

The State of Montana

Public Employee Retirement Administration (MPERA) Teachers' Retirement System (TRS)



GASB 68 **Implementation Series**



Guidance for Employers



GASB 68: TOPIC 2

TYPES OF PLANS



Presentations in the GASB 68 *Implementation Series*

1. Background
2. Types of Plans
3. Measurement & Reporting Dates
4. Net Pension Liability
5. Financial Statements



Recommendation



If you are new to the **GASB 68** material
we recommend you view
the **BACKGROUND** presentation first

Disclaimer

- This presentation is intended for information and educational purposes only;
 - *it is not a substitute for professional accounting, legal, or other advice*
- Information is based on materials publicly available from the Governmental Accounting Standards Board (GASB)
- We strongly recommend that you seek the advice of a qualified professional



Overview:

Defined Benefit Plans

- GASB 68 requires changes to the financial reporting for employers participating in public defined benefit (DB) pension plans:
 1. *Single-employer pension plans*
 2. *Cost-sharing multiple-employer pension plans and*
 3. *Agent multiple-employer pension plans (not applicable in Montana)*



Overview:

Defined Contribution Plans

- Changes to financial reporting for employers participating in defined contribution (DC) plans are also required under GASB 68
- The only Montana Retirement plan impacting employer reporting requirements for DC is the PERS-DCRP



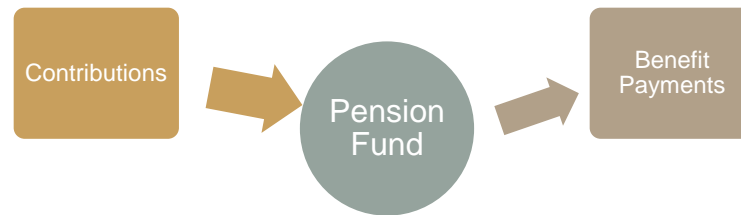
Overview: Reporting Requirements

- The public pension systems will provide financial information to employers based on the type of plan that they participate in:
 - *Single-employer*
 - *Cost-Sharing multiple-employer*
 - *Defined contribution*



Single-Employer DB Pension Plans

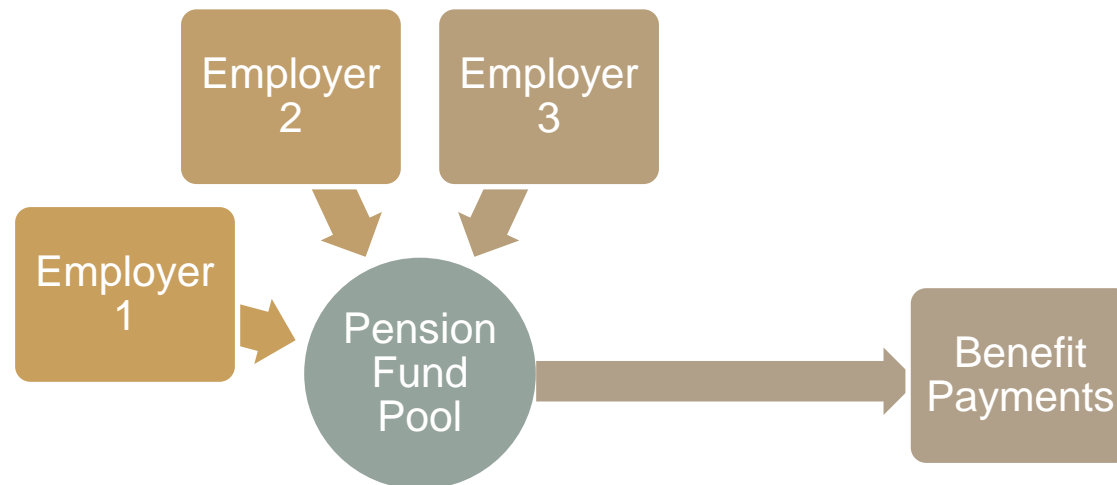
- Provide pension benefits to the employees of one (single) employer



- Montana single-employer public pension plans
 - *Judges' Retirement System*
 - *Highway Patrol Officers' Retirement System*
 - *Both systems report to MPERA*

Cost-Sharing Multiple-Employer DB Pension Plans

- The pension obligations to the employees of more than one employer are pooled
- Plan assets are used to pay the benefits of the employees of any employer that provides pensions through the pension plan



Cost-Sharing Multiple-Employer DB Pension Plans



- MPERA

- *Public Employees' Retirement System (**PERS**)*
- *Sheriffs' Retirement System (**SRS**)*
- *Game Wardens' and Peace Officers' Retirement System (**GWPORS**)*
- *Municipal Police Officers' Retirement System (**MPORS**)*
- *Firefighters' Unified Retirement System (**FURS**)*

- Teachers' Retirement System (**TRS**)



Defined Contribution Plans



- Some employers participating in PERS have employees who elected to participate in the defined *contribution* (DC) retirement plan as an alternative to the defined *benefit* plan
 - *Note: The PERS **Defined** Contribution Plan is a 401(a) plan and is not the same as a voluntary **Deferred** Compensation Plan (e.g. 457(b)) or a tax-sheltered annuity (e.g. 403(b))*
- DC reporting requirements have also changed; they are less extensive than DB reporting requirements
- MPERA will have a fact sheet with information on DC reporting available on their website



Participating in More than One Pension System

- Many employers will be required to report information from more than one **retirement system** on their annual financial statements
 - *Example: public school systems report to both PERS and TRS*
 - *Their financial statements will reflect information received from **both** pension systems*



Reporting on More than One Type of Plan

- Some employers will be required to report information for more than one type of **retirement plan** on their annual financial statements
 - *Example: Universities will be reporting on both defined benefit (TRS and PERS) as well as defined contribution (PERS-DCRP) plans*

NOTE: Some employers may have other compensation plans *outside of* the Montana Retirement Systems



Employers that Participate in the PERS Defined *Benefit* Plans



Employer Group	Type of Plan
Public Employees Retirement System (PERS)	
<i>Cities and Towns</i>	Cost-Sharing Multiple-Employer
<i>Colleges and Universities</i>	Cost-Sharing Multiple-Employer
<i>Counties</i>	Cost-Sharing Multiple-Employer
<i>School Districts</i>	Cost-Sharing Multiple-Employer
<i>State Agencies</i>	Cost-Sharing Multiple-Employer
<i>Other Employers</i>	Cost-Sharing Multiple-Employer

Employers That Participate in the TRS Defined *Benefit* Plan



Employer Group	Type of Plan
Teachers' Retirement System (TRS)	
<i>Community Colleges</i>	Cost-Sharing Multiple-Employer
<i>Counties</i>	Cost-Sharing Multiple-Employer
<i>Education Cooperatives, CSPDs, RESAs</i>	Cost-Sharing Multiple-Employer
<i>Montana University System</i>	Cost-Sharing Multiple-Employer
<i>School Districts</i>	Cost-Sharing Multiple-Employer
<i>State Agencies</i>	Cost-Sharing Multiple-Employer

Employers That Participate in Other Defined *Benefit* Plans



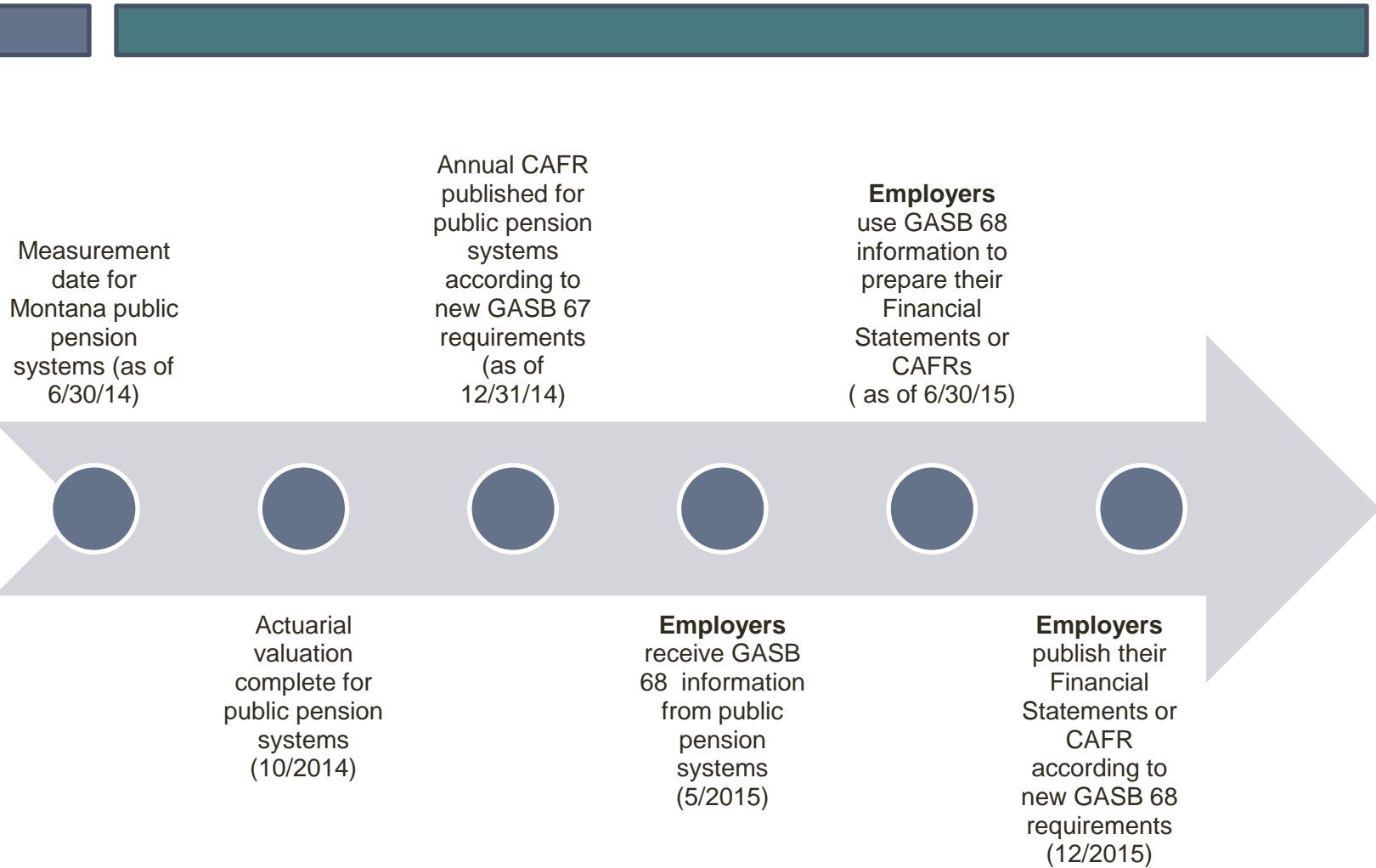
Employer Group	Type of Plan
<i>Judges' Retirement System (JRS)</i>	Single-Employer
<i>Highway Patrol Officers' Retirement System (HPORS)</i>	Single-Employer
<i>Sheriffs' Retirement System (SRS)</i>	Cost-Sharing Multiple-Employer
<i>Game Wardens' and Peace Officers' Retirement System (GWPORS)</i>	Cost-Sharing Multiple-Employer
<i>Municipal Police Officers' Retirement System (MPORS)</i>	Cost-Sharing Multiple-Employer
<i>Firefighters' Unified Retirement System (FURS)</i>	Cost-Sharing Multiple-Employer

Employers that Participate in Defined *Contribution* Plans

- Any employer in PERS offers both the DB and DC options to employees and must provide disclosures for DC



Timeline



Your Next Steps

- Review all the information in the GASB 68 Implementation series
- Take advantage of the resources on the MPERA and TRS websites
- Consult with your financial statement preparer



Our Next Steps



- Prepare appropriate resources for employers
- Release GASB 68 information to employers
 - *Disclosures*
 - *Schedules*
 - *May / June 2015*



MAY							JUNE						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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4	5	6	7	8	9	10	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	26	27	28	29	30	31	29	30					

GASB Implementation Series



- MPERA and TRS have prepared a series of presentations for GASB:

- *Recommended Order*

1. Background
2. Types of Plans
3. Measurement Date v Reporting Date
4. Net Pension Liability Calculations
5. Financial Statements

GASB 68
IMPLEMENTATION

Guidance for MPERA and TRS Employers

Additional Resources

- Webpages dedicated to information from the Montana Public Pension systems on GASB
 - [MPERA](#)
 - [TRS](#)
- GASB website including
 - [GASB Statements 67 & 68](#)
 - [Implementation Toolkit](#)
 - [Implementation Guides](#)

