



North Carolina Office of the State Controller

Financial Reporting Update

GASB 82 – Pension Issues an Amendment to GASB Statements 67, 68 and 73 - Effective for FY 2017

November 22, 2016

In March 2016, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 82, *Pension Issues* (GASB 82). This Statement is an amendment to GASB Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*.

This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information (RSI), (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Previously, Statements 67 and 68 required presentation of covered-employee payroll, which is the payroll of employees that are provided with pensions through the pension plan, and ratios that use that measure in the RSI schedules. Statement 82 amends the previous statements to require the presentation of covered payroll, defined as payroll on which contributions to a pension plan are based, and ratios that use that measure. Bonus payments that are not subject to pension contributions are an example of a potential difference between covered-employee payroll and covered payroll.

This Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statements 67, 68 and 73 for the selection of assumptions used in determining the total pension liability and related measures. Statement 82 also clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. Also, an employer's expense and expenditures for those amounts will be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions.

GASB 82 is effective for the fiscal year ending June 30, 2017.

To gain additional understanding of GASB 82, please refer to the following resources:

- a. The GASB webpage from which you may access a PDF file of GASB 82 as well as other GASB pronouncements - [GASB Pronouncements](#)

Thank you for your time and attention to this important change. Questions regarding this specific update should be directed to Virginia Sisson at 919-707-0530 or virginia.sisson@osc.nc.gov.