

# **Bond Case Briefs**

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## **GASB Issues Proposal Addressing Transition Issue in Pension Standards.**

Norwalk, CT, July 2, 2013—The Governmental Accounting Standards Board (GASB) today issued for public comment a proposed Statement regarding the transition provisions of GASB's new pension standards for state and local governments. The proposal would eliminate a potential source of understatement of restated beginning net position and expense in a government's first year of implementing GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

To correct this potential understatement, the proposed Statement would require a state or local government, when transitioning to the new pension standards, to recognize a beginning deferred outflow of resources for its pension contributions made during the time between the measurement date of the beginning net pension liability and the beginning of the initial fiscal year of implementation. This amount would be recognized regardless of whether it is practical to determine the beginning amounts of all other deferred outflows of resources and deferred inflows of resources related to pensions.

The provisions would be effective simultaneously with the provisions of Statement 68, which is required to be applied in fiscal years beginning after June 15, 2014.

The Exposure Draft is available on the GASB website, [www.gasb.org](http://www.gasb.org). Stakeholders are encouraged to review the proposal and provide comment by August 26, 2013.

Read the Exposure Draft at:

<http://www.gasb.org/cs/BlobServer?blobkey=id&blobwhere=1175827275726&blobheader=application%2Fpdf&blobcol=urldata&blobtable=MungoBlobs>