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Update about the GASB Pension Accounting and Financial Reporting Exposure Drafts



Agenda

- What CalSTRS has been doing
- Update on December GASB Board
- Update on January GASB Board
- What's Next

What CalSTRS has been doing

- Comment letter
- Participated in the field tests
- Attended hearing
- Participated in comment letter from coalition of cost sharing plans
- Assisted with the creation of the Public Pension Financial Forum comment letter
- Provided two webinars
- Monitoring the GASB Board's deliberations

Update on December GASB Board

- GASB started its deliberations in December 2011
- The board started by discussing the comments about the scope of the Exposure Drafts
 - Should Other Post Employment Benefits be part of these potential changes?
 - Do these standards replace all the previous standards on pensions?
 - Definition of Defined Benefit and Defined Contributions

Update on January GASB Board

GASB really began discussing the details in January 2012

- The board started by discussing specific comments about single and agent pension plans and employers
- While not focused on cost sharing plans, these items are conceptually the same
- Items discussed included
 - Does the Net Pension Liability fit the definition of a liability?
 - Who is responsible for Plan assumptions, (Plan or Employers)
 - How should the discount rate for the Total Pension Liability be calculated?

Update on January GASB Board-continued

The discount rate discussion was very thorough

- The board considered two additional methods beyond the “Blended Rate” approach suggested in their exposure drafts
- The board clearly heard and understood the respondents concerns about the complexity and potential costs of the proposed method
- After several hours of discussion, the board tentatively decided to continue with its blended rate approach

What's Next

- The GASB Board will continue its deliberations on Single and agent plan responses in February 2012
- In March 2012 the board will begin discussing the comments from cost sharing plans and employers
- All decision are tentative until the board issues the final standards
- GASB still plans to issue the final standards in June 2012

Contact Information

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Questions?





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