**Post-Implementation Review for GASB Pension Standards**

**Survey of Preparers/Employers of Government Financial Statements**

Thank you for participating in this survey to provide feedback to the Governmental Accounting Standards Board (GASB) on its pension standards. This survey is part of the GASB’s Post-Implementation Review (PIR) of the pension standards, which include:

 Statement No. 67, *Financial Reporting for Pension Plans*

 Statement No. 68, *Accounting and Financial Reporting for Pensions*

 Statement 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*

 Statement No, 78, *Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans*

 Statement No. 82, *Pension Issues*

 Portions of Statement No. 85, *Omnibus—2017*

 Chapter 5 of the *Comprehensive Implementation Guide*.

The PIR process is an evaluation of whether the standards are achieving their objectives, including whether they provide financial statement users with valuable information. The PIR process will help the GASB (1) determine whether the standards are accomplishing their stated purposes, (2) evaluate the implementation and continuing compliance costs and related benefits of the standards, and (3) obtain feedback to improve the standards-setting process in general.

For more information about the pensions PIR, please visit its [dedicated page on the GASB website](https://gasb.org/page/pagecontent?pageId=/pir/index.html&isStaticPage=true#section-1).

**Instructions**

To begin, please complete the first part of the survey, “About You.” This will ensure that we have your most up-to-date contact information.

Next, you will be asked to provide your feedback about some important requirements in the pension-related pronouncements. Please note that due to the complexity of pension standards and the extensive areas the standards cover, this survey is longer than some other GASB surveys you may have responded to. We anticipate that it may take 1 to 2 hours to complete the survey.

If you do not have time to complete the survey in one session and would like to return to the survey at a later time to complete or revise your responses, you can click the **Save** button to retain your responses. After clicking the Save button, you will be presented with a unique link that you should keep and use to return to your survey responses at a later time. ***In order to return to the survey before submitting it, please be sure to copy and save the link.***

At the conclusion of the survey, you can edit any responses by clicking the **Back** button. *Only click the* ***Submit*** *button if you are finished providing feedback.* After submitting, you will be provided with your responses. The summary page can be printed for your records.

If you have any questions about this survey, please contact GASB Supervising Project Manager, Jialan Su at 203-956-5339 or [jsu@gasb.org](mailto:jsu@gasb.org?subject=Questions%20about%20the%20GASB%20PIR%20Survey,%20of%20Preparers,%20for%20Pension%20Standards).

**About You**

This background information is requested to assist in the analysis of survey responses and will not be shared with anyone outside of the GASB or the GASB’s parent organization, the Financial Accounting Foundation. Responses to this survey are considered anonymous and will not be attributed to specific individuals, firms, organizations, or governments.

A.1.a Your first name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

A.1.b Your last name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

A.2. Your email address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

A.3. Your title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

A.4. Your employer (government/plan): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

A.5. What type of government do you work for?

State

County

City/town/village

School district

Other taxing district

Retirement system/pension plan

Utility

College/university

Hospital

Other business-type activity

Other (please explain): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[If you answered “Retirement system/pension plan”, thank you for your interest in the GASB’s pensions PIR. A separate survey is available for retirement systems and pension plans at < <https://www.fafsurveys.org/se/4CA36E921308A2A3>>.]

A.6. What type(s) of pensions do your government’s employees participate in? (select all that apply)

|  |  |  |
| --- | --- | --- |
| Type of Plan | Number of Plans of That Type | Types of Employees Participating in the Plan(s) (select all that apply) |
| oSingle-employer defined benefit |  | oState  oCounty  oCity/town/village  oSchool district  o Public College/university  o Healthcare/hospital  oOther taxing district  oBusiness-type activity |
| oMultiple-employer cost-sharing defined benefit |  | oState  oCounty  oCity/town/village  oSchool district  o Public College/university  o Healthcare/hospital  oOther taxing district  oBusiness-type activity |
| oMultiple-employer agent defined benefit |  | oState  oCounty  oCity/town/village  oSchool district  o Public College/university  o Healthcare/hospital  oOther taxing district  oBusiness-type activity |
| oDefined contribution |  | oState  oCounty  oCity/town/village  oSchool district  o Public College/university  o Healthcare/hospital  oOther taxing district  oBusiness-type activity |
| Hybrid Plan (please describe) |  | oState  oCounty  oCity/town/village  oSchool district  o Public College/university  o Healthcare/hospital  oOther taxing district  oBusiness-type activity |
| oOther (please describe): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  | oState  oCounty  oCity/town/village  oSchool district  o Public College/university  o Healthcare/hospital  oOther taxing district  oBusiness-type activity |

A.7. How many years of experience do you have as a preparer of state or local government financial statements?

Less than 5 years

5–10 years

11–15 years

16–20 years

More than 20 years

A.8. What were the total revenues for your primary government from the government-wide statements in your most recently issued annual audited financial statements?

Less than $10 million

At least $10 million but less than $100 million

$100 million or more

**Survey Questions for Government Employers**

**Deferred Retirement Option Programs**

Statement 68 provides that in applying the entry age actuarial cost methods, the service costs of all pensions should be attributed through all assumed exit ages, through retirement; in pension plans in which the benefit terms include a DROP, for purposes of that Statement, the date of entry into the DROP should be considered to be the employee’s retirement date.

G.1. Does your government have Deferred Retirement Option Program (DROP) provisions in any of its pension plans?

m Yes

m No

[If you answered “No”, please skip to question G.4.]

G.2. On a scale of 1 to 5—with 1 being “not difficult at all” and 5 being “very difficult”—how easy or difficult is it to apply the standards related to DROPs?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Not difficult at all |  |  |  | Very difficult |  |
| 1 | 2 | 3 | 4 | 5 | Unsure |
| m | m | m | m | m | m |

[If you answered “4” or “5”, proceed to question G.3. Otherwise, please skip to question G.4.]

G.3. What issues has your government encountered in applying the standards related to DROPs? (Please be as specific as possible.)

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**Substantively Automatic COLAs**

The pension standards require that governments include *automatic* cost-of-living adjustments (COLAs) and other postemployment benefit changes when projecting future benefit payments for the purpose of measuring the total pension liability (TPL). Governments also are required to include the effects of projected *ad hoc* COLAs and other postemployment benefit changes that are considered to be *substantively automatic*.

Automatic COLAs are written into the benefit terms of the pension plan. Ad hoc COLAs are not written into the benefit terms but are provided by governments by separate decisions and are substantively automatic if they are provided by governments on a routine basis.;

G.4. Has your government determined that any of the ad hoc cost-of-living-adjustments (ad hoc COLAs) or other ad hoc postemployment benefit changes for any of its plans are *substantively automatic*?

m Yes

m No

m N/A (My government does not have ad hoc COLAs)

[If you answered “No” or ‘N/A”, please skip to question G.8.]

G.5. What was your government’s basis for concluding that the ad hoc COLAs or other ad hoc postemployment benefit changes were substantively automatic? (Please be as specific as possible.)

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G.6. On a scale of 1 to 5—with 1 being “not difficult at all” and 5 being “very difficult”—how easy or difficult is it to apply the standards related to ad hoc postemployment benefit changes that are substantively automatic?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Not difficult at all |  |  |  | Very difficult |  |
| 1 | 2 | 3 | 4 | 5 | Unsure |
| m | m | m | m | m | m |

[If you answered “4” or “5”, proceed to question G.7. Otherwise, please skip to question G.8.]

G.7. What issues has your government encountered in applying the standards related to ad hoc postemployment benefit changes that are substantively automatic? (Please be as specific as possible.)

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**Closed and Frozen Plans**

G.8. Does your government have any closed or frozen plans?

m Yes

m No

m Both

[If you answered “No”, please skip to question G.11.]

G.9. On the scale of 1 to 5—with 1 being “not difficult at all” and 5 being “very difficult”—how easy or difficult is it to apply the pension standards to a closed or frozen plan?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Not difficult at all |  |  |  | Very difficult |  |
| 1 | 2 | 3 | 4 | 5 | Unsure |
| m | m | m | m | m | m |

[If you answered “4” or “5”, proceed to question G.10. Otherwise, please skip to question G.11.]

G.10. What issues has your government encountered in applying the pension standards to a closed or frozen plan? (Please be as specific as possible.)

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**Calculating Proportions and Proportionate Shares**

G.11. Does your government participate in one or more cost-sharing multiple-employer pension plans?

m Yes

m No

[If you answered “No”, please skip to question G.16.]

G.12. Does your plan calculate its proportion and proportionate shares (in percentage, dollar amount, or in both forms) of the collective pension liability, expense, and deferrals on behalf of the participating employers?

m Yes

m No

[If you answered “Yes”, please skip to question G.16.]

G.13. What assistance, if any, does the plan provide to your government for calculating its proportion and/or proportionate shares?

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G.14. On a scale of 1 to 5—with 1 being “not difficult at all” and 5 being “very difficult”—how easy or difficult is it for your government to calculate deferrals related to (1) a change in your proportion of the plan’s collective NPL and (2) the difference between the expected and actual proportion?

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Not difficult at all |  |  |  | Very difficult |  |  |
| 1 | 2 | 3 | 4 | 5 | Unsure | N/A(No deferrals were calculated) |
| m | m | m | m | m | m | m |

[If you answered “4” or “5”, proceed to question G.15. Otherwise, please skip to question G.16.]

G.15. What issues has your government encountered in calculating deferrals related to a change in your proportion of the plan’s collective NPL or for the difference between the expected and actual proportion? (Please be as specific as possible.)

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**Discount Rate**

G.16. Has the discount rate of any of your government’s plans decreased or increased by 1 percentage point or more *in a single year* during the past five years (for example, from 7.5 percent to 6.5 percent)?

m Yes, increased

m Yes, decreased

m Yes, both increased and decreased

m No

[If you answered “Yes, increased”, please skip to question G.19. If you answered “No”, please skip to question G.21.]

G.17. What was the largest single-year *decrease* in discount rate?

From \_\_\_\_\_\_\_\_\_\_ % to \_\_\_\_\_\_\_\_\_\_ %

G.18. Please describe the cause(s) of that decrease as specifically as possible.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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[If you answered “Yes, decreased” to question G.16, please skip to question G.21.]

G.19. What was the largest single-year *increase* in discount rate?

From \_\_\_\_\_\_\_\_\_\_ % to \_\_\_\_\_\_\_\_\_\_ %

G.20. Please describe the cause(s) of that increase as specifically as possible.

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**Average Remaining Service Lives**

The pension standards require that pension expense be recognized systematically and rationally over a period equal to the average remaining service lives of all active and inactive employees that are provided with pensions through the plan for (1) differences between expected and actual experience, (2) changes of assumptions or other inputs, (3) changes in proportion, and (4) differences between expected and actual proportions.

G.21. For your most recently issued audited financial statements, what was the length of the average remaining service lives that you used for that purpose for each of the defined benefit plans disclosed in those financial statements? (Please answer this question for all plans, if you have multiple plans.)

|  |  |  |
| --- | --- | --- |
| Plan | Type of Plan | Average Remaining Service Lives |
| Plan 1 | m Single-employer  m Cost-sharing  m Agent  m Other defined benefit |  |
| Plan 2 | m Single-employer  m Cost-sharing  m Agent  m Other defined benefit |  |
| Plan 3 | m Single-employer  m Cost-sharing  m Agent  m Other defined benefit |  |

G.21.a. Please list any additional defined benefit plans and their average remaining service lives:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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G.22. Over the past five years of audited financial statements, did the average remaining service lives of any plan increase or decrease by half a year or more in any single year (for example, from 4.0 to 4.5 years)?

m Yes, increased

m Yes, decreased

m Yes, both increased and decreased

m No

[If you answered “Yes, increased”, please skip to question G.25. If you answered “No”, please skip to question G.27.]

G.23. What was the largest single-year *decrease* in average remaining service lives?

Decreased from \_\_\_\_\_\_\_\_\_\_ years to \_\_\_\_\_\_\_\_\_\_ years

G.24. Please describe the cause(s) of that decrease as specifically as possible.

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[If you answered “Yes, decreased” to question G.22, please skip to question G.27.]

G.25. What was the largest single-year *increase* in average remaining service lives?

Increased from \_\_\_\_\_\_\_\_\_\_ years to \_\_\_\_\_\_\_\_\_\_ years

G.26. Please describe the cause(s) of that increase as specifically as possible.

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**Definitions of Pensions and Types of Pensions**

**Paragraph 8 of Statement 68**

As used in this Statement, the term *pensions* includes the following:

a. Retirement income

b. Postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits) that are provided through a pension plan.

Pensions do not include postemployment healthcare benefits and termination benefits. However, the effects of a termination benefit on liabilities for defined benefit pensions that are within the scope of this Statement should be accounted for in accordance with this Statement. Postemployment benefits other than retirement income that are provided separately from a pension plan and postemployment healthcare benefits should be accounted for and reported as other postemployment benefits. [footnotes omitted]

G.27. On a scale of 1 to 5—with 1 being “not difficult at all” and 5 being “very difficult”—how easy or difficult is it for your government to apply the definition of *pensions* in paragraph 8 of Statement 68 and use that definition to differentiate pensions from postemployment healthcare benefits (OPEB)?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Not difficult at all |  |  |  | Very difficult |  |
| 1 | 2 | 3 | 4 | 5 | Unsure |
| m | m | m | m | m | m |

[If you answered “4” or “5”, proceed to question G.28. Otherwise, please skip to question G.29.]

G.28. What issues have you encountered in applying that definition? (Please be as specific as possible.)

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**Definitions of Pensions and Types of Pensions (continued)**

**Paragraph 10 of Statement 68**

Accounting and financial reporting requirements for defined contribution pensions provided through pension plans that are administered through trusts that meet the criteria in paragraph 4 are set forth in paragraphs 123-135. Defined contribution pensions are pensions having terms that:

a. Provide an individual account for each employee

b. Define the contributions that an employer is required to make (or credits that it is required to provide) to an active employee’s account for periods in which that employee renders service

c. Provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee’s account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee’s account.

If the pensions to be provided are a function of factors other than those identified in (c), above, the requirements of this Statement related to defined benefit pensions apply. Otherwise, the requirements for defined contribution pensions apply.

G.29. On a scale of 1 to 5—with 1 being “not difficult at all” and 5 being “very difficult”—how easy or difficult is it to distinguish a defined benefit plan from a defined contribution plan (as defined in paragraph 10 of Statement 68)?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Not difficult at all |  |  |  | Very difficult |  |
| 1 | 2 | 3 | 4 | 5 | Unsure |
| m | m | m | m | m | m |

[If you answered “4” or “5”, proceed to question G.30. Otherwise, please skip to question G.31.]

G.30. What issues have you encountered in distinguishing a defined benefit plan from a defined contribution plan? (Please be as specific as possible.)

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**Definitions of Pensions and Types of Pensions (continued)**

G.31. Do you have hybrid pension plans (for example, plans that have characteristics of both defined benefit plan and defined contribution plan)?

m Yes

m No

[If you answered “No”, please skip to question G.34.]

G.32. On a scale of 1 to 5—with 1 being “not difficult at all” and 5 being “very difficult”—how easy or difficult is it to apply pension standards to hybrid plans?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Not difficult at all |  |  |  | Very difficult |  |
| 1 | 2 | 3 | 4 | 5 | Unsure |
| m | m | m | m | m | m |

[If you answered “4” or “5”, proceed to question G.33. Otherwise, please skip to question G.34.]

G.33. What issues have you encountered in applying the pension standards to hybrid plans? (Please be as specific as possible.)

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**Definitions of Trusts**

**Paragraph 4 of Statement 68**

This Statement establishes standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) in which:

a. Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.

b. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.

c. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members. [footnotes omitted]

G.34. On a scale of 1 to 5—with 1 being “not difficult at all” and 5 being “very difficult”—how easy or difficult is it to apply the criteria for trusts in the pension standards(paragraph 4 of Statement 68) to determine whether a pension plan is administered through a trust or equivalent arrangement?

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Not difficult at all |  |  |  | Very difficult |  |
| 1 | 2 | 3 | 4 | 5 | Unsure |
| m | m | m | m | m | m |

[If you answered “4” or “5”, proceed to question G.35. Otherwise, please skip to question G.36.]

G.35. What issues have you encountered in applying those criteria for trusts in the pension standards? (Please be as specific as possible.)

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**Inconsistent Results**

**Paragraphs 1 and 2 of Statement 68**

The principal objective of this Statement is to improve the usefulness of information for decisions made by the various users of the general purpose external financial reports (financial reports) of governments whose employees–both active employees and inactive employees–are provided with pensions. One aspect of that objective is to provide information about the effects of pension-related transactions and other events on the elements of the basic financial statements of state and local governmental employers. This information will assist users in assessing the relationship between a government’s inflows of resources and its total cost (including pension expense) of providing government services each period. Another aspect of that objective is to provide users with information about the government’s pension obligations and the resources available to satisfy those obligations. [footnote omitted]

An additional objective of this Statement is to improve the information provided in government financial reports about pension-related financial support provided by certain nonemployer entities that make contributions to pension plans that are used to provide benefits to the employees of other entities.

G.36. Has your government encountered circumstances in which the measurement or recognition provisions of Statement 68 for employers have produced results that seem inconsistent with the objectives described in paragraphs 1 and 2 of Statement 68?

m Yes

m No

[If you answered “No”, please skip to question O1.]

G.37. In what manner have the results been inconsistent? (Please be as specific as possible.)

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**Other Comments**

(optional)

O1. What other feedback about pension standards including Statements 67 and 68, if any, would you like to share with the GASB?

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Thank you for participating in the GASB’s pension standards PIR!

**Glossary**

**Deferred Retirement Option Program (DROP)**

Paragraph 32(d) of Statement 68

Statement 68 provides that in applying the entry age actuarial cost methods, the service costs of all pensions should be attributed through all assumed exit ages, through retirement; in pension plans in which the benefit terms include a DROP, for purposes of that Statement, the date of entry into the DROP should be considered to be the employee’s retirement date.

**Automatic cost-of-living adjustments**

Paragraphs 139 of Statement 68

Automatic cost-of-living adjustments are written into the benefit terms of the pension plan.

**Ad hoc COLAs**

Paragraphs 139 of Statement 68

Ad hoc COLAs are not written into the benefit terms but are provided by governments by separate decisions. Ad hoc COLAs are substantively automatic if they are provided by governments on a routine basis.