Note:
The proposed revised approach permits employers to calculate their share of the UAAL and pension expense using information contained in OPERS' Comprehensive Annual Financial Report *(CAFR) – currently available on www.opers.org.*

GASB approves revised approach for cost-sharing multiple-employer plans

Who should read this notice
Those responsible for compiling the *Comprehensive Annual Financial Report (CAFR)*

Situation overview
On June 25, 2012, the Governmental Accounting Standards Board (GASB) voted to approve two new standards for reporting of public employee pensions by state and local governments. GASB Statement No. 67, "*Financial Reporting for Pension Plans*" replaces the requirements of Statement No. 25 for retirement systems that administer pension plans on behalf of their participating employers. GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" replaces the requirements of Statements No. 27 and No. 50 as they relate to governments that provide pensions to their employees through cost-sharing multiple employer pension plans such as OPERS. GASB upheld their original position requiring government employers to report a share of the OPERS unfunded pension liability on their financial statements, but they revised the approach.

The original approach as included in the Statement No. 27 Exposure Draft would have required OPERS to calculate a share of the unfunded accrued actuarial liability (UAAL) and pension expense for each employer, then roll those calculations forward to each individual employer's fiscal year end. OPERS has approximately 3,700 reporting employers.

The simplified approach included in Statement No. 68 permits employers to calculate their share of the UAAL and pension expense using information contained in OPERS' Comprehensive Annual Financial Report (CAFR). The provisions of Statement No. 68 are effective for fiscal years beginning after June 15, 2014. A complete copy of GASB Statement No. 68 will be available for download at no cost from the GASB website in early August.

What employers need to do
Please review the published standards and prepare to include the required information in your financial documents. Keep current with new information posted on the GASB website www.gasb.org and the GASB Standards section of www.opers.org. Look for additional notices regarding the impact to OPERS public employers as more information is available.

Changes to the *Employer Manual*
No revisions to the *Employer Manual* have been made as a result of this *Employer Notice.*

Whom to contact for more information
After reviewing this *Employer Notice*, contact Employer Outreach with questions at 1-888-400-0965, or by e-mail at employeroutreach@opers.org.
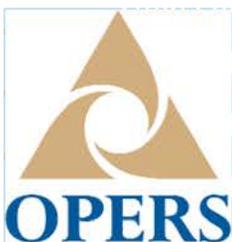
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1-888-400-0965
www.opers.org

For a current listing of OPERS Board members, please visit www.opers.org