



# Employer *Bulletin*

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## **GASB 68 Update: Guidance Related to Model Journal Entries**

On August 18, ETF released required [schedules to employers related to new GASB 68 reporting requirements](#).

### **Model Journal Entries**

Some employers are reporting that they are experiencing unbalanced entries when following the model journal entries provided in the supporting schedules. This is due to the amounts listed as deferred inflows/outflows. This is caused by applying the proportion percentage against the plan numbers for the individual employer.

Plan numbers taken as whole zero each other out for these numbers, however individual employers will either have one or the other, causing the imbalance. ETF is recommending incorporating the difference into pension expense. This will ultimately be amortized over the five-year period, making the net effect in the end the same. A sample entry is provided below for illustration purposes only (continued on Page 2).

### **Journal entry #1 (to record beginning balances as of 1/1/14)**

*Overall Plan entries:*

	Debit	Credit
Net Position (fund balance), at beginning of year		\$3,942,498,202.00
Net Pension Asset	\$3,942,498,202.00	

*Employer entries* – Use the amounts shown in the “Prior Year Net Pension Liability (asset)” field of the “Schedule of Pension Amounts by Employer” schedule to record your entry.

*Note:* Prior period adjustment to reclassify pension contributions during the measurement period, which had been closed to net position for the prior year may be needed. WRS is using a measurement date of 12/31/2014. Financial reports as of a date other than December 31, 2014 may require this adjustment.

**Journal entry #2 (to record changes in Net Pension Liability (Asset) as of 1/1/14)***Overall Plan Entries:*

	Debit	Credit
Pension Expense >>	\$963,891,812.00	
Deferred Outflows of resources - Expected vs. Actual Experience **	\$356,083,228.00	
Deferred Outflows of Resources - Expected vs. Actual Investment Income **	\$1,189,446,281.00	
Deferred Outflows of Resources - Change in Proportional Share & Difference in Actual Contributions **	\$28,391,301.00	
Deferred Outflows of Resources - Contributions After Measurement Date ∞	\$ -	
Deferred Inflows of Resources - Change in Proportional Share & Difference in Actual Contributions **		\$28,391,301.00
Employer Contributions +		\$1,023,196,703.00
Net Pension Asset (change in) ^		\$1,486,224,618.00

*Employer entries –*

- \*\* Use the amounts shown on the “Schedule of Pension Amounts by Employer” schedule to record your entry.
- + Use the amounts shown on the “RSI Schedule – Employer Contributions” schedule to record your entry.
- ^ Use the amount from entry #1 and subtract the current year net pension liability (asset) from the “Schedule of Pension Amounts by Employer” schedule
- ∞ This amount is employer known and not available to ETF
- >> Use the amount shown on the “Schedule of Pension Amounts by Employer” schedule adjusted by the other line items within the entry to record this amount.

**Contact**

Please contact ETF at [stefanie.pauls@etf.wi.gov](mailto:stefanie.pauls@etf.wi.gov) or [daniel.gopalan@etf.wi.gov](mailto:daniel.gopalan@etf.wi.gov) if you have any questions related to GASB 68 implementation.

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