

**Instructions for Using the GASB 75 Schedules  
June 30, 2017  
(Used for Employer's FY 2018 Financial Statements)**

Implementing GASB 75 will be very similar to the approach that was used to implement GASB 68.

An employer's proportion is a measure of the proportionate relationship of (1) the employer to (2) all employers and all non-employer contributing entities. The basis for the employer's proportion should be consistent with the manner in which contributions to the OPEB plan are determined.

The employer contributions include the following types of contributions:

- Pay-as-you-go payments "paygo"
- Retiree Leave Conversion Health & Life

The Schedule of Employer OPEB Allocations contains the employer's contributions and their allocation percentage only. This schedule provides the contribution amounts on which the proportions are based. Refer to the Notes to the Schedules of Employer OPEB Allocations and OPEB Amounts By Employer for potential adjustments that may have been made to your Agency to arrive at the contributions as presented.

The Schedule of OPEB Amounts by Employer is the basis of the journal entries required by GASB. It contains the deferred outflows and inflows of resources, OPEB expense and the beginning and ending Net OPEB Liability (NOL) as of YE June 30, 2017 and 2016.

To make sure that each Employer is able to record the below journal entries and get to the correct YE balances, it is suggested that the GASB 45 OPEB liability that Employers reported at 6.30.17 be eliminated. The below journal entry will bring the balance of the OPEB liability to \$0 and reduce the Net Position by that same amount.

**Sample Journal Entry #1**

	Debit	Credit
OPEB Liability	\$XX	
Net Position		\$XX

*To eliminate the GASB 45 OPEB Liability that each Employer reported June 30, 2017.*

Then, the GASB 75 NOL can be recorded. This will be the beginning NOL at 7.1.16.

**GASB75, par 244(a)** states that *the cumulative effect of applying this statement should be reported as a restatement of beginning net position for the earliest period restated.* You will find your beginning NOL on the Schedule of Employer OPEB Amounts By employer for YE June 30, 2016 starting on page 42.

The Retiree Health Benefits Trust Fund (RHBT) has been used as an example to follow.

**Sample Journal Entry #2**

	Debit	Credit
Net Position, July 1, 2016	\$ 498,634	
Net OPEB Liability		\$ 498,634

*To record beginning NOL.*

**GASB 75, par 86.c.** states that “contributions to the OPEB plan from employers or non-employer contributing entities should not be included in collective OPEB expense.” 2017 contributions should be recorded as a reduction to net OPEB liability and then removed from the account to which they were originally charged when payment was made. (This will be the contributions from 7.1.16 thru 6.30.17.) You will find the 2017 contributions on the Schedule of Employer OPEB Allocations for YE June 30, 2017 starting on page 3. Note – this JE shows the cumulative effect adjustment as of July 1, 2016, to decrease the 2017 beginning Net Position.

**Sample Journal Entry #3**

	Debit	Credit
Net OPEB Liability	\$ 33,952	
Net Position		\$ 33,952

*To record Employer contributions for FYE June 30, 2017.*

The next Journal Entry has been done in summary. For recording OPEB Expense, Deferred Inflows of Resources and Deferred Outflows of Resources, the offsetting debit or credit will be to Net OPEB Liability.

**GASB 75, paragraph 86.a. (1)** requires recording of the proportionate share of the *Collective Deferred Inflow of Resources* for the *Difference in Expected and Actual Experience*. You will find the proportionate share on the Schedule of OPEB Amounts By Employer for YE June 30, 2017 starting on page 15. Find your Agency’s name and this amount will be under Deferred Inflows of Resources – Net Difference Between Expected and Actual Experience.

**GASB 75, paragraph 86.b.** requires recording of the proportionate share of the *Collective Deferred Inflow of Resources* for the *Difference in Expected and Actual Earnings on OPEB Plan Investments*. You will find the proportionate share on the Schedule of OPEB Amounts By Employer for YE June 30, 2017 starting on page 15. Find your Agency’s name and this amount will be under Deferred Inflows of Resources – Net Difference Between Expected and Actual Earnings on OPEB Plan Investments.

**GASB 75, paragraph 64** requires recognizing of the proportionate share of the *Collective Deferred Inflow/Outflows of Resources* for the *Difference in Employer Contributions and Proportionate Share of Contributions and the Changes in Proportion*. You will find the proportionate share on the Schedule of OPEB Amounts By Employer for YE June 30, 2017 starting on page 15. Find your Agency’s name and this amount will be under Deferred Inflows of Resources (if a decrease) or Deferred Outflows of Resources (if an increase) – Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions.

**GASB 75, paragraph 63** requires recording of the proportionate share of the *Collective OPEB Expense*. You will find the proportionate share on the Schedule of OPEB Amounts By Employer for YE June 30, 2017 starting on page 15. Find your Agency’s name and this amount will be under Total OPEB Expense. This entry may be the reverse if, in fact, there was OPEB Revenue instead of expense.

**Sample Journal Entry #4**

	Debit	Credit
OPEB Expense	\$19,080	
Net OPEB Liability	\$58,211	
Deferred Inflows of Resources:		
Experience		\$1,361
Investments		\$6,488
Contributions		\$69,443
	\$77,291	\$77,291

*To record beginning balance for deferred inflows, current year OPEB expense, and adjust NOL to YE June 30, 2017 balance.*

Note – RHBT’s journal entry does not balance. There is a small difference of \$80.

\*\*If the journal entry does not balance, adjust the difference through OPEB Expense. Agencies that have made contributions for Retiree Leave Conversion Life will most definitely have a difference. There are also other differences that could cause this. You can find examples for these differences in the RHBT GASB 75 Report under the Contributions section.

At this point, Employer’s NOL should agree to the NOL on the Schedule of OPEB Amounts By Employer for YE June 30, 2017 starting on page 15.

**GASB 75, paragraph 68** requires that “contributions made to the OPEB plan made after the measurement date of the ending Net OPEB Liability and before the end of the employer’s reporting period be reported as a deferred outflow of resources related to OPEB.” This entry is to record the contributions made after 7.1.17 and up to 6.30.18 (fiscal year-end.)

**Sample Journal Entry #4**

	Debit	Credit
Deferred Outflow of Resources	\$XX	
OPEB Expense		\$XX

*To record employer OPEB contributions in 2018 as a Deferred Outflow of Resources.*

Employers can locate your 2018 contributions using the Web Contributions System. Go to the PEIA website at [www.peia.gov](http://www.peia.gov). Click on Manage My Benefits/Reports/Agency OPEB Contributions. Select your Agency and a starting date of 07/01/2017 and an ending date of 06/30/2018.