions are pensions having terms that: a. Provide an individual account for each employee b. Define the contributions that an employer is required to make (or credits that it is required to provide) to an active employee's account for periods in which that employee renders service c. Provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of	UCRSP meets this definition

	Comments
contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account. If the pensions to be provided are a function of factors other than those identified in (c), above, the requirements of this Statement related to defined benefit pensions apply. Otherwise, the requirements for defined contribution pensions apply.	
Types of Defined Benefit Pension Plans and Employers 11. Defined benefit pension plans are classified according to (a) the number of employers whose employees are provided with pensions through the pension plan and (b) whether pension obligations and pension plan assets are shared. For purposes of this classification, a primary government and its component units are considered to be one employer. If a defined benefit pension plan is used to provide pensions to the employees of only one employer, the pension plan should be classified for financial reporting purposes as a single-employer defined benefit pension plan (single-employer pension plan), and, except as provided in paragraph 18, the employer should apply the requirements of paragraphs 20–47, 83–91, or 120–122 of this Statement, as applicable, for a single employer.	UCRP provides pensions to the University and Hastings College of Law employees, therefore, it does not meet the definition of a single employer plan. See further discussion above in key implementation issues. The PERS Plus Plan provides pensions to University retirees, therefore it meets the definition of a single employer plan.
12. If a defined benefit pension plan is used to provide pensions to the employees of more than one employer, the pension plan is classified for financial reporting purposes as a multiple-employer defined benefit pension plan. If the assets of a multiple-employer defined benefit pension plan are pooled for investment purposes but separate accounts	UCRP provides pension benefits to the University and

	Comments
are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees, the pension plan should be classified as an agent multiple-employer defined benefit pension plan (agent pension plan). Except as provided in paragraph 18, each employer that provides pensions through such a plan should apply the requirements of paragraphs paragraphs 20–47, 83–91, or 120–122 of this Statement, as applicable, for an agent employer. For agent employers, the provisions of this Statement apply to the pensions provided to the employer's own employees.	Hastings College of Law, therefore, UCRP meets the definition of a multiple-employer plan under this Standard. See further discussion above under key implementation issues.
13. In a multiple-employer defined benefit pension plan, if the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan, the pension plan is considered to be a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan). Each employer that provides pensions through such a plan should apply the requirements of paragraphs 48–82, 92–96, or 120–122 of this Statement, as applicable, for a cost-sharing employer.	See further discussion above under key implementation issues.
Number of Defined Benefit Pension Plans 14. If, on an ongoing basis, all assets accumulated in a defined benefit pension plan for the payment of benefits may legally be used to pay benefits (including refunds of employee contributions) to any of the employees, the total assets should be reported as assets of one defined benefit pension plan even if administrative policy requires that separate reserves, funds, or accounts for specific groups of employees, employers, or types of benefits be maintained (for example, a reserve for employee contributions, a reserve for disability benefits, or separate accounts for the contributions of state government versus local government employers) or separate actuarial valuations are performed for different classes of employees (for example, general employees and public safety employees) or different groups of employees because different contribution rates may apply for each class or group depending on the applicable benefit structures, benefit formulas, or other factors. A separate defined benefit pension plan should be reported for a portion of the total assets, even if the assets are pooled with other assets for investment purposes, if that portion of assets	UCRP and the PERS Plus Plan will each be reported as a single plan

	Comments
meets both of the following criteria: a. The portion of assets is accumulated solely for the payment of benefits to certain classes or groups of employees or to the active or inactive employees of certain entities (for example, state government employees) b. The portion of assets may not legally be used to pay benefits to other classes or groups of employees or other entities' employees (for example, local government employees).	
Special Funding Situations 15. Special funding situations are circumstances in which a nonemployer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either of the following conditions exists: a. The amount of contributions for which the nonemployer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the pensions. Examples of conditions that meet this criterion include (1) a circumstance in which the nonemployer entity is required by statute to contribute a defined percentage of an employer's covered-employee payroll directly to the pension plan and (2) a circumstance in which the nonemployer entity is required by the terms of a pension plan to contribute directly to the pension plan a statutorily defined proportion of the employer's required contributions to the pension plan. In contrast, examples of situations in which the amount of contributions is dependent upon an event or circumstance that is unrelated to pensions include (i) a circumstance in which the nonemployer entity is required to make contributions to the pension plan based on a specified percentage of a given revenue source and (ii) a circumstance in which the nonemployer entity is required to make contributions to the pension plan equal to the amount by which the nonemployer entity's ending fund balance exceeds a defined threshold amount. b. The nonemployer entity is the only entity with a legal obligation to make contributions directly to a pension plan. Special funding situations do not include circumstances in which resources are provided to the employer, regardless of the purpose for which those resources are provided.	n/a – the University is responsible for making all contributions to the plans
16. Requirements for accounting and financial reporting by employers and by governmental nonemployer contributing entities for defined benefit pensions with special funding situations are presented in paragraphs 83–117 and 120–122 of this Statement. Requirements for accounting and financial reporting by employers and by	n/a

	Comments
governmental nonemployer contributing entities for defined contribution pensions with special funding situations are presented in paragraphs 127–133. Requirements for governmental nonemployer entities that have a legal requirement to make contributions directly to a pension plan but that do not meet either of the criteria in paragraph 15, and for the employers to which they provide support are presented in paragraphs 118–122, 134, and 135.	

Defined Benefit Pensions 17. Liabilities, expense/expenditures, deferred outflows of resources, and deferred inflows of resources should be reported as required by this Statement for the following, as applicable: a. Liabilities to employees for pensions b. Payables to a defined benefit pension plan.	noted
Liabilities to Employees for Pensions 18. The requirements of paragraphs 20–119, as applicable, should be applied separately to the pensions provided through separate defined benefit pension plans. If a primary government and its component units provide pensions through the same single-employer or agent pension plan, in the reporting entity's financial report, the requirements of paragraphs 37–47 of this Statement for note disclosures and required supplementary information for a single or agent employer should be applied. In that circumstance, in stand-alone financial statements, each government should account for and report its participation in the single-employer or agent pension plan as if it was a cost-sharing employer and should apply the requirements of paragraphs 48–82.	Separate reports are issued for the medical centers, however, the medical centers are not separate legal entities and therefore, not component units. However, for purposes of applying this statement, pension reporting requirements in paragraphs 48-82 will be followed for the medical center separate reports.

19. If within one pension plan, determined in conformity with paragraph 14, separate actuarial valuations are performed for different classes or groups of employees because different contribution rates apply for each class or group depending on the applicable benefit structures, benefit formulas, or other factors, the measurement requirements of this Statement may be applied for each class or group. However, in this circumstance, the separate measures for the classes and groups should be recognized and reported in the aggregate.	n/a – while a separate valuation is prepared for the DOE employees, it's used for the purpose of determining amounts due from the DOE under the University's contract. See further discussion above under key implementation issues.
Single and Agent Employers Recognition and measurement in financial statements prepared using the economic resources measurement focus and accrual basis of accounting by employers that do not have a special funding situation	
Net pension liability 20. A liability should be recognized for the net pension liability. The net pension liability should be measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of paragraphs 22–32 (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position should be determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability should be measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.	The University will adopt a measurement date of June 30^{th}.
21. Whether pensions are provided through single-employer, agent, or cost-sharing pension plans, liabilities for net pension liabilities associated with different pension plans may be displayed in the aggregate, and assets for net pension assets associated with different pension plans may be displayed in the aggregate in the financial statements.	Noted

Aggregated pension liabilities should be displayed separately from aggregated pension assets.	
Timing and Frequency of Actuarial Valuations 22. The total pension liability should be determined by (a) an actuarial valuation as of the measurement date or (b) the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end. If update procedures are used and significant changes occur between the actuarial valuation date and the measurement date, professional judgment should be used to determine the extent of procedures needed to roll forward the measurement from the actuarial valuation to the measurement date, and consideration should be given to whether a new actuarial valuation is needed. For purposes of this determination, the effects of changes in the discount rate resulting from changes in the pension plan's fiduciary net position or from changes in the municipal bond rate, if applicable (see paragraphs 26–31), should be among the factors evaluated. For accounting and financial reporting purposes, an actuarial valuation of the total pension liability should be performed at least biennially. More frequent actuarial valuations are encouraged.	The University's actuarial valuation is performed as of July 1st, therefore, update procedures to roll forward to the measurement date from the valuation will be performed.
Selection of Assumptions 23. Unless otherwise specified by this Statement, the selection of all assumptions used in determining the total pension liability and related measures should be made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. The pension plan, employer, and, if any, governmental nonemployer contributing entities that make contributions to the pension plan should use the same assumptions when measuring similar or related pension information.	Noted
Projection of Benefit Payments 24. Projected benefit payments should include all benefits to be provided to current active and inactive employees through the pension plan in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Projected benefit payments should include the effects of automatic postemployment benefit changes, including automatic cost-of-living adjustments (automatic COLAs). In addition, projected benefit payments should include the effects of (a) projected ad hoc postemployment benefit changes, including ad hoc cost-of-living adjustments (ad hoc COLAs), to the extent that they are considered to be substantively automatic,9 (b) projected salary changes (in circumstances in which the pension formula incorporates future compensation levels); and (c) projected service credits (both in determining an employee's probable eligibility for	Noted

benefits and in the projection of benefit payments in circumstances in which the pension formula incorporates years of service).	
25. Benefit payments to be provided by means of an allocated insurance contract should be excluded from projected benefit payments if (a) the contract irrevocably transfers to the insurer the responsibility for providing the benefits, (b) all required payments to acquire the contract have been made, and (c) the likelihood is remote that the employer or the pension plan will be required to make additional payments to satisfy the benefit payments covered by the contract.	n/a
Discount Rate 26. The discount rate should be the single rate that reflects the following: a. The long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the pension plan's fiduciary net position is projected (in conformity with paragraphs 27–29) to be sufficient to make projected benefit payments (determined in conformity with paragraphs 24 and 25) and (2) pension plan assets are expected to be invested using a strategy to achieve that return b. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions in (a) are not met.	Noted
Comparing Projections of the Pension Plan's Fiduciary Net Position to Projected Benefit Payments 27. For purposes of applying paragraph 26, the amount of the pension plan's projected fiduciary net position and the amount of projected benefit payments should be compared in each period of projected benefit payments. Projections of the pension plan's fiduciary net position should incorporate all cash flows for contributions from the employer and nonemployer contributing entities, if any, intended to finance benefits of current active and inactive employees (status at the measurement date) and all cash flows for contributions from current active employees. It should not include (a) cash flows for contributions from the employer or nonemployer contributing entities intended to finance the service costs of future employees or (b) cash flows for contributions from future employees, unless those contributions are projected to exceed service costs for those employees. In each period, contributions from the employer and nonemployer contributing entities should be considered to apply, first, to service costs of employees in the period and, second, to past service costs, unless the effective pension plan terms related to contributions indicate that a different relationship between contributions to the pension plan from nonemployer contributing entities and	Noted

service costs should be applied. Employee contributions should be considered to be applied to service costs before contributions from the employer and nonemployer contributing entities.	
28. Professional judgment should be applied to project cash flows for contributions from the employer and nonemployer contributing entities in circumstances in which (a) those contribution amounts are established by statute or contract or (b) a formal, written policy related to those contributions exists. Application of professional judgment should consider the most recent five-year contribution history of the employer and nonemployer contributing entities as a key indicator of future contributions from those sources and should reflect all other known events and conditions. In circumstances other than those described in (a) and (b), the amount of projected cash flows for contributions from the employer and nonemployer contributing entities should be limited to an average of contributions from those sources over the most recent five-year period and may be modified based on consideration of subsequent events. For this purpose, the basis for the average (for example, percentage of covered payroll contributed or percentage of actuarially determined contributions made) should be a matter of professional judgment.	Contribution rates are approved by the Regents and approved rates will be used.
29. If the evaluations required by paragraph 27 can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan, alternative methods may be applied in making the evaluations.	n/a
Calculating the Discount Rate 30. For each future period, if the amount of the pension plan's fiduciary net position is projected to be greater than or equal to the benefit payments that are projected to be made in that period and pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, the actuarial present value of benefit payments projected to be made in the period should be determined using the long-term expected rate of return on those investments. The long-term expected rate of return should be based on the nature and mix of current and expected pension plan investments over a period representative of the expected length of time between (a) the point at which an employee begins to provide service to the employer and (b) the point at which all benefits to the employee have been paid. For this purpose, the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The municipal bond rate discussed in paragraph 26 should be used to calculate the actuarial present value of all other benefit payments.	Noted

31. For purposes of this Statement, the discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values determined in conformity with paragraph 30.	Noted
Attribution of the Actuarial Present Value of Projected Benefits to Periods 32. The entry age actuarial cost method should be used to attribute the actuarial present value of projected benefit payments of each employee to periods in conformity with the following: a. Attribution should be made on an individual employee-by-employee basis. b. Each employee's service costs should be level as a percentage of that employee's projected pay. For purposes of this calculation, if an employee does not have projected pay, the projected inflation rate should be used in place of the projected rate of change in salary. c. The beginning of the attribution period should be the first period in which the employee's service accrues pensions under the benefit terms, notwithstanding vesting or other similar terms. d. The service costs of all pensions should be attributed through all assumed exit ages, through retirement. In pension plans in which the benefit terms include a deferred retirement option program (DROP), for purposes of this Statement, the date of entry into the DROP should be considered to be the employee's retirement date. e. Each employee's service costs should be determined based on the same benefit terms reflected in that employee's actuarial present value of projected benefit payments.	Noted
Pension expense, deferred outflows of resources and deferred inflows of resources related to pensions, and support of nonemployer contributing entities 33. Changes in the net pension liability should be recognized in pension expense in the current reporting period except as indicated below: a. Each of the following should be recognized in pension expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period: (1) Differences between expected and actual experience with regard to economic or demographic factors (differences between expected and actual experience) in the measurement of the total pension liability (2) Changes of assumptions about future economic or demographic factors or of other inputs (changes of	Noted

assumptions or other inputs). The portion of (1) and (2) not recognized in pension expense should be reported as deferred outflows of resources or deferred inflows of resources related to pensions. b. The difference between projected and actual earnings on pension plan investments should be recognized in pension expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period. The amount not recognized in pension expense should be reported as deferred outflows of resources or deferred inflows of resources related to pensions. Deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and reported as a net deferred outflow of resources related to pensions or a net deferred inflow of resources related to pensions. c. Contributions to the pension plan from the employer should not be recognized in pension expense. d. Contributions to the pension plan from nonemployer contributing entities that are not in a special funding situation should be recognized as revenue.	
34. Contributions to the pension plan from the employer subsequent to the measurement date of the net pension liability and before the end of the reporting period should be reported as a deferred outflow of resources related to pensions.	n/a – since the University adopted the financial statement date as the measurement date
Recognition and measurement in financial statements prepared using the economic resources measurement focus and accrual basis of accounting by employers that have a special funding situation 35. An employer that has a special funding situation should apply the requirements of paragraphs 83–91.	n/a
Recognition in financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting – all single and agent employers 36. In financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting, a net pension liability should be recognized to the extent the liability is normally expected to be liquidated with expendable available financial resources. Pension expenditures should be recognized equal to the total of (a) amounts paid by the employer to the pension plan and (b) the change between the beginning and ending	n/a

balances of amounts normally expected to be liquidated with expendable available financial resources. Net pension liabilities are normally expected to be liquidated with expendable available financial resources to the extent that benefit payments have matured—that is, benefit payments are due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits.	
Notes to financial statements – all single and agent employers 37. The total (aggregate for all pensions, whether provided through single-employer, agent, or cost-sharing pension plans) of the employer's pension liabilities, pension assets, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense/expenditures for the period associated with net pension liabilities should be disclosed if the total amounts are not otherwise identifiable from information presented in the financial statements.	Noted
38. The information identified in paragraphs 39–45 should be disclosed for benefits provided through each single-employer or agent pension plan in which the employer participates. Disclosures related to more than one pension plan should be combined in a manner that avoids unnecessary duplication.	Noted
39. In circumstances in which the employees of a primary government and its component units are provided with pensions through the same single-employer or agent pension plan, the note disclosures in the reporting entity's financial statements should separately identify amounts associated with the primary government (including its blended component units) and those associated with its discretely presented component units.	n/a – the discretely presented component units (foundations) do not have employees, all are employees of the University
Pension plan description 40. The following information should be disclosed about the pension plan through which benefits are provided: a. The name of the pension plan, identification of the public employee retirement system or other entity that administers the pension plan, and identification of the pension plan as a single-employer or agent pension plan. b. A brief description of the benefit terms, including (1) the classes of employees covered; (2) the types of benefits; (3) the key elements of the pension formulas; (4) the terms or policies, if any, with respect to automatic postemployment benefit changes, including automatic COLAs, and ad hoc postemployment benefit changes, including ad hoc COLAs; and (5) the authority under which benefit terms are established or may be amended. If the pension plan	 Ok Ok

is closed to new entrants, that fact should be disclosed. c. The number of employees covered by the benefit terms, separately identifying numbers of the following: (1) Inactive employees (or their beneficiaries) currently receiving benefits (2) Inactive employees entitled to but not yet receiving benefits (3) Active employees.	Ok
d. A brief description of contribution requirements, including (1) the basis for determining the employer's contributions to the pension plan (for example, statute, contract, an actuarial basis, or some other manner); (2) identification of the authority under which contribution requirements of the employer, nonemployer contributing entities, if any, and employees are established or may be amended; and (3) the contribution rates (in dollars or as a percentage of covered payroll) of those entities for the reporting period. Also, the amount of contributions recognized by the pension plan from the employer during the reporting period (measured as the total of amounts recognized as additions to the pension plan's fiduciary net position resulting from actual contributions and from contributions recognized by the pension plan as current receivables), if not otherwise disclosed.	Ok
e. Whether the pension plan issues a stand-alone financial report (or the pension plan is included in the report of a public employee retirement system or another government) that is available to the public and, if so, how to obtain the report (for example, a link to the report on the public employee retirement system's website).	Ok
Information about the net pension liability **Assumptions and Other Inputs** 41. Significant assumptions and other inputs used to measure the total pension liability, including assumptions about inflation, salary changes, and ad hoc postemployment benefit changes (including ad hoc COLAs) should be disclosed. With regard to mortality assumptions, the source of the assumptions (for example, the published tables on which the assumption is based or that the assumptions are based on a study of the experience of the covered group) should be disclosed. The dates of experience studies on which significant assumptions are based also should be disclosed. If different rates are assumed for different periods, information should be disclosed about what rates are applied to the different periods of the measurement.	Ok
42. The following information should be disclosed about the discount rate: a. The discount rate applied in the measurement of the total pension liability and the change in the discount rate since the prior measurement date, if any	Ok

b. Assumptions made about projected cash flows into and out of the pension plan, such as contributions from the employer, nonemployer contributing entities, and employees	Ok
c. The long-term expected rate of return on pension plan investments and a brief description of how it was determined, including significant methods and assumptions used for that purpose	Ok
d. If the discount rate incorporates a municipal bond rate, the municipal bond rate used and the source of that rate	Ok
e. The periods of projected benefit payments to which the long-term expected rate of return and, if used, the municipal bond rate applied to determine the discount rate	Ok
f. The assumed asset allocation of the pension plan's portfolio, the long-term expected real rate of return for each major asset class, and whether the expected rates of return are presented as arithmetic or geometric means, if not otherwise disclosed	Ok
g. Measures of the net pension liability calculated using (1) a discount rate that is 1-percentage-point higher than that required by paragraph 26 and (2) a discount rate that is 1-percentage-point lower than that required by paragraph 26.	Ok
The Pension Plan's Fiduciary Net Position 43. All information required by this and other financial reporting standards about the elements of the pension plan's basic financial statements (that is, all information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position) should be disclosed. However, if (a) a financial report that includes disclosure about the elements of the pension plan's basic financial statements is available on the Internet, either as a stand-alone financial report or included as a fiduciary fund in the financial report of another government, and (b) information is provided about how to obtain the report, reference may instead be made to the other report for these disclosures. In this circumstance, it also should be disclosed that the pension plan's fiduciary net position has been determined on the same basis used by the pension plan, and a brief description of the pension plan's basis of accounting, including the policies with respect to benefit payments (including refunds of employee contributions) and the valuation of pension plan investments should be included. If significant changes have occurred that indicate that the disclosures included in the pension plan's financial report generally do not reflect the facts and circumstances at the measurement date, information about the substance and magnitude of the changes should be disclosed.	Ok

Changes in the net pension liability 44. For the current reporting period, a schedule of changes in the net pension liability should be presented. The schedule should separately include the information indicated in subparagraphs (a)–(d), below. If the employer has a special funding situation, the information in subparagraphs (a)–(c) should be presented for the collective net pension liability. a. The beginning balances of the total pension liability, the pension plan's fiduciary net position, and the net pension liability b. The effects during the period of the following items, if applicable, on the balances in subparagraph (a): (1) Service cost (2) Interest on the total pension liability (3) Changes of benefit terms (4) Differences between expected and actual experience in the measurement of the total pension liability (5) Changes of assumptions or other inputs (6) Contributions from the employer (7) Contributions from nonemployer contributing entities (8) Contributions from employees (9) Pension plan net investment income (10) Benefit payments, including refunds of employee contributions (11) Pension plan administrative expense (12) Other changes, separately identified if individually significant. c. The ending balances of the total pension liability, the pension plan's fiduciary net position, and the net pension liability d. If the employer has a special funding situation: (1) The nonemployer contributing entities' total proportionate share of the collective net pension liability (2) The employer's proportionate share of the collective net pension liability.	a. Ok b. Ok, to the extent applicable c. Ok d. n/a
45. In addition to the information required by paragraph 44, the following information should be disclosed, if applicable: a. The measurement date of the net pension liability, the date of the actuarial valuation on which the total pension liability is based, and, if applicable, the fact that update procedures were used to roll forward the total pension	a. Ok

liability to the measurement date	
b. If the employer has a special funding situation, the employer's proportion (percentage) of the collective net pension liability, the basis on which its proportion was determined, and the change in its proportion since the prior measurement date	n/a
c. A brief description of changes of assumptions or other inputs that affected measurement of the total pension liability since the prior measurement date	ok, to the extent applicable
d. A brief description of changes of benefit terms that affected measurement of the total pension liability since the prior measurement date	ok, to the extent applicable
e. The amount of benefit payments in the measurement period attributable to the purchase of allocated insurance contracts, a brief description of the benefits for which allocated insurance contracts were purchased in the measurement period, and the fact that the obligation for the payment of benefits covered by allocated insurance contracts has been transferred from the employer to one or more insurance companies	n/a
f. A brief description of the nature of changes between the measurement date of the net pension liability and the employer's reporting date that are expected to have a significant effect on the net pension liability, and the amount of the expected resultant change in the net pension liability, if known	n/a –the University adopted the financial statement date as the measurement date
g. The amount of pension expense recognized by the employer in the reporting period	
h. The employer's balances of deferred outflows of resources and deferred inflows of resources related to pensions, classified as follows, if applicable:	ok ok
(1) Differences between expected and actual experience in the measurement of the total pension liability	
(2) Changes of assumptions or other inputs	
(3) Net difference between projected and actual earnings on pension plan investments	
(4) If the employer has a special funding situation, changes in the employer's proportion (paragraph 86) and differences between the employer's contributions (other than those to separately finance specific liabilities of the individual employer to the pension plan 13) and the employer's proportionate share of contributions (paragraph 87)	
(5) The employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	
i. A schedule presenting the following:	Ok
(1) For each of the subsequent five years, and in the aggregate thereafter, the net amount of the employer's	

balances of deferred outflows of resources and deferred inflows of resources in subparagraph (h) that will be recognized in the employer's pension expense (2) If the employer does not have a special funding situation, the amount of the employer's balance of deferred outflows of resources in subparagraph (h) that will be recognized as a reduction of the net pension liability (3) If the employer has a special funding situation, the amount of the employer's balance of deferred outflows of resources in subparagraph (h) that will be included as a reduction of the collective net pension liability j. The amount of revenue recognized for the support provided by nonemployer contributing entities (see paragraphs 33d and 90), if any.	 n/a
Required supplementary information – all single and agent employers 46. The required supplementary information identified in subparagraphs (a)–(d), as applicable, should be presented separately for each single-employer and agent pension plan through which pensions are provided. The information indicated in subparagraphs (a) and (b) should be determined as of the measurement date of the net pension liability and may be presented in a single schedule. The information in subparagraphs (c) and (d) should be determined as of the employer's most recent fiscal year-end. If a primary government and one or more of its component units provide pensions through the same single-employer or agent pension plan, required supplementary information in the reporting entity's financial statements should present information for the reporting entity as a whole. a. A 10-year schedule of changes in the net pension liability that separately presents the information required by paragraph 44 for each year. b. A 10-year schedule presenting the following for each year: (1) If the employer does not have a special funding situation: (a) The total pension liability (b) The pension plan's fiduciary net position (c) The net pension liability (d) The pension plan's fiduciary net position as a percentage of the total pension liability (e) The covered-employee payroll (f) The net pension liability as a percentage of covered-employee payroll. (2) If the employer has a special funding situation, information about the collective net pension liability: (a) The total pension liability	 Ok Ok

(b) The pension plan's fiduciary net position (c) The collective net pension liability (d) The nonemployer contributing entities' total proportionate share (amount) of the collective net pension liability (e) The employer's proportionate share (amount) of the collective net pension liability (f) The covered-employee payroll (g) The employer's proportionate share (amount) of the collective net pension liability as a percentage of covered-employee payroll (h) The pension plan's fiduciary net position as a percentage of the total pension liability.	
c. If an actuarially determined contribution is calculated, a 10-year schedule presenting the following for each year: (1) The actuarially determined contribution of the employer. For purposes of this schedule, actuarially determined contributions should exclude amounts, if any, to separately finance specific liabilities of the individual employer to the pension plan. (2) The amount of contributions recognized by the pension plan in relation to the actuarially determined contribution of the employer. For purposes of this schedule, contributions should include only amounts recognized as additions to the pension plan fiduciary net position during the employer's fiscal year resulting from actual contributions and from contributions recognized by the pension plan as current receivables. (3) The difference between the actuarially determined contribution of the employer and the amount of contributions recognized by the pension plan in relation to the actuarially determined contribution of the employer. (4) The covered-employee payroll. (5) The amount of contributions recognized by the pension plan in relation to the actuarially determined contribution of the employer as a percentage of covered-employee payroll.	Ok
d. If an actuarially determined contribution is not calculated and the contribution requirements of the employer are statutorily or contractually established, a 10-year schedule presenting the following for each year: (1) The statutorily or contractually required employer contribution. For purposes of this schedule, statutorily or contractually required contributions should exclude amounts, if any, to separately finance specific liabilities of the individual employer to the pension plan. (2) The amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution. For purposes of this schedule, contributions should include only amounts recognized	n/a

as additions to the pension plan's fiduciary net position during the employer's fiscal year resulting from actual contributions and from contributions recognized by the pension plan as current receivables. (3) The difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution. (4) The covered-employee payroll. (5) The amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of covered-employee payroll.	
Notes to required schedules 47. Significant methods and assumptions used in calculating the actuarially determined contributions, if any, should be presented as notes to the schedule required by paragraph 46c. In addition, for each of the schedules required by paragraph 46, information should be presented about factors that significantly affect trends in the amounts reported (for example, changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions). (The amounts presented for prior years should not be restated for the effects of changes—for example, changes of benefit terms or changes of assumptions—that occurred subsequent to the measurement date of that information.)	Ok
Cost-Sharing Employers Recognition and measurement in financial statements prepared using the economic resources measurement focus and accrual basis of accounting by employers that do not have a special funding situation	
Proportionate share of the collective net pension liability 48. A liability should be recognized for the employer's proportionate share of the collective net pension liability, measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The employer's proportionate share of the collective net pension liability should be measured by: a. Determining the employer's proportion—a measure of the proportionate relationship of (1) the employer (and, to the extent associated with the employer, nonemployer contributing entities, if any, that provide support for the	The proportionate share of the net pension liability for Hastings School of Law and the medical centers will be determined based

employer but that are not in a special funding situation) to (2) all employers and all nonemployer contributing entities. The basis for the employer's proportion should be consistent with the manner in which contributions to the pension plan, excluding those to separately finance specific liabilities of an individual employer to the pension plan,15 are determined. The use of the employer's projected long-term contribution effort to the pension plan (including that of nonemployer contributing entities that provide support for the employer but that are not in a special funding situation) as compared to the total projected long-term contribution effort of all employers and all nonemployer contributing entities to determine the employer's proportion is encouraged. b. Multiplying the collective net pension liability (determined in conformity with paragraphs 59–70) by the employer's proportion calculated in (a).	upon covered compensation for the current fiscal year
49. To the extent that different contribution rates are assessed based on separate relationships that constitute the collective net pension liability (for example, separate rates are calculated based on an internal allocation of liabilities and assets for different classes or groups of employees), the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those separate relationships.	n/a – the same contribution rates are used for all employees
50. The employer's proportion should be established as of the measurement date, unless the employer's proportion is actuarially determined, in which case a proportion established at the date of the actuarial valuation used to determine the collective net pension liability may be used.	The proportions will be determined as of June 30th, the measurement date
51. Whether pensions are provided through cost-sharing, single-employer, or agent pension plans, liabilities for net pension liabilities associated with different pension plans may be displayed in the aggregate, and assets for net pension assets associated with different pension plans may be displayed in the aggregate in the financial statements. Aggregated pension liabilities should be displayed separately from aggregated pension assets.	Noted
Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions 52. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions should be recognized for the items in paragraphs 53–57, as applicable. The effects of items in paragraphs 54 and 55 may be recognized on a net basis.	Noted
Proportionate share	

53. Pension expense, as well as deferred outflows of resources and deferred inflows of resources related to pensions, should be recognized for the employer's proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. The employer's proportionate shares should be determined using the employer's proportion of the collective net pension liability.	Noted
Change in proportion 54. If there is a change in the employer's proportion of the collective net pension liability since the prior measurement date, the net effect of that change on the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources related to pensions, determined as of the beginning of the measurement period, should be recognized in the employer's pension expense, beginning in the current reporting period, using a systematic and rational method over a closed period. For this purpose, the length of the expense recognition period should be equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period. The amount not recognized in the employer's pension expense should be reported as a deferred outflow of resources or deferred inflow of resources related to pensions.	Noted
Contributions during the Measurement Period 55. For contributions to the pension plan other than those to separately finance specific liabilities of an individual employer or nonemployer contributing entity to the pension plan, the difference during the measurement period between (a) the total amount of such contributions from the employer (and amounts associated with the employer from nonemployer contributing entities that are not in a special funding situation) and (b) the amount of the employer's proportionate share of the total of such contributions from all employers and all nonemployer contributing entities should be recognized in the employer's pension expense, beginning in the current reporting period, using a systematic and rational method over a closed period. For this purpose, the length of the expense recognition period should be equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period. The amount not recognized in the employer's pension expense should be reported as a deferred outflow of resources or deferred inflow of resources related to pensions.	Noted

56. For contributions to the pension plan to separately finance specific liabilities of the individual employer to the pension plan, the difference during the measurement period between (a) the amount of such contributions from the employer (and amounts associated with the employer from nonemployer contributing entities that are not in a special funding situation) and (b) the amount of the employer's proportionate share of the total of contributions in (a), determined using the employer's proportion of the collective net pension liability, should be recognized in the employer's pension expense.	n/a
Employer Contributions Subsequent to the Measurement Date 57. Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions.	n/a – since the University adopted the financial statement date as the measurement date
Support of nonemployer contributing entities that are not in a special funding situation 58. Revenue should be recognized in an amount equal to (a) contributions to the pension plan from nonemployer contributing entities that are not in a special funding situation to separately finance specific liabilities of the individual employer to the pension plan and (b) the employer's proportionate share of the contributions to the pension plan from nonemployer contributing entities for purposes other than the separate financing of specific liabilities to the pension plan.	n/a
Measurement of the collective net pension liability, collective pension expense, and collective deferred outflows of resources and deferred inflows of resources related to pensions **Collective Net Pension Liability** 59. The collective net pension liability should be measured as the total pension liability (determined in conformity with the requirements of paragraphs 60–70), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position should be determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position.	Noted
Timing and Frequency of Actuarial Valuations 60. The total pension liability should be determined by (a) an actuarial valuation as of the measurement date or (b) the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a	Noted – the University adopted the financial

date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end. If update procedures are used and significant changes occur between the actuarial valuation date and the measurement date, professional judgment should be used to determine the extent of procedures needed to roll forward the measurement from the actuarial valuation to the measurement date, and consideration should be given to whether a new actuarial valuation is needed. For purposes of this determination, the effects of changes in the discount rate resulting from changes in the pension plan's fiduciary net position or from changes in the municipal bond rate, if applicable (see paragraphs 64–69), should be among the factors evaluated. For accounting and financial reporting purposes, an actuarial valuation of the total pension liability should be performed at least biennially. More frequent actuarial valuations are encouraged.	statement date as the measurement date
Selection of Assumptions 61. Unless otherwise specified by this Statement, the selection of all assumptions used in determining the total pension liability and related measures should be made in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. The pension plan, employers, and, if any, governmental nonemployer contributing entities that make contributions to the pension plan should use the same assumptions when measuring similar or related pension information.	Noted
Projection of Benefit Payments 62. Projected benefit payments should include all benefits to be provided to current active and inactive employees through the pension plan in accordance with the benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Projected benefit payments should include the effects of automatic postemployment benefit changes, including automatic COLAs. In addition, projected benefit payments should include the effects of (a) projected ad hoc postemployment benefit changes, including ad hoc COLAs, to the extent that they are considered to be substantively automatic;17 (b) projected salary changes (in circumstances in which the pension formula incorporates future compensation levels), and (c) projected service credits (both in determining an employee's probable eligibility for benefits and in the projection of benefit payments in circumstances in which the pension formula incorporates years of service).	Noted
63. Benefit payments to be provided by means of an allocated insurance contract should be excluded from projected benefit payments if (a) the contract irrevocably transfers to the insurer the responsibility for providing the benefits, (b) all required payments to acquire the contract have been made, and (c) the likelihood is remote that the	n/a

employers or the pension plan will be required to make additional payments to satisfy the benefit payments covered by the contract.	
Discount Rate 64. The discount rate should be the single rate that reflects the following: a. The long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the pension plan's fiduciary net position is projected (in conformity with paragraphs 65–67) to be sufficient to make projected benefit payments (determined in conformity with paragraphs 62 and 63) and (2) pension plan assets are expected to be invested using a strategy to achieve that return b. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions in (a) are not met.	Noted
Comparing projections of the pension plan's fiduciary net position to projected benefit payments 65. For purposes of applying paragraph 64, the amount of the pension plan's projected fiduciary net position and the amount of projected benefit payments should be compared in each period of projected benefit payments. Projections of the pension plan's fiduciary net position should incorporate all cash flows for contributions from employers and nonemployer contributing entities, if any, intended to finance benefits of current active and inactive employees (status at the measurement date) and all cash flows for contributions from current active employees. It should not include (a) cash flows for contributions from employers or nonemployer contributing entities intended to finance the service costs of future employees or (b) cash flows for contributions from future employees, unless those contributions are projected to exceed service costs for those employees. In each period, contributions from employers and nonemployer contributing entities should be considered to apply, first, to service costs of employees in the period and, second, to past service costs, unless the effective pension plan terms related to contributions indicate that a different relationship between contributions to the pension plan from nonemployer contributing entities and service costs should be applied. Employee contributions should be considered to be applied to service costs before contributions from employers and nonemployer contributing entities.	Noted
66. Professional judgment should be applied to project cash flows for contributions from employers and nonemployer contributing entities in circumstances in which (a) those contribution amounts are established by statute	n/a

or contract or (b) a formal, written policy related to those contributions exists. Application of professional judgment should consider the most recent five-year contribution history of the employers and nonemployer contributing entities as a key indicator of future contributions from those sources and should reflect all other known events and conditions. In circumstances other than those described in (a) and (b), the amount of projected cash flows for contributors from employers and nonemployer contributing entities should be limited to an average of contributions from those sources over the most recent five-year period and may be modified based on consideration of subsequent events. For this purpose, the basis for the average (for example, percentage of covered payroll contributed or percentage of actuarially determined contributions made) should be a matter of professional judgment.	
67. If the evaluations required by paragraph 65 can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan, alternative methods may be applied in making the evaluations.	n/a
Calculating the discount rate 68. For each future period, if the amount of the pension plan's fiduciary net position is projected to be greater than or equal to the benefit payments that are projected to be made in that period and pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, the actuarial present value of benefit payments projected to be made in the period should be determined using the long-term expected rate of return on those investments. The long-term expected rate of return should be based on the nature and mix of current and expected pension plan investments over a period representative of the expected length of time between (a) the point at which an employee begins to provide service to the employer and (b) the point at which all benefits to the employee have been paid. For this purpose, the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The municipal bond rate discussed in paragraph 64 should be used to calculate the actuarial present value of all other benefit payments.	Noted
69. For purposes of this Statement, the discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values determined in conformity with paragraph 68.	Noted
Attribution of the Actuarial Present Value of Projected Benefit Payments to Periods	

70. The entry age actuarial cost method should be used to attribute the actuarial present value of projected benefit payments of each employee to periods in conformity with the following: a. Attribution should be made on an individual employee-by-employee basis. b. Each employee's service costs should be level as a percentage of that employee's projected pay. For purposes of this calculation, if an employee does not have projected pay, the projected inflation rate should be used in place of the projected rate of change in salary. c. The beginning of the attribution period should be the first period in which the employee's service accrues pensions under the benefit terms, notwithstanding vesting or other similar terms. d. The service costs of all pensions should be attributed through all assumed exit ages, through retirement. In pension plans in which the benefit terms include a DROP, for purposes of this Statement, the date of entry into the DROP should be considered to be the employee's retirement date. e. Each employee's service costs should be determined based on the same benefit terms reflected in that employee's actuarial present value of projected benefit payments.	Noted
Collective Pension Expense and Collective Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions 71. Changes in the collective net pension liability should be included in collective pension expense in the current measurement period except as indicated below: a. Each of the following should be included in collective pension expense, beginning in the current measurement period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period: (1) Differences between expected and actual experience with regard to economic and demographic factors (differences between expected and actual experience) in the measurement of the total pension liability (2) Changes of assumptions about future economic or demographic factors or of other inputs (changes of assumptions or other inputs). The portion of (1) and (2) not included in collective pension expense should be included in collective deferred outflows of resources or deferred inflows of resources related to pensions. b. The difference between projected and actual earnings on pension plan investments should be included in collective pension expense using a systematic and rational method over a closed five-year period, beginning in the	Noted (a) Noted (b)

current measurement period. The amount not included in collective pension expense should be included in collective deferred outflows of resources or deferred inflows of resources related to pensions. Collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions. c. Contributions to the pension plan from employers or nonemployer contributing entities should not be included in collective pension expense.	
Recognition and measurement in financial statements prepared using the economic resources measurement focus and accrual basis of accounting by employers that have a special funding situation 72. An employer that has a special funding situation should apply the requirements of paragraphs 92–96.	n/a
Recognition in financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting—all cost-sharing employers 73. In financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting, an employer's proportionate share of the collective net pension liability should be recognized to the extent the liability is normally expected to be liquidated with expendable available financial resources. Pension expenditures should be recognized equal to the total of (a) amounts paid by the employer to the pension plan and (b) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. Net pension liabilities are normally expected to be liquidated with expendable available financial resources to the extent that benefit payments have matured—that is, benefit payments are due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits.	n/a
Notes to financial statements—all cost-sharing employers 74. The total (aggregate for all pensions, whether provided through cost-sharing, single-employer, or agent pension plans) of the employer's pension liabilities, pension assets, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense/expenditures for the period associated with net pension liabilities should be disclosed if the total amounts are not otherwise identifiable from information presented in the financial statements.	Noted

75. The information identified in paragraphs 76–80 should be disclosed for benefits provided through each cost-sharing pension plan in which the employer participates. Disclosures related to more than one pension plan should be combined in a manner that avoids unnecessary duplication.	Noted
Pension plan description 76. The following information should be disclosed about the pension plan through which benefits are provided: a. The name of the pension plan, identification of the public employee retirement system or other entity that administers the pension plan, and identification of the pension plan as a cost-sharing pension plan. b. A brief description of the benefit terms, including (1) the classes of employees covered; (2) the types of benefits; (3) the key elements of the pension formulas; (4) the terms or policies, if any, with respect to automatic postemployment benefit changes, including automatic COLAs, and ad hoc postemployment benefit changes, including ad hoc COLAs; and (5) the authority under which benefit terms are established or may be amended. If the pension plan is closed to new entrants, that fact should be disclosed. c. A brief description of contribution requirements, including (1) the basis for determining the employer's contributions to the pension plan (for example, statute, contract, an actuarial basis, or some other manner); (2) identification of the authority under which contribution requirements of employers, nonemployer contributing entities, if any, and employees are established or may be amended; and (3) the contribution rates (in dollars or as a percentage of covered payroll) of those entities for the reporting period. Also, the amount of contributions recognized by the pension plan from the employer during the reporting period (measured as the total of amounts recognized as additions to the pension plan's fiduciary net position resulting from actual contributions and from contributions recognized by the pension plan as current receivables), if not otherwise disclosed. d. Whether the pension plan issues a stand-alone financial report (or the pension plan is included in the report of a public employee retirement system or another government) that is available to the public and, if so, how to obtain the report (for example, a link to the report on the public employee retirement system's website).	Noted
Information about the employer's proportionate share of the collective net pension liability **Assumptions and Other Inputs** 77. Significant assumptions and other inputs used to measure the total pension liability, including assumptions about inflation, salary changes, and ad hoc postemployment benefit changes (including ad hoc COLAs) should be disclosed. With regard to mortality assumptions, the source of the assumptions (for example, the published tables on	Noted

which the assumption is based or that the assumptions are based on a study of the experience of the covered employees) should be disclosed. The dates of experience studies on which significant assumptions are based also should be disclosed. If different rates are assumed for different periods, information should be disclosed about what rates are applied to the different periods of the measurement.	
78. The following information should be disclosed about the discount rate: a. The discount rate applied in the measurement of the total pension liability and the change in the discount rate since the prior measurement date, if any b. Assumptions made about projected cash flows into and out of the pension plan, such as contributions from employers, nonemployer contributing entities, and employees c. The long-term expected rate of return on pension plan investments and a brief description of how it was determined, including significant methods and assumptions used for that purpose d. If the discount rate incorporates a municipal bond rate, the municipal bond rate used and the source of that rate e. The periods of projected benefit payments to which the long-term expected rate of return and, if used, the municipal bond rate applied to determine the discount rate f. The assumed asset allocation of the pension plan's portfolio, the long-term expected real rate of return for each major asset class, and whether the expected rates of return are presented as arithmetic or geometric means, if not otherwise disclosed g. Measures of the employer's proportionate share of the collective net pension liability calculated using (1) a discount rate that is 1-percentage-point higher than that required by paragraph 64 and (2) a discount rate that is 1-percentage-point lower than that required by paragraph 64.	Noted
The Pension Plan's Fiduciary Net Position 79. All information required by this and other financial reporting standards about the elements of the pension plan's basic financial statements (that is, all information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position) should be disclosed. However, if (a) a financial report that includes disclosure about the elements of the pension plan's basic financial statements is available on the Internet, either as a stand-alone financial report or included as a fiduciary fund in the financial report of another government and (b) information is provided about how to obtain the report, reference may instead be made to the	Noted

other report for these disclosures. In this circumstance, it also should be disclosed that the pension plan's fiduciary net position has been determined on the same basis used by the pension plan, and a brief description of the pension plan's basis of accounting, including the policies with respect to benefit payments (including refunds of employee contributions) and the valuation of pension plan investments should be included. If significant changes have occurred that indicate that the disclosures included in the pension plan's financial report generally do not reflect the facts and circumstances at the measurement date, information about the substance and magnitude of the changes should be disclosed.	
Other information 80. The following additional information should be disclosed, if applicable: a. The employer's proportionate share (amount) of the collective net pension liability and, if an employer has a special funding situation, (1) the portion of the nonemployer contributing entities' total proportionate share (amount) of the collective net pension liability that is associated with the employer 19 and (2) the total of the employer's proportionate share (amount) of the collective net pension liability and the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the employer b. The employer's proportion (percentage) of the collective net pension liability, the basis on which its proportion was determined, and the change in its proportion since the prior measurement date c. The measurement date of the collective net pension liability, the date of the actuarial valuation on which the total pension liability is based, and, if applicable, the fact that update procedures were used to roll forward the total pension liability to the measurement date d. A brief description of changes of assumptions or other inputs that affected measurement of the total pension liability since the prior measurement date e. A brief description of changes of benefit terms that affected measurement of the total pension liability since the prior measurement date f. A brief description of the nature of changes between the measurement date of the collective net pension liability and the employer's reporting date that are expected to have a significant effect on the employer's proportionate share of the collective net pension liability, and the amount of the expected resultant change in the employer's proportionate share of the collective net pension liability, if known g. The amount of pension expense recognized by the employer in the reporting period h. The employer's balances of deferred outflows of resources and deferred inflows of resources related to	 Noted

pensions, classified as follows, if applicable: (1) Differences between expected and actual experience in the measurement of the total pension liability (2) Changes of assumptions or other inputs (3) Net difference between projected and actual earnings on pension plan investments (4) Changes in the employer's proportion (paragraph 54) and differences between the employer's contributions (other than those to separately finance specific liabilities of the individual employer to the pension plan) and the employer's proportionate share of contributions (paragraph 55) (5) The employer's contributions to the pension plan subsequent to the measurement date of the collective net pension liability i. A schedule presenting the following: (1) For each of the subsequent five years and in the aggregate thereafter, the net amount of the employer's balances of deferred outflows of resources and deferred inflows of resources in subparagraph (h) that will be recognized in the employer's pension expense (2) The amount of the employer's balance of deferred outflows of resources in subparagraph (h) that will be included as a reduction of the collective net pension liability j. The amount of revenue recognized for the support provided by nonemployer contributing entities (see paragraphs 58 and 95), if any.	
Required supplementary information—all cost-sharing employers 81. The required supplementary information identified in subparagraphs (a) and (b), as applicable, should be presented separately for each cost-sharing pension plan through which pensions are provided. The information indicated in subparagraph (a) should be determined as of the measurement date of the collective net pension liability. The information in subparagraph (b) should be determined as of the employer's most recent fiscal year-end. a. A 10-year schedule presenting the following for each year: (1) If the employer does not have a special funding situation: (a) The employer's proportion (percentage) of the collective net pension liability (b) The employer's proportionate share (amount) of the collective net pension liability (c) The employer's covered-employee payroll (d) The employer's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll	Noted

(e) The pension plan's fiduciary net position as a percentage of the total pension liability. (2) If the employer has a special funding situation: (a) The employer's proportion (percentage) of the collective net pension liability (b) The employer's proportionate share (amount) of the collective net pension liability (c) The portion of the nonemployer contributing entities' total proportionate share (amount) of the collective net pension liability that is associated with the employer (d) The total of (b) and (c) (e) The employer's covered-employee payroll (f) The employer's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll (g) The pension plan's fiduciary net position as a percentage of the total pension liability. b. If the contribution requirements of the employer are statutorily or contractually established, a 10-year schedule presenting the following for each year: (1) The statutorily or contractually required employer contribution. For purposes of this schedule, statutorily or contractually required contributions should exclude amounts, if any, to separately finance specific liabilities of the individual employer to the pension plan. (2) The amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution. For purposes of this schedule, contributions should include only amounts recognized as additions to the pension plan's fiduciary net position during the employer's fiscal year resulting from actual contributions and from contributions recognized by the pension plan as current receivables. (3) The difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution. (4) The employer's covered-employee payroll. (5) The amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the employer's covered-employee payroll.	
Notes to required schedules 82. Information about factors that significantly affect trends in the amounts reported in the schedules required by paragraph 81 (for example, changes of benefit terms, changes in the size or composition of the population covered by	Noted

the benefit terms, or the use of different assumptions) should be presented as notes to the schedules. (The amounts presented for prior years should not be restated for the effects of changes—for example, changes of benefit terms or changes of assumptions—that occurred subsequent to the measurement date of that information.)	
Special Funding Situations **Single or agent employers** Recognition and measurement in financial statements prepared using the economic resources measurement focus and accrual basis of accounting	
Proportionate Share of the Collective Net Pension Liability 83. A liability should be recognized for the employer's proportionate share of the collective net pension liability. The employer's proportionate share of the collective net pension liability should be measured as the collective net pension liability (determined in conformity with paragraphs 20–32), net of the nonemployer contributing entities' total proportionate share of the collective net pension liability (determined in conformity with paragraphs 97–99).	n/a
Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions 84. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions should be recognized for the items in paragraphs 85–89, as applicable. The effects of items in paragraphs 86 and 87 may be recognized on a net basis.	n/a
Proportionate Share 85. Pension expense should be recognized in an amount equal to collective pension expense, determined in conformity with paragraph 33. Deferred outflows of resources and deferred inflows of resources related to pensions should be recognized for the employer's proportionate shares of collective deferred outflows of resources and deferred inflows of resources related to pensions. The employer's proportionate shares should be determined using the employer's proportion of the collective net pension liability—the ratio of (a) the employer's proportionate share of the collective net pension liability (paragraph 83) to (b) the collective net pension liability (paragraphs 20–32).	n/a
Change in Proportion 86. If there is a change in the employer's proportion of the collective net pension liability since the prior	n/a

measurement date, the net effect of that change on the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources related to pensions, determined as of the beginning of the measurement period, should be recognized in the employer's pension expense, beginning in the current reporting period, using a systematic and rational method over a closed period. For this purpose, the length of the expense recognition period should be equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period. The amount not recognized in the employer's pension expense should be reported as a deferred outflow of resources or deferred inflow of resources related to pensions.	
Contributions during the Measurement Period 87. For contributions to the pension plan other than those to separately finance specific liabilities of an individual employer or nonemployer contributing entity to the pension plan, the difference during the measurement period between (a) the total amount of such contributions from the employer and (b) the amount of the employer's proportionate share of the total of such contributions from the employer and all nonemployer contributing entities should be recognized in the employer's pension expense beginning in the current reporting period, using a systematic and rational method over a closed period. For this purpose, the length of the expense recognition period should be equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period. The amount not recognized in the employer's pension expense should be reported as a deferred outflow of resources or deferred inflow of resources related to pensions.	n/a
88. For contributions to the pension plan to separately finance specific liabilities of the individual employer to the pension plan, the difference during the measurement period between (a) the amount of such contributions from the employer and (b) the amount of the employer's proportionate share of the contributions in (a), determined using the employer's proportion of the collective net pension liability, should be recognized in the employer's pension expense.	n/a
Employer Contributions Subsequent to the Measurement Date 89. Contributions to the pension plan from the employer subsequent to the measurement date of the collective	n/a

net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions.	
Support of Nonemployer Contributing Entities in a Special Funding Situation 90. Revenue should be recognized in an amount equal to the nonemployer contributing entities' total proportionate share of collective pension expense measured in conformity with paragraph 102.	n/a
Additional requirements 91. The requirements in paragraphs 36–47 for recognition in financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting, notes to financial statements, and required supplementary information should be applied.	n/a
Cost-sharing employers Recognition and measurement in financial statements prepared using the economic resources measurement focus and accrual basis of accounting	n/a
Proportionate Share of the Collective Net Pension Liability 92. A liability should be recognized for the employer's proportionate share of the collective net pension liability determined in conformity with paragraphs 48–51. For purposes of applying those paragraphs, if the effective pension plan terms define a specific relationship of the contribution requirements of a nonemployer contributing entity to those of the employer and other contributing entities, the employer's proportion should be established in a manner consistent with those terms, notwithstanding differences between the measurement basis used to determine contributions and that used to determine the collective net pension liability. For example, if the governmental nonemployer contributing entity's contribution requirements are defined by the plan terms to be 25 percent of the employers' total actuarially determined contribution, each employer's proportion of the collective net pension liability should be based on 75 percent of its total individual actuarially determined contribution. For another example, if (a) the governmental nonemployer contributing entity's required contribution, consistently contributed, is defined in the pension plan terms to be the amount necessary to finance 100 percent of past service cost on the actuarial funding basis used by the employers and nonemployer contributing entities and (b) the employers' required contribution rate is defined in the pension plan terms to be an amount to satisfy the portion of the actuarially determined service cost of	n/a

each period that is not offset by employee contributions, the employer's proportion of the collective net pension liability should be considered to be zero percent.	
Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions 93. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions should be recognized in conformity with paragraphs 52–57.	n/a
94. Pension expense also should be recognized for the nonemployer contributing entities' total proportionate share of collective pension expense (measured in conformity with paragraph 102)23 that is associated with the employer.	n/a
Support of Nonemployer Contributing Entities in a Special Funding Situation 95. Revenue should be recognized in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense (measured in conformity with paragraph 102) that is associated with the employer.	n/a
Additional requirements 96. The requirements in paragraphs 73–82 for recognition in financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting, notes to financial statements, and required supplementary information should be applied.	n/a
Governmental nonemployer contributing entities Recognition and measurement in financial statements prepared using the economic resources measurement focus and accrual basis of accounting	
Proportionate Share of the Collective Net Pension Liability 97. A liability should be recognized for the governmental nonemployer contributing entity's proportionate share of the collective net pension liability, measured as of a date (measurement date) no earlier than the end of the governmental nonemployer contributing entity's prior fiscal year, consistently applied from period to period. The governmental nonemployer contributing entity's proportionate share of the collective net pension liability should be	n/a

measured by: a. Determining the governmental nonemployer contributing entity's proportion—a measure of the proportionate relationship of (1) the governmental nonemployer contributing entity to (2) all employers and all nonemployer contributing entities. The basis for the governmental nonemployer contributing entity's proportion should be consistent with the manner in which contributions to the pension plan, excluding those to separately finance specific liabilities of an individual employer or nonemployer contributing entity to the pension plan, are determined. The use of the governmental nonemployer contributing entity's projected long-term contribution effort to the pension plan as compared to the total projected long-term contribution effort of all employers and all nonemployer contributing entities to determine the governmental nonemployer contributing entity's proportion is encouraged. b. Multiplying the collective net pension liability (determined in conformity with paragraphs 20–32 or 59–70, as applicable) by the governmental nonemployer contributing entity's proportion calculated in (a).	
98. To the extent that different contribution rates are assessed based on separate relationships that constitute the collective net pension liability (for example, separate rates are calculated based on an internal allocation of liabilities and assets for different classes or groups of employees), the determination of the governmental nonemployer contributing entity's proportionate share of the collective net pension liability should be made in a manner that reflects those separate relationships. In addition, for this purpose, if the effective pension plan terms define a specific relationship of the contribution requirements of the nonemployer contributing entity to those of other contributing entities, the governmental nonemployer contributing entity's proportion should be established in a manner consistent with those terms, notwithstanding differences between the measurement basis used to determine contributions and that used to determine the collective net pension liability. For example, if the governmental nonemployer contributing entity's contribution requirements are defined by the plan terms to be 25 percent of the employers' total actuarially determined contribution, the governmental nonemployer contributing entity's proportion of the collective net pension liability should be considered to be 25 percent. For another example, if (a) the governmental nonemployer contributing entity's required contribution, consistently contributed, is defined in the pension plan terms to be the amount necessary to finance 100 percent of past service cost on the actuarial funding basis used by the employers and nonemployer contributing entities and (b) the employers' required contribution rate is defined in the pension plan terms to be an amount to satisfy the portion of the actuarially determined service cost of each period that is not offset by employee contributions, the governmental nonemployer contributing entity's proportion of the collective net pension liability should be considered to be 100 percent.	n/a

99. The governmental nonemployer contributing entity's proportion should be established as of the measurement date, unless its proportion is actuarially determined, in which case a proportion established at the date of the actuarial valuation used to determine the collective net pension liability may be used.	n/a
100. Whether pensions are provided through single-employer, agent, or cost-sharing pension plans, liabilities resulting from special funding situations for net pension liabilities associated with different pension plans may be displayed in the aggregate, and assets resulting from special funding situations for net pension assets associated with different pension plans may be displayed in the aggregate in the financial statements. Aggregated liabilities should be displayed separately from aggregated assets.	n/a
Expense and Deferred Outflows of Resources and Deferred Inflows of Resources 101. Expense and deferred outflows of resources and deferred inflows of resources should be recognized for the items in paragraphs 102–106, as applicable. The effects of items in paragraphs 103 and 104 may be recognized on a net basis. A governmental nonemployer contributing entity should classify its expense as a result of a special funding situation in the same manner as it classifies similar grants to other entities.	n/a
Proportionate Share 102. Expense, as well as deferred outflows of resources and deferred inflows of resources, should be recognized for the governmental nonemployer contributing entity's proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. The governmental nonemployer contributing entity's proportionate shares should be determined using the governmental nonemployer contributing entity's proportion of the collective net pension liability.	n/a
Change in Proportion 103. If there is a change in the governmental nonemployer contributing entity's proportion of the collective net pension liability since the prior measurement date, the net effect of that change on the governmental nonemployer contributing entity's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources related to pensions, determined as of the beginning of the measurement period, should be recognized in the governmental nonemployer contributing entity's expense, beginning in the current	n/a

reporting period, using a systematic and rational method over a closed period. For this purpose, the length of the expense recognition period should be equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period. The amount not recognized in the governmental nonemployer contributing entity's expense should be reported as a deferred outflow of resources or deferred inflow of resources.	
Contributions during the Measurement Period 104. For contributions to the pension plan other than those to separately finance specific liabilities of an individual employer or nonemployer contributing entity to the pension plan, the difference during the measurement period between (a) the total amount of such contributions from the governmental nonemployer contributing entity and (b) the amount of the entity's proportionate share of the total of such contributions from all employers and all nonemployer contributing entities should be recognized in the governmental nonemployer contributing entity's expense, beginning in the current reporting period, using a systematic and rational method over a closed period. For this purpose, the length of the expense recognition period should be equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period. The amount not recognized in the governmental nonemployer contributing entity's expense should be reported as a deferred outflow of resources or deferred inflow of resources.	n/a
105. For contributions to the pension plan to separately finance specific liabilities of the individual governmental nonemployer contributing entity to the pension plan, the difference during the measurement period between (a) the amount of such contributions from the governmental nonemployer contributing entity and (b) the amount of the governmental nonemployer contributing entity's proportionate share of the contributions in (a), determined using the governmental nonemployer contributing entity's proportion of the net pension liability, should be recognized in the entity's expense.	n/a
Governmental Nonemployer Contributing Entity Contributions Subsequent to the Measurement Date 106. Contributions to the pension plan from the governmental nonemployer contributing entity subsequent to the measurement date of the collective net pension liability and before the end of the governmental nonemployer contributing entity's reporting period should be reported as a deferred outflow of resources.	n/a

Recognition in financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting 107. In financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting, a governmental nonemployer contributing entity's proportionate share of the collective net pension liability should be recognized to the extent the liability is normally expected to be liquidated with expendable available financial resources. Expenditures should be recognized equal to the total of (a) amounts paid by the governmental nonemployer contributing entity to the pension plan and (b) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. Net pension liabilities are normally expected to be liquidated with expendable available financial resources to the extent that benefit payments have matured—that is, benefit payments are due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits. Expenditures should be classified in the same manner as the governmental nonemployer contributing entity classifies similar grants to other entities.	n/a
Notes to financial statements and required supplementary information **Governmental Nonemployer Contributing Entities That Recognize a Substantial Proportion of the Collective Net Pension Liability** 108. The information identified in paragraphs 109–113 should be disclosed, and information required in paragraphs 114 and 115 should be presented as required supplementary information, for benefits provided through each defined benefit pension plan for which the governmental nonemployer contributing entity recognizes a substantial proportion of the collective net pension liability. Disclosures related to more than one pension plan should be combined in a manner that avoids unnecessary duplication.	n/a
Notes to Financial Statements **Pension plan description** 109. The following information should be disclosed about the pension plan through which benefits are provided: a. The name of the pension plan, identification of the public employee retirement system or other entity that administers the pension plan, and identification of the pension plan as a single-employer, agent, or cost-sharing pension plan. b. A brief description of the benefit terms, including (1) the classes of employees covered; (2) the types of	n/a

benefits; (3) the key elements of the pension formulas; (4) the terms or policies, if any, with respect to automatic postemployment benefit changes, including automatic COLAs, and ad hoc postemployment benefit changes, including ad hoc COLAs; and (5) the authority under which benefit terms are established or may be amended. If the pension plan is closed to new entrants, that fact should be disclosed. c. A brief description of contribution requirements, including (1) the basis for determining the governmental nonemployer contributing entity's contributions to the pension plan (for example, statute, contract, an actuarial basis, or some other manner); (2) identification of the authority under which contribution requirements of employers, nonemployer contributing entities, and employees are established or may be amended; and (3) the contribution rates (in dollars or as a percentage of covered payroll) of those entities for the reporting period. Also, the amount of contributions recognized by the pension plan from the governmental nonemployer contributing entity during the reporting period (measured as the total of amounts recognized as additions to the pension plan's fiduciary net position resulting from actual contributions and from contributions recognized by the pension plan as current receivables), if not otherwise disclosed. d. Whether the pension plan issues a stand-alone financial report (or the pension plan is included in the report of a public employee retirement system or another government) that is available to the public and, if so, how to obtain the report (for example, a link to the report on the public employee retirement system's website).	
Information about the governmental nonemployer contributing entity's proportionate share of the collective net pension liability **Assumptions and other inputs** 110. Significant assumptions and other inputs used to measure the total pension liability, including assumptions about inflation, salary changes, and ad hoc postemployment benefit changes (including ad hoc COLAs) should be disclosed. With regard to mortality assumptions, the source of the assumptions (for example, the published tables on which the assumption is based or that the assumptions are based on a study of the experience of the covered group) should be disclosed. The dates of experience studies on which significant assumptions are based also should be disclosed. If different rates are assumed for different periods, information should be disclosed about what rates are applied to the different periods of the measurement.	n/a
111. The following information should be disclosed about the discount rate: a. The discount rate applied in the measurement of the total pension liability and the change in the discount rate	n/a

since the prior measurement date, if any b. Assumptions made about projected cash flows into and out of the pension plan, such as contributions from employers, nonemployer contributing entities, and employees c. The long-term expected rate of return on pension plan investments and a brief description of how it was determined, including significant methods and assumptions used for that purpose d. If the discount rate incorporates a municipal bond rate, the municipal bond rate used and the source of that rate e. The periods of projected benefit payments to which the long-term expected rate of return and, if used, the municipal bond rate applied to determine the discount rate f. The assumed asset allocation of the pension plan's portfolio, the long-term expected real rate of return for each major asset class, and whether the expected rates of return are presented as arithmetic or geometric means, if not otherwise disclosed g. Measures of the governmental nonemployer contributing entity's proportionate share of the collective net pension liability calculated using (1) a discount rate that is 1-percentage-point higher than that required by paragraph 26 or 64, as applicable, and (2) a discount rate that is 1-percentage-point lower than that required by paragraph 26 or 64, as applicable.	
The pension plan's fiduciary net position 112. All information required by this and other financial reporting standards about the elements of the pension plan's basic financial statements (that is, all information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position) should be disclosed. However, if (a) a financial report that includes disclosure about the elements of the pension plan's basic financial statements is available on the Internet, either as a stand-alone financial report or included as a fiduciary fund in the financial report of another government, and (b) information is provided about how to obtain the report, reference may instead be made to the other report for these disclosures. In this circumstance, it also should be disclosed that the pension plan's fiduciary net position has been determined on the same basis used by the pension plan, and a brief description of the pension plan's basis of accounting, including the policies with respect to benefit payments (including refunds of employee contributions) and the valuation of pension plan investments should be included. If significant changes have occurred that indicate that the disclosures included in the pension plan's financial report generally do not reflect the facts and circumstances at the measurement date, information about the substance and magnitude of the changes should be	n/a

disclosed.	
Other information 113. The following additional information should be disclosed, if applicable: a. The governmental nonemployer contributing entity's proportionate share (amount) of the collective net pension liability, its proportion (percentage) of the collective net pension liability, the basis on which its proportion was determined, and the change in its proportion since the prior measurement date b. The measurement date of the collective net pension liability, the date of the actuarial valuation on which the total pension liability is based, and, if applicable, the fact that update procedures were used to roll forward the total pension liability to the measurement date c. A brief description of changes of assumptions or other inputs that affected measurement of the total pension liability since the prior measurement date d. A brief description of changes of benefit terms that affected measurement of the total pension liability since the prior measurement date e. A brief description of the nature of changes between the measurement date of the collective net pension liability and the governmental nonemployer contributing entity's reporting date that are expected to have a significant effect on the governmental nonemployer contributing entity's proportionate share of the collective net pension liability, and the amount of the expected resultant change in the governmental nonemployer contributing entity's proportionate share of the collective net pension liability, if known f. The amount of expense recognized by the governmental nonemployer contributing entity in the reporting period as a result of the special funding situation g. The governmental nonemployer contributing entity's balances of deferred outflows of resources and deferred inflows of resources as a result of the special funding situation, classified as follows, if applicable: (1) Differences between expected and actual experience in the measurement of the total pension liability (2) Changes of assumptions or other inputs (3) Net difference between projected and actual earnings on pension plan investments (4) Changes in the governmental nonemployer contributing entity's proportion (paragraph 103) and differences between the governmental nonemployer contributing entity's contributions (other than those to separately finance specific liabilities of the individual nonemployer contributing entity to the pension plan) and the governmental nonemployer contributing entity's proportionate share of contributions (paragraph 104)	n/a

(5) The governmental nonemployer contributing entity's contributions to the pension plan subsequent to the measurement date of the collective net pension liability h. A schedule presenting the following: (1) For each of the subsequent five years and in the aggregate thereafter, the net amount of the governmental nonemployer contributing entity's balances of deferred outflows of resources and deferred inflows of resources in subparagraph (g) that will be recognized in the governmental nonemployer contributing entity's expense (2) The amount of the governmental nonemployer contributing entity's balance of deferred outflows of resources in subparagraph (g) that will be included as a reduction of the collective net pension liability.	
Required Supplementary Information 114. The required supplementary information identified in subparagraphs (a) and (b), as applicable, should be presented separately for each defined benefit pension plan for which the governmental nonemployer contributing entity recognizes a substantial proportion of the collective net pension liability. The information indicated in subparagraph (a) should be determined as of the measurement date of the collective net pension liability. The information in subparagraph (b) should be determined as of the governmental nonemployer contributing entity's most recent fiscal year-end. a. A 10-year schedule presenting the following for each year: (1) The governmental nonemployer contributing entity's proportion (percentage) of the collective net pension liability (2) The governmental nonemployer contributing entity's proportionate share (amount) of the collective net pension liability (3) The pension plan's fiduciary net position as a percentage of the total pension liability. b. If the contribution requirements of the governmental nonemployer contributing entity are statutorily or contractually established, a 10-year schedule presenting the following for each year: (1) The governmental nonemployer contributing entity's statutorily or contractually required contribution. For purposes of this schedule, statutorily or contractually required contributions should exclude amounts, if any, to separately finance specific liabilities of the individual governmental nonemployer contributing entity to the pension plan. (2) The amount of contributions recognized by the pension plan in relation to the governmental nonemployer contributing entity's statutorily or contractually required contribution. For purposes of this schedule, contributions	n/a

should include only amounts recognized as additions to the pension plan's fiduciary net position during the governmental nonemployer contributing entity's fiscal year resulting from actual contributions and from contributions recognized by the pension plan as current receivables. (3) The difference between the governmental nonemployer contributing entity's statutorily or contractually required contribution and the amount of contributions recognized by the pension plan in relation to its statutorily or contractually required contribution.	
Notes to required schedules 115. Information about factors that significantly affect trends in the amounts reported in the schedules required by paragraph 114 (for example, changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions) should be presented as notes to the schedules. (The amounts presented for prior years should not be restated for the effects of changes—for example, changes of benefit terms or changes of assumptions—that occurred subsequent to the measurement date of that information.)	n/a
Governmental Nonemployer Contributing Entities That Recognize a Less-Than-Substantial Proportion of the Collective Net Pension Liability **Notes to Financial Statements** 116. The information identified in this paragraph should be disclosed for benefits provided through each defined benefit pension plan for which the governmental nonemployer contributing entity recognizes a less-than-substantial proportion of the collective net pension liability. If the governmental nonemployer contributing entity recognizes more than one such liability, information may be presented in the aggregate for all such liabilities. a. The name of the pension plan through which benefits are provided, identification of the public employee retirement system or other entity that administers the pension plan, and identification of the pension plan as a single-employer, agent, or cost-sharing pension plan b. The basis for determining the governmental nonemployer contributing entity's contributions to the pension plan (for example, statute, contract, an actuarial basis, or some other manner), identification of the authority under which the governmental nonemployer contributing entity's contribution requirements are established or may be amended, and the amount of contributions recognized by the pension plan from the governmental nonemployer contributing entity during the reporting period (measured as the total of amounts recognized as additions to the	n/a

pension plan's fiduciary net position resulting from actual contributions and from contributions recognized by the pension plan as current receivables) c. The governmental nonemployer contributing entity's proportionate share (amount) of the collective net pension liability, its proportion (percentage) of the collective net pension liability, the basis on which its proportion was determined, and the change, if any, in its proportion since the prior measurement date d. The amount of expense recognized by the governmental nonemployer contributing entity in the reporting period as a result of the special funding situation, and its balances of deferred outflows of resources and deferred inflows of resources as a result of the special funding situation.	
Required Supplementary Information 117. For benefits provided through each defined benefit pension plan for which the governmental nonemployer contributing entity recognizes a less-than-substantial proportion of the collective net pension liability, the required supplementary information indicated in subparagraphs (a) and (b) should be presented in a 10-year schedule. If a governmental nonemployer contributing entity recognizes more than one such liability, the information for each year may be presented in the aggregate for all such liabilities. a. The governmental nonemployer contributing entity's proportionate share (amount) of the collective net pension liability b. The amount of contributions to the pension plan from the governmental nonemployer contributing entity.	n/a
Circumstances in Which a Nonemployer Entity's Legal Obligation for Contributions Directly to a Pension Plan Does Not Meet the Definition of a Special Funding Situation **Employers** 118. In circumstances in which a nonemployer entity has a legal obligation to make contributions directly to a defined benefit pension plan but that entity's involvement does not meet the criteria in paragraph 15, the employer should apply the requirements of paragraphs 18–82, as applicable.	n/a
Governmental nonemployer contributing entities 119. Expense/expenditures for contributions to a defined benefit pension plan should be classified in the same manner as the entity classifies similar grants to other entities.	n/a

Payables to a Defined Benefit Pension Plan—All Employers and Governmental Nonemployer Contributing Entities 120. Payables to a defined benefit pension plan include short-term payables for legally or contractually required contributions outstanding as of the end of the reporting period, as well as long-term payables, such as those arising from amounts assessed to an individual employer upon joining a multiple-employer pension plan. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a payable to a defined benefit pension plan should be recognized separately from liabilities for a net pension liability, if any.	n/a
121. In financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting, a payable to a defined benefit pension plan should be recognized to the extent it is normally expected to be liquidated with expendable available financial resources. Payables to a defined benefit pension plan are normally expected to be liquidated with expendable available financial resources to the extent that amounts are due and payable pursuant to contractual arrangements or legal requirements.	n/a
Notes to Financial Statements 122. The amount of payables to a defined benefit pension plan outstanding at the end of the reporting period, significant terms related to the payables, and a description of what gave rise to the payable (for example, legally required contributions to the pension plan, a contractual arrangement for contributions to a cost-sharing pension plan related to past service cost upon entrance into the arrangement, or a contractual arrangement for contributions to the pension plan related to a change of benefit terms enacted by an individual cost-sharing employer) should be included in notes to financial statements.	n/a
Defined Contribution Pensions **Employers That Do Not Have a Special Funding Situation** 123. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, the following should be recognized: a. Pension expense equal to the amount of contributions or credits to employees' accounts that are defined by the benefit terms as attributable to employees' services in the period, net of forfeited amounts that are removed from employees' accounts. Amounts that are reallocated to the accounts of other employees should not be considered forfeited amounts for this purpose. b. A change in the pension liability equal to the difference between amounts recognized as pension expense and	 n/a

amounts paid by the employer to the pension plan.	
124. In financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting, pension expenditures should be recognized equal to the total of (a) amounts paid by the employer to the pension plan and (b) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. A liability for defined contribution pensions should be recognized to the extent the liability is normally expected to be liquidated with expendable available financial resources. Liabilities for defined contribution pensions are normally expected to be liquidated with expendable available financial resources to the extent that contributions are due and payable pursuant to legal requirements, including contractual arrangements.	n/a
125. Pension liabilities and pension assets for pensions provided through different pension plans each may be displayed in the aggregate in the financial statements. Aggregated pension liabilities should be displayed separately from aggregated pension assets.	n/a
Notes to Financial Statements 126. The following information should be disclosed in notes to financial statements about each defined contribution pension plan to which an employer is required to contribute: a. The name of the pension plan, identification of the public employee retirement system or other entity that administers the pension plan, and identification of the pension plan as a defined contribution pension plan b. A brief description of the benefit terms (including terms, if any, related to vesting and forfeitures and the policy related to the use of forfeited amounts) and the authority under which benefit terms are established or may be amended c. The contribution (or crediting) rates (in dollars or as a percentage of salary) for employees, the employer, and nonemployer contributing entities, if any, and the authority under which those rates are established or may be amended d. The amount of pension expense recognized by the employer in the reporting period e. The amount of forfeitures reflected in pension expense recognized by the employer in the reporting period f. The amount of the employer’s liability outstanding at the end of the period, if any.	n/a

Special Funding Situations **Employers** 127. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, the following should be recognized: a. Pension expense equal to the employer's share of the amount of contributions or credits to employees' accounts that are defined by the benefit terms as attributable to employees' services in the period, net of forfeited amounts that are removed from employees' accounts. Amounts that are reallocated to the accounts of other employees should not be considered forfeited amounts for this purpose. b. A change in the pension liability equal to the difference between amounts recognized as pension expense and amounts paid by the employer to the pension plan. c. Additional pension expense for the amount of expense recognized by nonemployer contributing entities for pensions provided through the pension plan, determined in conformity with paragraph 129.27 d. Revenue equal to the amount of expense recognized by nonemployer contributing entities for pensions provided through the pension plan, determined in conformity with paragraph 129.	n/a
128. The requirements in paragraphs 124–126 for financial statement display, recognition in financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting, and notes to financial statements should be applied. In addition, the employer should disclose (a) the proportion of the total pension expense for pensions provided through the pension plan that is represented by the employer's expense and (b) the amount of revenue recognized as a result of the support provided by nonemployer contributing entities.	n/a
Governmental Nonemployer Contributing Entities 129. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, the following should be recognized: a. Expense equal to the governmental nonemployer contributing entity's share of the amount of contributions or credits to employees' accounts that are defined by the benefit terms as attributed to employees' services in the period, net of forfeited amounts that are removed from employees' accounts. Amounts that are reallocated to the accounts of other employees should not be considered forfeited amounts for this purpose. Expense should be classified in the same manner as the governmental nonemployer contributing entity classifies similar grants to other entities. b. A change in the liability resulting from the special funding situation equal to the difference between amounts	n/a

recognized as expense and amounts paid by the governmental nonemployer contributing entity to the pension plan.	
130. In financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting, expenditures should be recognized equal to the total of (a) amounts paid by the governmental nonemployer contributing entity to the pension plan and (b) the change between the beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. A liability resulting from a special funding situation for defined contribution pensions should be recognized to the extent the liability is normally expected to be liquidated with expendable available financial resources. Liabilities for defined contribution pensions are normally expected to be liquidated with expendable available financial resources to the extent that contributions are due and payable pursuant to legal requirements, including contractual arrangements. Expenditures should be classified in the same manner as the governmental nonemployer contributing entity classifies similar grants to other entities.	n/a
131. Liabilities resulting from special funding situations for pensions provided through different pension plans may be displayed in the aggregate, and assets resulting from special funding situations for pensions provided through different pension plans may be displayed in the aggregate in the financial statements. Aggregated liabilities should be displayed separately from aggregated assets.	n/a
Notes to financial statements 132. The following information should be disclosed in notes to financial statements about each defined contribution pension plan to which a governmental nonemployer contributing entity is required to contribute a substantial proportion of the total contributions from the employer and nonemployer contributing entities: a. The name of the pension plan, identification of the public employee retirement system or other entity that administers the pension plan, and identification of the pension plan as a defined contribution pension plan b. A brief description of the benefit terms (including terms, if any, related to vesting and forfeitures and the policy related to the use of forfeited amounts) and the authority under which benefit terms are established or may be amended c. The contribution (or crediting) rates (in dollars or as a percentage of salary) for employees, the employer, and nonemployer contributing entities, and the authority under which those rates are established or may be amended d. The amount of expense recognized by the governmental nonemployer contributing entity in the reporting	n/a

period as a result of the special funding situation, the amount of forfeitures reflected in expense recognized by the governmental nonemployer contributing entity, and the proportion of the total pension expense for pensions provided through the pension plan that is represented by the governmental nonemployer contributing entity's expense e. The amount of the governmental nonemployer contributing entity's liability resulting from the special funding situation outstanding at the end of the period, if any.	
133. The following information should be disclosed in notes to financial statements about each defined contribution pension plan to which the governmental nonemployer contributing entity is required to contribute a less-than-substantial proportion of the total contributions from the employer and nonemployer contributing entities: a. The name of the pension plan, identification of the public employee retirement system or other entity that administers the pension plan, and identification of the pension plan as a defined contribution pension plan b. The contribution (or crediting) rates (in dollars or as a percentage of salary) for the governmental nonemployer contributing entity, and the authority under which those rates are established or may be amended c. The amount of expense recognized by the governmental nonemployer contributing entity in the reporting period as a result of the special funding situation and the proportion of the total pension expense for pensions provided through the pension plan that is represented by the governmental nonemployer contributing entity's expense d. The amount of the governmental nonemployer contributing entity's liability outstanding at the end of the period, if any.	n/a
Circumstances in Which a Nonemployer Entity's Legal Obligation for Contributions Directly to a Defined Contribution Pension Plan Does Not Meet the Definition of a Special Funding Situation **Employers** 134. In circumstances in which a nonemployer entity has a legal obligation to make contributions directly to a defined contribution pension plan but that entity's involvement does not meet the criteria in paragraph 15, the requirements of paragraphs 127 and 128 should be applied.	n/a
Governmental Nonemployer Contributing Entities 135. The requirements for recognition and measurement of liabilities and expense/expenditures in paragraphs 129–131 should be applied. In addition, the following information should be disclosed in notes to financial statements about each defined contribution pension plan to which it is required to contribute: a. The name of the pension plan, identification of the public employee retirement system or other entity that	n/a

administers the pension plan, and identification of the pension plan as a defined contribution pension plan b. The amount of expense recognized by the governmental nonemployer contributing entity in the reporting period as a result of its legal requirement to contribute to the defined contribution pension plan and the amount, if any, of the governmental nonemployer contributing entity's liability outstanding at the end of the period.	
EFFECTIVE DATE AND TRANSITION 136. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. Earlier application is encouraged.	This statement will be implemented for the fiscal year ended June 30, 2013 to be consistent with the timing of implementing GASB Statement No. 67
137. To the extent practical, in the first period that this Statement is applied, changes made to comply with this Statement should be reported as an adjustment of prior periods, and financial statements presented for the periods affected should be restated. It may not be practical for some governments to determine the amounts of all deferred inflows of resources and deferred outflows of resources related to pensions, as applicable, at the beginning of the period when the provisions of this Statement are adopted. In such circumstances, beginning balances for deferred inflows of resources and deferred outflows of resources related to pensions should not be reported. If restatement of all prior periods presented is not practical, the cumulative effect of applying this Statement, if any, should be reported as a restatement of beginning net position for the earliest period restated. In the period this Statement is first applied, the financial statements should disclose the nature of any restatement and its effect, including whether the restatement of beginning balances included deferred inflows of resources or deferred outflows of resources, as applicable. Also, the reason for not restating prior periods presented should be explained.	Considerations related to GASB 71 have been incorporated as part of implementing GASB 68.
138. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement.	Noted