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Pension Reporting Change Has Jurisdictions Reviewing their Funding Policies.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is scheduled to take effect for the fiscal period that ends June 30, 2015. Once the standard goes into effect, the actuarial valuation report – which has always played an important role as the basic source document for information regarding actuarially determined contributions and the funded status of pension and other post-employment benefit plans – will play an even more critical role, as funding information for pensions will no longer automatically be provided in financial reports. In its Reviewing, Understanding, and Using the Actuarial Valuation Report and Its Role in Plan Funding best practice, the GFOA recommends that state and local government finance officials and others with decision-making authority carefully review and understand their actuarial valuation report and use the information it contains to make policy decisions that ensure that pension benefits are funded in a sustainable manner – as discussed in *Core Elements of a Pension Funding Policy*, another GFOA best practice. *Core Elements* recommends that jurisdictions adopt funding policies that ensure their defined benefit plans will be funded equitably and sustainably, and provides guidelines for doing so.

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