

## REPORTING

### Note X – Pension Plans

The PERS 1, 2, 3, LEOFF 1, 2 and PSERS 2 note is available on SAO's website, [BARS Reporting Templates](#). Omit the disclosures related to plans not provided by the government.

### **Local Governments Pension and Other Benefit Trust Funds [1]**

Police and firefighters pension plans are established under the following RCWs:

- Chapter [41.16](#) RCW – Firefighters' Relief and Pensions – 1947 ACT
- Chapter [41.18](#) RCW – Firefighters' Relief and Pensions – 1955 ACT
- Chapter [41.20](#) RCW – Police Relief and Pensions in First Class Cities

The new pension standards ([GASB Statements 67/68](#)) are applicable only to pension plans that are administered through trusts or equivalent arrangements in which (per [GASB Statements 67/68](#)):

- Contributions from employers to the pension plan and earnings on those contributions are irrevocable.** *Irrevocability is understood to mean that an employer no longer has ownership or control of the assets, except for any reversionary right once all benefits have been paid. Assets may flow from an employer to the plan, but not from the plan to an employer unless and until all obligations to pay benefits in accordance with the plan terms have been satisfied by payment or by defeasance with no remaining risk regarding the amounts to be paid or the value of plan assets (implementation guide Q&A No. 6). Refunds of the non-vested portion of employer contributions that are forfeited by plan members are consistent with this criterion.*
- Pension plan assets are dedicated to providing pensions to plan members in accordance with benefit terms.** *The use of pension plan assets to pay plan administrative costs or to refund plan member contributions is consistent with this criterion.*
- Pension plan assets are legally protected from the creditors of employers, the plan administrator and plan members.**

Depending upon how individual local governments have established their pre-LEOFF I police and firefighter plans, they may or may not meet the criteria of [GASB Statements 67/68](#). Local governments that have these plans should carefully review all legislation establishing and modifying the plans and consult with their legal counsel regarding the status of the plans.

Plans that do not meet the criteria of [GASB Statements 67/68](#), should continue to report under the previous standards ([GASB Statement 25](#)) until fiscal years ending in 2016.

Beginning in 2016, the requirements of GASB Statement 73, paragraph 115, are effective. The pension trust fund can no longer be reported as a fiduciary fund. It should be rolled into the general fund for financial statement reporting. Note disclosures remain the same.

Beginning in 2017, the remaining requirements of GASB Statement 73 are effective. Updated guidance and note disclosures are available at ([Note X – Pension Plans – Non-qualifying Trust](#)) and ([GASB73 RSI](#)).

**If the local government has determined that the GASB Statements 67/68 is applicable to its pension plan, the required note and RSI is available on SAO's website, [BARS Reporting Templates](#).**