

**GASB 68 Reconciliation and Sample Journal Entries for Teacher Employers
For the Measurement Date of June 30, 2021**

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, 2021)

Reconciliation of Entries Necessary to Record June 30, 2021, Net Pension Liability

| | All Teacher Employers | | Employer 40100 | |
|--|------------------------------|--------------------------|-----------------------|--------------------------|
| | Debit | Credit | Debit | Credit |
| Net Pension Liability - July 1, 2020 | \$ 14,552,626,158 | p 64 | \$ 47,790,825 | p 62 |
| FY 2020 Deferred Inflows of Resources | \$ 1,113,265,351 | FY 2020 | \$ 4,461,802 | FY 2020 |
| FY 2021 Employer Pension Expense | \$ 128,635,353 | p 58 | \$ 415,245 | p 55 |
| FY 2021 Deferred Outflows of Resources | \$ 1,627,249,266 | p 58 | \$ 4,345,798 | p 55 |
| FY 2021 Employer Contributions | \$ 1,416,134,388 | (A) | \$ 4,408,709 | (A) |
| FY 2021 Non-employer Contributing Entity | \$ 61,344,275 | FY 2021 GASB Report p 16 | \$ 190,977 | FY 2021 GASB Report p 13 |
| FY 2020 Deferred Outflows of Resources | \$ 2,360,544,774 | FY 2020 | \$ 7,119,754 | FY 2020 |
| FY 2021 Deferred inflows of Resources | \$ 5,820,489,273 | p 58 | \$ 20,295,148 | p 55 |
| Net Pension Liability - June 30, 2021 | \$ 7,763,263,418 | p 64 | \$ 24,168,592 | p 62 |
| | <u>\$ 17,421,776,128</u> | <u>\$ 17,421,776,128</u> | <u>\$ 56,598,425</u> | <u>\$ 56,598,425</u> |

A - The employer contributions are the proportionate share of the total Regular employer contributions to the Teacher Plan in FY 2021 and not the agency's actual employer contributions. Refer to FY 2021 - Analysis of FY 2021 Teacher Employer Change on Net Pension Liability under GASB Audit Opinions and Disclosure Guidance on the VRS website.

1. To set up July 1, 2020, Net Pension Liability and Reverse FY 2020 Deferred Inflows and Outflows.

| | All Teacher Employers | | | Employer 40100 | |
|---|------------------------------|--------------------------|------------|-----------------------|----------------------|
| | Debit | Credit | | Debit | Credit |
| Net Pension Liability - July 1, 2020 | \$ 14,552,626,158 | | p 64 | \$ 47,790,825 | p 62 |
| FY 2020 Deferred Inflows of Resources | \$ 1,113,265,351 | | FY 2020 | \$ 4,461,802 | FY 2020 |
| FY 2020 Deferred Outflows of Resources | | \$ 2,360,544,774 | FY 2020 | \$ 7,119,754 | FY 2020 |
| Adjusted Net Pension Liability - July 1, 2020 | | \$ 13,305,346,735 | Calculated | \$ 45,132,873 | Calculated |
| | <u>\$ 15,665,891,509</u> | <u>\$ 15,665,891,509</u> | | <u>\$ 52,252,627</u> | <u>\$ 52,252,627</u> |

This entry establishes the adjusted Net Pension Liability at July 1, 2020, exclusive of beginning Deferred Inflows and Outflows of Resources.

2. To Reverse FY 2020 Reclassification of the FY 2021 Employer Contributions as Deferred Outflows of Resources.

| | All Teacher Employers | | Employer 40100 | |
|--|-----------------------|-------------|----------------|-------------|
| | Debit | Credit | Debit | Credit |
| FY 2021 Employer Contributions | \$ — | | \$ — | |
| FY 2020 Deferred Outflows of Resources | | \$ — | | \$ — |
| | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> |

This is the employer's FY 2021 Employer Contributions for Pensions. Since the Measurement Date for the prior year was June 30, 2020, employer contributions made after that date were reclassified as Deferred Outflows of Resources in the FY 2021 Financial Statements.

3. To set up June 30, 2021 Deferred Inflows and Outflows and Record FY 2021 Pension Expense.

| | All Teacher Employers | | | Employer 40100 | |
|--|-----------------------|------------------|--------------------------|----------------|--------------------------|
| | Debit | Credit | | Debit | Credit |
| FY 2021 Employer Pension Expense | \$ 128,635,353 | | p 58 | \$ 415,245 | p 55 |
| FY 2021 Deferred Outflows of Resources | \$ 1,627,249,266 | | p 58 | \$ 4,345,798 | p 55 |
| Net Pension Liability - June 30, 2021 | \$ 5,542,083,317 | | Calculated | \$ 20,133,791 | Calculated |
| FY 2021 Employer Contributions | | \$ 1,416,134,388 | (A) | \$ 4,408,709 | (A) |
| FY 2021 Non-employer Contributing Entity | | \$ 61,344,275 | FY 2021 GASB Report p 16 | \$ 190,977 | FY 2021 GASB Report p 13 |
| FY 2021 Deferred inflows of Resources | | \$ 5,820,489,273 | p 58 | \$ 20,295,148 | p 55 |
| | \$ 7,297,967,936 | \$ 7,297,967,936 | | \$ 24,894,834 | \$ 24,894,834 |

This entry records the FY 2021 Employer Pension Expense and the related Deferred Inflows and Outflows at June 30, 2021.

A - The employer contributions are the proportionate share of the total Regular employer contributions to the Teacher Plan in FY 2021 and not the agency's actual employer contributions. Refer to FY 2022 - Analysis of FY 2021 Teacher Employer Change on Net Pension Liability under GASB Audit Opinions and Disclosure Guidance on the VRS website.

4. To Reclassify the FY 2022 Employer Contributions as Deferred Outflows of Resources.

| | All Teacher Employers | | Employer 40100 | |
|--|-----------------------|-------------|----------------|-------------|
| | Debit | Credit | Debit | Credit |
| FY 2021 Deferred Outflows of Resources | \$ — | | \$ — | |
| FY 2022 Employer Contributions | | \$ — | | \$ — |
| | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$ —</u> |

This is the employer's FY 2022 Employer Contributions for Pensions. Since the Measurement Date is June 30, 2021, 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 2023 Financial Statements.