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This publication is intended to help you understand how to take PERA-affiliated employer information from your Division Trust Fund's GASB 68 Schedule of Employer and Nonemployer Allocations, Schedule of Collective Pension Amounts, and related notes and create journal entries to record the pension activity for an entity that determines it has a special funding situation. The PERA-affiliated Employer shown in this example does not represent an actual employer, and it assumes that there is only one PERA-affiliated Employer Number for this financial reporting entity and that no further allocation is required. The pension activity illustrated in this publication does not necessarily apply to all PERA-affiliated employers, and furthermore, this publication is not meant to illustrate the pension activity that Nonemployer Contributing entities are required to record for purposes of GASB 68.

Sample Cost-Sharing Employer and Pension Fund Information for the Year Ended 12/31/2018
(Dollars in Thousands)

ITEM		
A	Pension Plan	Sample School District Fund
B	Financial Reporting Entity (PERA Affiliated Employer Number)	XXX
C	Financial Reporting Entity (Financial Reporting Year-End) pension Plan Measurement Date	6/30/2019 12/31/2018
D	Collective Net Pension Liability as of 12/31/2018	$17,707,054
E	Collective Deferred Outflow of Resources Excluding Employer Specific Amounts as of 12/31/2018	$4,870,887
F	Collective Deferred Inflow of Resources Excluding Employer Specific Amounts as of 12/31/2018	$11,011,083
G	Collective Pension Expense 2018	$90,968
H	2018 Employer Allocation Percentage	0.237%
I	Average Expected Remaining Service Life for the Pension Plan	3.60
J	Employer Contributions for 2018 (Jan thru June)	$1,241
K	Employer Contributions for 2018 (July thru Dec)	$1,275
L	Employer Contributions subsequent to the pension Plan's Measurement Date of 12/31/2018 (Jan through June 2019)	$1,305
M	Total Collective Annualized Contributions used to determine Employer Proportionate Share (Includes Annualized Employer Contributions and contributions from the Nonemployer Contributing Entity)	$1,051,679
N	Total Collective Annualized Employer Contributions	$925,174

Sample Cost-Sharing Employer and Pension Fund Information for the Year Ended 12/31/2017
(Dollars in Thousands)

ITEM		
O	Pension Plan	Sample School District Fund
P	Financial Reporting Entity (PERA Affiliated Employer Number)	XXX
Q	Financial Reporting Entity Year End Pension Plan Measurement Date	6/30/2018 12/31/2017
R	Collective Net Pension Liability as of 12/31/2017	$32,336,446
S	Collective Deferred Outflow of Resources Excluding Employer Specific Amounts as of 12/31/2017	$8,851,227
T	Collective Deferred Inflow of Resources Excluding Employer Specific Amounts as of 12/31/2017	$1,322,278
U	Collective Pension Expense 2017	$6,785,637
V	2017 Employer Allocation Percentage	0.265%
W	Average Expected Remaining Service Life for the Pension Plan	3.41
X	Employer Contributions for 2017 (Jan thru June)	$1,105
Y	Employer Contributions for 2017 (July thru Dec)	$1,187
Z	Employer Contributions subsequent to PERA's Measurement Date of 12/31/2017 (Jan thru June 2018)	$1,241
AA	Total Collective Annualized Contributions used to determine Employer Proportionate Share	$859,380

Employer Level Deferral Amortization Schedules
(Dollars in Thousands)

For the Year Ended: Sample School District	Change in the employer's allocation percentage	Deferred Outflow	Deferred Inflow	Amortization Period
12/31/2015	0.0060%	$832		3.64
12/31/2016	0.0083%	1,368		3.47
12/31/2017	-0.0040%		$1,627	3.41
12/31/2018	-0.0280%		6,946 [1]	3.60

For the Year Ended: Financial Reporting Entity	Amortization of the 2015 Deferral[2]	Amortization of the 2016 Deferral[2]	Amortization of the 2017 Deferral[2]	Amortization of the 2018 Deferral[2]	Total Amortization[2]
6/30/2016	$229				$229
6/30/2017	229	$394			623
6/30/2018	229	394	($477)		146
6/30/2019	145	394	(477)	($1,929)	(1,867)
6/30/2020		186	(477)	(1,929)	(2,220)
6/30/2021			(196)	(1,929)	(2,125)
6/30/2022				(1,159)	(1,159)
Total	$832	$1,368	($1,627)	($6,946)	($6,373)

[1] Calculation: (H - V) x (R - S + T)
[2] Positive amounts increase pension expense and negative amounts decrease pension expense.

For the Year Ended (Sample School District)	Difference between actual contributions and proportionate share of total contributions	Deferred Outflow	Deferred Inflow	Amortization Period
12/31/2015	$27	$27	—	3.64
12/31/2016	$10	$10	—	3.47
12/31/2017	$15	$15 [1]	—	3.41
12/31/2018	$24	$24 [2]	—	3.60

For the Year Ended: Financial Reporting Entity	Amortization of the 2015 Deferral[3]	Amortization of the 2016 Deferral[3]	Amortization of the 2017 Deferral[3]	Amortization of the 2018 Deferral[3]	Total Amortization[3]
6/30/2016	7				7
6/30/2017	7	3			10
6/30/2018	7	3	4		14
6/30/2019	6	3	4	7	20
6/30/2020		1	4	7	12
6/30/2021			3	7	10
6/30/2022				3	3
Total	$27	$10	$15	$24	$76

[1] Calculation: (X + Y) - (V x AA)
[2] Calculation: (J + K) - (H x M)
[3] Positive amounts increase pension expense.

Sample Journal Entries for GASB Statement No. 68
(Dollars in Thousands)

J/E #	Description and Calculation	DR	CR
(1)	Net Pension Liability	11,912	
	Deferred Outflows of Resources (cr. decreases asset side of balance sheet)		11,912
	To record Financial Reporting Entity's proportionate share of the change in Collective Deferred Outflows of Resources		
	Calculation: (E x H) - (S x V)		
	*($4,870,887 * .237%) - ($8,851,227 * .265%) = ($11,912)*		
(2)	Net Pension Liability	22,592	
	Deferred Inflows of Resources (cr. increases liability side of the balance sheet)		22,592
	To record Financial Reporting Entity's proportionate share of the change in Collective Deferred Inflows of Resources		
	Calculation: (F x H) - (T x V)		
	*($11,011,083 * .237%) - ($1,322,278 * .265%) = $22,592*		
(3)	Pension Expense	216	
	Net Pension Liability		216
	To record Financial Reporting Entity's proportionate share of Collective Pension Expense		
	Calculation: G x H		
	*($90,968 * .237%) = $216*		
(4)	Net Pension Liability	6,946	
	Deferred Inflow of Resources (cr. increases liability side of the balance sheet)		6,946
	To record Financial Reporting Entity's employer-level deferral for changes in the employer allocation percentage from 2017 through 2018		
	Calculation: See Employer Level Amortization Schedule		
	*(0.237% - 0.265%) * ($32,336,446 - $8,851,227 + $1,322,278) = ($6,946)*		
(5)	Deferred Inflow of Resources (dr. decreases liability side of the balance sheet)	1,929	
	Pension Expense		1,929
	To record Financial Reporting Entity's amortization of employer-level deferral arising in 2018 for changes in employer allocation percentage		
	Calculation: See Employer Level Amortization Schedule		
	$6,946 / 3.60 years = $1,929		
(6)	Deferred Outflows of Resources (dr. increases asset side of balance sheet)	24	
	Net Pension Liability		24
	To record Financial Reporting Entity's employer-level deferral for the difference between actual contributions and a proportionate share of total contributions for		
	the Pension plan's measurement date of 2018		
	Calculation: See Employer Level Amortization Schedule		
	*($1,241 + $1,275)- ($1,051,679 * .237%) = $24*		
(7)	Pension Expense	7	
	Deferred Outflows of Resources (cr. decreases asset side of balance sheet)		7
	To record Financial Reporting Entity's amortization of employer-level deferrals for the difference between actual contributions and a		
	proportionate share of total contributions for 2018		
	Calculation: See Employer Level Amortization Schedule		
	$24 / 3.60 years = $7		

J/E #	Description and Calculation	DR	CR
(8a)	Pension Expense	552	
	Deferred Outflows of Resources (cr. decreases asset side of balance sheet)		552
	To record Financial Reporting Entity's amortization of employer-level deferrals for the changes in proportion and the difference between actual contributions and		
	a proportionate share of total contributions arising in prior measurement periods		
	Calculation: See Employer Level Amortization Schedules		
	$145 + $394 + $6 + $3 + $4 = $552		
(8b)	Deferred Inflows of Resources (dr. decreases liability side of the balance sheet)	477	
	Pension Expense		477
	To record Financial Reporting Entity's amortization of employer-level deferrals for the changes in proportion and the difference between actual contributions and		
	a proportionate share of total contributions arising in prior measurement periods		
	Calculation: See Employer Level Amortization Schedule		
	=($477)		
(9)	Net Pension Liability	1,241	
	Deferred Outflows of Resources (cr. decreases asset side of balance sheet)		1,241
	To record the Financial Reporting Entity's employer contributions for the period of January 2018 through June 2018 as a reduction in the financial reporting		
	entity's proportionate share of the collective net Pension liability		
	Calculation: See Item "J" - Information is sourced directly from the employer's payroll submissions for the period of January 2018 through June 2018		
(10)	Net Pension Liability	1,275	
	Cash		1,275
	To record the Financial Reporting Entity's employer contributions for the period of July 2018 through December 2018		
	as a reduction in the Financial Reporting Entity's proportionate share of the collective net Pension liability		
	Calculation: See Item "K" - Information is sourced directly from the employer's payroll submissions for the period of July 2017 through December 2017		
(11)	Deferred Outflows of Resources (dr. increases asset side of balance sheet)	1,305	
	Cash		1,305
	To record Financial Reporting Entity's employer contributions subsequent to the Pension plan's Measurement Date of 12/31/2018		
	Calculation: See Item "L" - Information is sourced directly from the employer's payroll submissions for the period of January 2019 through June 2019		
(12)	Pension Expense	29	
	Revenue - Direct Distribution Payment		29
	To record the Financial Reporting Entity's proportionate share of revenue and pension expense arising from the special funding situation. The amount of revenue		
	and pension expense recognized in this entry is based on the Financial Reporting Entity's proporational share of the non-employer contributing entities share of		
	the Pension plans collective pension expense.		
	*Calculation: (H / (N / M)) * (G * (1 - (N / M)))*		
	*(.237% / ($925,174 / $1,051,679)) * ($90,968 * (1-($925,174 / $1,051,679))) = $29*		

T-Account Illustration
(Dollars in Thousands)

Net pension Liability

(ref)	Debit	Credit	(ref)	
		$ 85,692		Beginning Balance
(1)	11,912			
(2)	22,592	216	(3)	
(4)	6,946	24	(6)	
(9)	1,241			
(10)	1,275			
	$ 41,966			Ending Balance

Net activity (43,727)

> Note: The ending balance in the net pension liability account can be calculated two ways.
>
> (1) 85,692 + 216 + 24 - 11,912 - 22,592 - 6,946 - 1,241 - 1,275 = **41,966**
>
> (2) 17,707,054 * .00237 = **41,966**

Proportionate share of collective deferred outflows of resources related to pension

	Debit	Credit		
	$ 23,456			Beginning Balance
(1)	11,912			
	$11,544			Ending Balance

Net activity 11,912

> Note: The ending balance in the proportionate share of collective deferred outflows of resources related to pensions can be calculated two ways.
>
> (1) 23,456 - 11,912 = **11,544**
>
> (2) 4,870,887 * .00237 = **11,544**

Proportionate share of collective deferred inflows of resources related to pension

(ref)	Debit	Credit		
		$ 3,503		Beginning Balance
(2)		22,592		
		$ 26,095		Ending Balance

Net activity 22,592

> Note: The ending balance in the proportionate share of collective deferred inflows of resources related to pensions can be calculated two ways.
>
> (1) 3,503 + 22,591 = **26,095**
>
> (2) 11,011,083 * .00237 = **26,095**

Proportionate share of collective pension expense

(ref)	Debit	Credit		
		0		Beginning Balance
(3)	216			
		$216		Ending Balance

216

Employer-level deferred outflows of resources related to pension

(ref)	Debit	Credit	(ref)	
	$ 1,987			Beginning Balance
(6)	24	7	(7)	
(11)	1,305	552	(8a)	
		1,241	(9)	
	$1,516			Ending Balance

Net activity (471)

Employer-level deferred inflows of resources related to pension

(ref)	Debit	Credit	(ref)	
		$ 1,150		Beginning Balance
(5)	1,929	6,946	(4)	
(8b)	477			
		$ 5,690		Ending Balance

Net activity (4,540)

Pension expense - amortization of employer-level deferrals and employer's portion of the non-employer's contributing entity's pension expense

(ref)	Debit	Credit	(ref)	
				Beginning Balance
(7)	7	1,929	(5)	
(8a)	552	477	(8b)	
(12)	29			
	1,818			Ending Balance

Net activity (1,818)

Cash

(ref)	Debit	Credit		
	0			Beginning Balance
(10)	1,275			
(11)	1,305			
	$2,580			Ending Balance

(2,580)

Revenue - Direct Distribution

(ref)	Debit	Credit		
(12)		29		
		$29		

29

Sample Footnote Disclosure Calculation - see Paragraph 80 of GASB 68
(Dollars in Thousands)

Sample school district proportionate share of the net pension liability	$41,966
The State of Colorado's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Sample School District	5,048
Total	$47,014

See the Net Pension Liability T Account for the calculation behind this amount .

Calculation: (D * (1 - (N / M)) * H
=$17,707,054*(1-($925,174/$1,051,679))*0.00237= $5,048