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COLLECTIVE PENSION EXPENSE
GASB STATEMENT NO. 68
EMPLOYER EDUCATIONAL VIDEO SERIES

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Collective Pension Expense

- » Collective pension expense includes the following components:
 - Immediate recognition
 - » Service cost
 - » Interest on the total pension liability
 - » Changes of benefit terms
 - » Employee contributions
 - » Projected earnings on pension plan investments
 - » Pension plan administrative expense
 - Deferred recognition
 - » Changes in actuarial assumptions
 - » Experience gains and losses
 - » Difference between expected and actual earnings on investments

Collective Pension Expense

Immediate Recognition	Typical Effect on Overall Collective Pension Expense
Service cost	↑
Interest on total pension liability	↑
Changes of benefit terms	↑ ↓
Employee contributions	↓
Projected earnings on pension plan investments	↓
Pension plan administrative expense	↑

Collective Pension Expense

Deferred Recognition	Effect on Overall Collective Pension Expense	Amortization Period
Changes in actuarial assumptions	 	Average expected remaining service life
Experience gains and losses	 	Average expected remaining service life
Difference between expected and actual earnings on Investments	 	5 years

Sample Illustration: Employer Proportionate Share of Collective Pension Expense

Event	Amount
Collective Pension Expense	\$1,000,000
Employer's Proportion	1.025%
Collective Pension Expense at Employer's Proportionate Share	\$10,250

Additional Information

- » Paragraphs 44 and 71 in GASB Statement No. 68
- » Implementation Guide for GASB 68: Questions 175, 179, 180
- » Colorado PERA's ***GASB Reporting Standards*** web page
- » Please feel free to email Colorado PERA's GASB Work Group at **GASBMail@copera.org**