

**Example PLD Employer  
Cost-Sharing Pension Plan  
GASB 68 Implementation Year – Example Journal Entries**

In order to record the net pension liability in the first year of implementation, employers will have an adjustment to beginning net position (if showing comparative statements, the prior year might also be restated to reflect the adjusted ending net position). The following demonstrates what the prior period adjustment might be for employer **P0290** in the schedules of employer allocations and pension amounts for the PLD Consolidated Plan.

**Prior period adjustment:**

Beginning net position (as reported at June 30, 2014)	\$xx,xxx,xxx
Prior period adjustment – Implementation of GASB 68:	
Net Pension Liability as of Measurement Date June 30, 2013	(4,186,115)
Deferred Outflows (Employer Contributions made during FY14 <sup>1</sup> )	<u>675,592</u>
Total Prior period adjustment	<u>3,510,508</u>
Net position as restated, July 1, 2014	<u>\$xx,xxx,xxx</u>

The purpose of the prior period adjustment is to restate net position by the net effect of the NPL and deferred outflows of resources that would have been recorded had the standards been implemented with the FY14 reporting period.

In order to record the net pension liability and related pension numbers for the first year, the employer would (if not restating FY2014) record the following entry in its government-wide financial statements; the employer might also allocate all pension amounts to its business-type activities and proprietary funds, if appropriate.

	DR	CR
Beginning net position, July 1, 2014	\$3,510,508	
Pension expense (from the schedules)	617,793	
Deferred outflows of resources	568,654	
Deferred inflows of resources		\$2,419,166
Net Pension Liability		2,277,804

To record beginning net position adjustment, pension expense, deferred outflows and inflows of resources, and net pension liability at June 30, 2015.

In addition, contributions made during the reporting period but subsequent to the measurement date of the net pension liability would be recorded as deferred outflows of resources. If these contributions are recorded as personnel expenses throughout the year, an entry to reclassify them would be necessary.

	DR	CR
Deferred Outflows of Resources	\$XXX,XXX	
Personnel related expenses		\$XXX,XXX

**Notes:**

<sup>1</sup> Employer contributions include all contributions made including contributions for employer specific liability payments recognized during the year and may not be the same amount as the contributions used by MainePERS as the allocation basis in determining the pro-rata share of the NPL.