

GASB 68 Frequently Asked Questions

Q: When are individual employer GASB 68 schedules available?

A: We expect that final, audited schedules will be available in early March each year. The schedules and supporting exhibits will be posted to the PERS website, with an e-mail notification sent to employers.

Q: I have a side account, but it isn't showing on my GASB 68 schedule as an asset. Why?

A: Side accounts are assets of the PERS Trust, not of the individual employer. As such, they are included at the system-wide level in the calculation of the Net Pension Liability (NPL). However, the method the PERS actuary uses to calculate employers' proportionate share of the NPL does give employers credit for their side accounts, by deducting the value of the side account from the employer's projected future contribution effort. That reduction in projected future contribution effort means a lower proportionate share of the system NPL. The end result is that the side account is reflected not as an increase in assets, but as a decrease in liabilities.

Q: Why are side accounts treated that way? Isn't it unfair that the employer making the lump-sum payment doesn't get credit for it?

A: The employer does get credit for it; it's just in the form of a reduced liability rather than an increase in assets.

Oregon PERS is a multiple-employer cost-sharing plan under GASB 68, meaning that all system assets, including side accounts, are available to pay benefits to all members. Side accounts only provide rate relief to the employer that funded the account, but the funds themselves don't belong to that employer and are not earmarked exclusively to pay benefits to that employer's retirees. PERS' actuary, auditor, and staff believe that the current methodology correctly treats side accounts as system assets, while ensuring that the individual employers funding the side accounts receive a correlating reduction in their share of the NPL.

Q: Do I have to use the GASB 68 information PERS provides if I don't agree with it?

A: No. GASB does not require that plans provide information to assist employers in complying with GASB 68, nor does it require employers to use plan-provided information when it's offered. Employers that disagree with the methods used by PERS, its actuary, or its external auditor to develop employer GASB 68 schedules are free to develop their own figures using whatever method is acceptable to their own auditors.

Q: What are side accounts, transition liabilities/surpluses, and pre-SLGRP liabilities/surpluses? I see these terms in the GASB 68 material PERS has provided but I don't know if they apply to me.

A: **Side accounts** are established when an employer elects to make a lump-sum payment to reduce its contribution rates. Side accounts are assets of the PERS Trust, but they only provide rate relief to the individual employer that funded the account.

Transition liabilities/surpluses are established when a local government employer elects to join the State and Local Government Rate Pool (SLGRP). The individual employer's funded status is compared to the funded status of the pool at the time of the employer's entry. If the employer is better-funded than the pool, the employer will have a transition surplus. If the employer is less well-funded than the pool, the employer will have a transition liability. The transition liability or surplus acts as an addition to or reduction from the employer's pooled contribution rate. A transition liability protects the other participants in the pool by ensuring the pool doesn't take on a newly pooled employer's excess liability. A transition surplus protects the individual employer by ensuring that it doesn't lose assets to the pool.

Pre-SLGRP liabilities/surpluses are similar to transition liabilities/surpluses in that they are the result of a change in pooled status. Prior to formation of the SLGRP, all state agencies and community colleges were pooled by statute, and local governments had the option of pooling with other local governments. The SLGRP replaced the state/community college pool, which had an unfunded liability at the time, and the local government pool, which had an actuarial surplus at the time. The state/community college pool's UAL remained with those entities as a pre-SLGRP liability. The local government pool's surplus remained with participating local governments as a pre-SLGRP surplus.

Q: Can I get my side account balance, contributions, or other information from PERS on a fiscal-year basis?

A: No. PERS posts earnings and reconciles side accounts, member accounts, and other reserves on a calendar-year basis. Actuarial valuations are also performed on a calendar-year basis. GASB 68 information is based on calendar-year data, rolled forward to fiscal year-end.

Further questions? E-mail us at PERS.GASB.Questions@pers.state.or.us

Reporting and Reviewing OPSRP Average Overtime

How and when do employers report average overtime?

Employers can report an employee’s average overtime to PERS at various stages throughout their employment: at hire, after a change, or when an error in average overtime is identified.

1. Upon hire

Employers should report average overtime when they initially report a new hire to PERS. This is done with a Detail 1 – Member Demographics record. Average overtime should be entered in the “Average Overtime Hours” field.

2. After a change

Employers should review average overtime when an employee’s position changes or the average overtime associated with their position changes. If an employee’s average overtime has changed, the employer should report the change to PERS. There are two ways an employer can report a change in average overtime: either by submitting a Detail 2 – Wage and Service record or by submitting a Demographic Correction Request (DCR) and providing an effective date for the change.

3. When an error is identified

To report a correction to previously reported average overtime and submit a retroactive change, employers should submit a DCR. Employers should provide an effective date for the change in the comments section of the DCR.

How can employers review average overtime?

To review the average overtime information reported to PERS for an employee, the employer can view this information in EDX:

- Under “Site Navigation”, click “View Employee Info”
- Enter the employee’s last name, Social Security number, or PERS ID in the search field and click “Search”
- The reported average overtime will appear in the “Average OT Hours” field of the “Employee Employment History Details”

Employee Employment History Details

This page displays the employee's employment history with this employer, starting with the most recent employment.

- [View Address Details for this employee.](#)
- [View Salary Details for this employee.](#)
- [Work with Demographic Correction Request \(DCR\).](#)
- [Create Salary Breakdown Request.](#)

Employment Details: **Shirley Smith, SSN: 443355333, PERS ID: 995444**

Date of Birth: 12/03/1987
 Contribution Start Date: 03/01/2016

Hire Intent	Start Date	Last Day Service	Term / End Date	Gross Unused Sick Leave	Transferred Unused Sick Leave	Job Class	Position Type	Plan	Average OT Hours	Contract No. of Months	Verify	Verified Date	User ID
Q	08/16/2015	08/16/2015				School Employee	Active Service	OPSRP	0	10	<input type="checkbox"/>		