

**GASB 68 Reconciliation and Sample Journal Entries for Teacher Employers
For the Measurement Date of June 30, 2023**

Information used in these sample entries is related to the Total Teacher Plan and Employer 40100.
(Page references are related to the GASB Statement No. 68 Report for the Virginia Retirement System prepared as of June 30, 2023)

Reconciliation of Entries Necessary to Record June 30, 2023, Net Pension Liability

	All Teacher Employers		Employer 40100	
	Debit	Credit	Debit	Credit
Net Pension Liability - July 1, 2022	\$ 9,520,593,901	p 66	\$ 30,638,239	p 66
FY 2022 Deferred Inflows of Resources	\$ 2,192,485,931	FY 2022	\$ 8,240,903	FY 2022
FY 2023 Employer Pension Expense	\$ 1,036,432,963	p 60	\$ 2,319,778	p 60
FY 2023 Deferred Outflows of Resources	\$ 1,619,053,205	p 60	\$ 4,841,865	p 60
FY 2023 Employer Contributions	\$ 1,578,557,697	(A)	\$ 4,873,699	(A)
FY 2023 Non-employer Contributing Entity	\$ 147,457,029	p 59	\$ 455,259	p 58
FY 2022 Deferred Outflows of Resources	\$ 1,192,522,599	FY 2022	\$ 3,913,751	FY 2022
FY 2023 Deferred Inflows of Resources	\$ 1,342,823,900	p 60	\$ 5,593,092	p 60
Net Pension Liability - June 30, 2022	\$ 10,107,204,775	p 66	\$ 31,204,984	p 66
	<u>\$ 14,368,566,000</u>	<u>\$ 14,368,566,000</u>	<u>\$ 46,040,785</u>	<u>\$ 46,040,785</u>

A - The employer contributions are the proportionate share of the total Regular employer contributions to the Teacher Plan in FY 2023 and not the agency's actual employer contributions. Refer to FY 2023 - Analysis of FY 2023 Teacher Employer Change on Net Pension Liability under GASB Audit Opinions and Disclosure Guidance on the VRS website.

1. To set up July 1, 2022, Net Pension Liability and Reverse FY 2022 Deferred Inflows and Outflows.

	All Teacher Employers			Employer 40100	
	Debit	Credit		Debit	Credit
Adjusted Net Pension Liability - July	\$ 9,520,593,901		p 66	\$ 30,638,239	p 66
FY 2022 Deferred Inflows of Resources	\$ 2,192,485,931		FY 2022	\$ 8,240,903	FY 2022
FY 2022 Deferred Outflows of Resources		\$ 1,192,522,599	FY 2022	\$ 3,913,751	FY 2022
Adjusted Net Pension Liability - July 1, 2022		\$ 10,520,557,233	Calculated	\$ 34,965,391	Calculated
	\$ 11,713,079,832			\$ 38,879,142 \$ 38,879,142	

This entry establishes the adjusted Net Pension Liability at July 1, 2022, exclusive of beginning Deferred Inflows and Outflows of Resources.

2. To Reverse FY 2022 Reclassification of the FY 2023 Employer Contributions as Deferred Outflows of Resources.

	All Teacher Employers		Employer 40100	
	Debit	Credit	Debit	Credit
FY 2023 Employer Contributions	\$ —		\$ —	
FY 2022 Deferred Outflows of Resources		\$ —		\$ —
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

This is the employer's FY 2023 Employer Contributions for Pensions. Since the Measurement Date for the prior year was June 30, 2022, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2023 Financial Statements.

3. To set up June 30, 2023 Deferred Inflows and Outflows and Record FY 2023 Pension Expense.

	All Teacher Employers			Employer 40100	
	Debit	Credit		Debit	Credit
FY 2023 Employer Pension Expense	\$ 1,036,432,963		p 60	\$ 2,319,778	p 60
FY 2023 Deferred Outflows of Resources	\$ 1,619,053,205		p 60	\$ 4,841,865	p 60
Net Pension Liability - June 30, 2023	\$ 413,352,458		Calculated	\$ 3,760,407	Calculated
FY 2023 Employer Contributions		\$ 1,578,557,697	(A)	\$ 4,873,699	(A)
FY 2023 Non-employer Contributing Entity		\$ 147,457,029	p 59	\$ 455,259	p 58
FY 2023 Deferred Inflows of Resources		\$ 1,342,823,900	p 60	\$ 5,593,092	p 60
	\$ 3,068,838,626	\$ 3,068,838,626		\$ 10,922,050	\$ 10,922,050

This entry records the FY 2023 Employer Pension Expense and the related Deferred Inflows and Outflows at June 30, 2023.

A - The employer contributions are the proportionate share of the total Regular employer contributions to the Teacher Plan in FY 2023 and not the agency's actual employer contributions. Refer to FY 2023 - Analysis of FY 2023 Teacher Employer Change on Net Pension Liability under GASB Audit Opinions and Disclosure Guidance on the VRS website.

4. To Reclassify the FY 2024 Employer Contributions as Deferred Outflows of Resources.

	All Teacher Employers		Employer 40100	
	Debit	Credit	Debit	Credit
FY 2023 Deferred Outflows of Resources	\$ —		\$ —	
FY 2024 Employer Contributions		\$ —		\$ —
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

This is the employer's FY 2024 Employer Contributions for Pensions. Since the Measurement Date is June 30, 2023, employer contributions made after that date must be reclassified as Deferred Outflows of Resources. These contributions will be part of the Total Employer Pension Expense in the FY 2025 Financial Statements.