



North Carolina Office of the State Controller

Financial Reporting Update

GASB 67 Effective for FY 2014

December 11, 2013 – Contact: Terri Noblin, Manager, Accounting & Financial Reporting (919) 707-0526

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 67, *Financial Reporting for Pension Plans* (GASB 67). This statement is an amendment to GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and revises existing guidance for the financial reports of most pension plans for state and local governments that are administered through trusts or equivalent arrangements.

GASB 67 is effective for the fiscal year ending June 30, 2014. The objective of this statement is to improve the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assessing accountability.

This statement focuses on provisions specific to pension plans. Pension plans should continue to follow all other accounting and financial reporting requirements applicable to the transactions and other events reported in their basic financial statements, including notes to those standards and required supplementary information (RSI). GASB 67 significantly improves related financial reporting through enhanced note disclosures and new RSI schedules that will be presented by the pension plans that are within its scope. The new requirements will provide information about measures of net pension liabilities and explanations of how and why those liabilities changed from year to year. GASB 67 also requires the presentation of new information about annual money-weighted rates of return in the notes and 10-year RSI schedules.

The provisions of this statement apply to state and local governmental pension plans. The requirements apply whether (a) the pension plan's financial statements are included in a separate financial report issued by the pension plan or (b) the pension plan is included as a pension trust fund of another government.

To gain additional understanding of GASB 67, please refer to the following resources:

- a. GASB Plain-Language Article – [New GASB Pension Statements to Bring about Major Improvements in Financial Reporting](#)
- b. GASB Toolkit – [Implementation Toolkit for Pension Plans](#) (fact sheets, articles, videos, and a link to download the full text of GASB 67)
- c. GASB Implementation Guide – [Guide to Implementation of GASB Statement 67 on Financial Reporting for Pension Plans](#)
- d. KPMG Archived Webcasts (After clicking each link below followed by the “Launch Webcast” button, you will need to register for the webcast)
 - [GASB Pension Accounting and Financial Reporting Standards - Part I](#)
 - [GASB Pension Accounting and Financial Reporting Standards - Part II](#)

Thank you for your time and attention to this important change. OSC will continue to provide updates as the standard is implemented. Questions regarding this specific update should be directed to Virginia Sisson at 919-707-0530 or virginia.sisson@osc.nc.gov.