

# **Bond Case Briefs**

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## **GASB Issues Guidance for Implementing Pension Standards.**

Norwalk, CT, January 30, 2014—The Governmental Accounting Standards Board (GASB) today published an Implementation Guide for the new GASB standards regarding accounting and financial reporting for pensions. The Guide to Implementation of GASB Statement 68 on Accounting and Financial Reporting for Pensions is an authoritative resource designed to assist preparers and auditors of state and local government financial statements as they implement the Statement, which is effective for periods beginning after June 15, 2014.

Prepared by the GASB staff and cleared for issuance by the Board, GASB Implementation Guides are classified as category (d) in the hierarchy of generally accepted accounting principles. This category also includes practices that are widely recognized and prevalent in state and local government.

The Implementation Guide for Statement 68 answers key questions about putting the new standards into practice. Topics addressed in the Guide include:

- The scope and applicability of GASB Statement No. 68, Accounting and Financial Reporting for Pensions
- Considerations regarding the identification of special funding situations
- Measurement of defined benefit pension liabilities of employers and nonemployer contributing entities
- Pension expense and deferred inflows and outflows of resources related to pensions
- Note disclosures and required supplementary information
- Unique issues related to cost-sharing employers and certain nonemployer contributing entities
- Transition to the new standards.
- Questions and answers are supplemented with several appendices, including a glossary of terms and nonauthoritative illustrative material. Illustrations include material based on that initially presented in Statement 68, accompanied by five additional illustrations developed specifically for the guide.

“Preparers and auditors of governmental financial reports posed questions to the GASB staff regarding the application of the pension standards throughout their development and after their issuance,” said GASB Chairman David A. Vaudt. “The Implementation Guide is in a question and answer format that includes illustrative examples to assist these stakeholders in understanding and applying the pension standards.”

“We are pleased to announce that an electronic version of this Implementation Guide is available for download on the GASB website at no cost—as are all GASB Implementation Guides,” Mr. Vaudt added.

Beginning in mid-February, a hard copy bound edition of the Guide will be available for purchase for \$46.50 plus shipping by visiting the GASB store, or by calling the GASB Order Department at (800) 748-0659.

The GASB also published an Implementation Guide on Statement No. 67, Financial Reporting for

Pension Plans, in June 2013. For more information and resources relating to Statements 67 and 68, visit the GASB website.

The Implementation Guide is available at:

<http://www.gasb.org/cs/ContentServer?c=Page&pagename=GASB%2FPage%2FGASBSectionPage&cid=1176163026371>

#### About the Governmental Accounting Standards Board

The GASB is the independent, not-for-profit organization formed in 1984 that establishes and improves financial accounting and reporting standards for state and local governments. Its seven members are drawn from the Board's diverse constituency, including preparers and auditors of government financial statements, users of those statements, and members of the academic community. More information about the GASB can be found at its website, [www.gasb.org](http://www.gasb.org).