## Gouveia, Susan

**From:** Masser, Michelle
**Sent:** Friday, November 13, 2015 2:56 PM
**To:** Harris, Laura
**Cc:** Gouveia, Susan
**Subject:** FW: Implementation of GASB 68 - Accounting & Financial Reporting for Public Employee Pensions

CORRESPONDENCE

Michelle Masser
Township Clerk
PO Box 450
204 Flanders Drakestown Road
Budd Lake, NJ 07828
clerk@mtolivetwp.org
973-691-0900 X7291

-----Original Message-----
From: egg@dca.state.nj.us [mailto:egg@dca.state.nj.us]
Sent: Friday, November 13, 2015 2:44 PM
To: Masser, Michelle <clerkmichelle@mtolivetwp.org>
Subject: Implementation of GASB 68 - Accounting & Financial Reporting for Public Employee Pensions

Dear Municipal Clerk:

The New Jersey Department of Treasury's Division of Pensions and Benefits is releasing reporting data today pertaining to the Government Standards Accounting Board's Statement No. 68 (GASB 68). Each local government's allocation can be found on the Division of Pension's and Benefit's website at http://www.nj.gov/treasury/pensions/gasb-68-notice.shtml. Allocations have been audited by KMPG for accuracy.

GASB Statement 68 requires states to allocate, for reporting purposes only, pension liabilities of their centralized pension systems to all participating employers. Among the employers who are being allocated liabilities, for reporting purposes only, are local governments. For further information on GASB 68, including guidance on reporting for local governments, please review Local Finance Notice 2015-24 at http://www.nj.gov/dca/divisions/dlgs/lfns/15/2015-24.pdf.

GASB reporting requirements solely govern financial reporting, but have no impact on State laws; therefore, the statements do not result in a change to the calculation of statutory assets, liabilities and contribution requirements for State and local employers. Accordingly, per statute, State and local systems are measured separately for the calculation of plan assets, liabilities and contribution requirements.

It is important to keep in mind that this reporting requirement will not change the amount of funds local governments must budget for pension payments under existing law. The New Jersey Department of Treasury has communicated this to rating agencies. They have given no indication that GASB 68 disclosures will generally result in credit downgrades.

THIS NOTICE HAS BEEN SENT TO THE FOLLOWING OFFICIALS: Municipal Clerk, Chief Financial Officer / County Freeholder Board Clerk, Chief Financial Officer / Authority Officials / Fire District Officials