



EMPLOYER NOTICE

Changes Reflected in Upcoming GASB 68 Report

WHO SHOULD READ THIS NOTICE

Finance directors and those accountable for financial reporting.

SITUATION OVERVIEW

The December 31, 2024 Schedules of Collective Pension Amounts and Employer Allocations, as required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for OPERS pension plans will soon be available on ECS. This information is needed for accrual basis employers to calculate their proportionate share of pension-related activities for disclosure in their financial statements, related notes and required supplementary information.

This report will reflect the impact of the consolidation of the Combined Plan into the Traditional Pension Plan effective January 1, 2024. This change is discussed in Note 2 of the GASB 68 report and OPERS Annual Comprehensive Financial Report for the year ended December 31, 2024 (found on our website). Prior to the consolidation, the Combined Plan appeared as a separate plan within the GASB 68 report. Subsequent to the consolidation, the Combined Plan is a division within the Traditional Pension Plan. Employers with employees enrolled in the Combined Plan division have an opening balance reflecting their proportionate share of the Combined Plan net pension asset/liability and related deferred inflows and outflows of resources on their statements of net position. At the end of 2024, these balances will be zero for the Combined Plan since activity was consolidated into the Traditional Pension Plan.

WHAT EMPLOYERS NEED TO DO

- Evaluate the impact of this change in reporting on your financial statements and disclosures. There may be multiple acceptable methods of applying these changes to your financial statements. Discuss with your external auditors.

WHAT EMPLOYERS NEED TO DO (CONTINUED)

- OPERS recommends that these changes be reported as a change in proportionate share from the prior year. As the Combined Plan is no longer presented separately in the Schedule of Employer Allocations, the proportionate share of the legacy Combined Plan as of December 31, 2024 is effectively zero for all employers.
 - This change leads to a recalculation of the employer's share of the pension balances, resulting in a corresponding deferred inflow or outflow related to a change in proportion under GASB 68.
 - A similar offsetting impact will exist as a result of the change in proportionate share for the Traditional Pension Plan, which is now calculated including the Combined Plan division member and employer contributions.
 - The effect of this change in proportion on the pension related balances of the legacy Combined Plan may be amortized over the average remaining service life of the legacy Combined Plan as of December 31, 2023, or 7.9668 years.

WHY THIS IS IMPORTANT

This change to the OPERS GASB 68 report will impact the employer's accounting and financial reporting of this activity in their financial statements.

WHOM TO CONTACT FOR MORE INFORMATION

After reviewing this Employer Notice, contact Employer Outreach with questions regarding these changes at 888-400-0965 or by email at employeroutreach@opers.org.