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Circular Letter

February 13, 2015

TO: PUBLIC AGENCY EMPLOYERS

SUBJECT: GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENT 68 FEE

The purpose of this Circular Letter is to provide employers an update regarding the costs associated with reports related to the requirements outlined in Governmental Accounting Standards Board (GASB) Statement No. 68. Please refer to Circular Letter No. 200-062-14, distributed on October 22, 2014, for background information, if needed.

On request, CalPERS will provide the additional information that will be needed by employers to meet financial reporting requirements. It is estimated that employers will be able to request their GASB 68 valuation in April 2015. Employers will be able to utilize my|CalPERS to order, pay for and retrieve their reports. Our intent is to have requested reports available by the end of June 2015.

The information will be provided on a fee for service basis, per plan, as listed below. These costs include preparation of the accounting valuation report, correspondence with the employer and its external auditors, and use of CalPERS' external auditors to issue an audit opinion. Please note that the process for Public Agencies – non-pooled is more complex due to the additional assurance required by the American Institute of Certified Public Accountants, resulting in a higher fee.

Employer Groups	Reporting Classification	GASB Valuation Fee Per Plan
Public Agencies – pooled	Cost-sharing multiple-employer	\$850
Public Agencies – non-pooled	Agent multiple-employer	\$2,500

Generally, public agency plans with less than 100 active members are pooled plans. If you are a public agency, there are two ways to determine whether you are an agent or cost-sharing multiple-employer plan. The cover page of the actuarial valuation report for accounting purposes, available in the spring of 2015, will identify the type of plan. In addition, if the actuarial valuation report for funding purposes, issued in October 2014, has section 1 and 2 reported, then the plan is a cost-sharing plan. Otherwise the plan is an agent plan. Please note that many employers will have plans that fall under both categories.

To assist employers in preparing for GASB 68, CalPERS has provided the following resources:

- Circular Letter No. 200-062-14 distributed on October 22, 2014 for background information.
- A webpage with detailed information and Frequently Asked Questions:
<http://www.calpers.ca.gov/index.jsp?bc=/employer/actuarial-gasb/home.xml>
- Specific questions not addressed on the website can be e-mailed to:
CalPERS_GASB_68@calpers.ca.gov
- A webinar will be scheduled in May 2015. The exact date and time will be posted on the website listed above.

We also encourage each employer to begin having a discussion with their auditors regarding the audit and reporting requirements of GASB 68. Even though CalPERS will be providing to you the requested GASB 68 information needed regarding your CalPERS pension plan, it is your responsibility to work with your auditors to determine how to present this information in your financial statements.

If you have any questions, please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

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