

## Instructions for Using the 2025 GASB 68 Schedules

Measurement Year Ended 8/31/24

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- *This is the eleventh year of implementation of GASB 68 and TRS maintains the amortization by year for the plan amounts of each deferred outflow of resources and deferred inflow of resources. The sum of all years' layers will equal the "collective" or "accumulated" total for each deferral. There will be six years (layers), which are measurement years 2019 through 2024. The total accumulated (collective) amount is allocated proportionately to each participating employer. Since the information is calculated at the plan level, there is no need for the participating employers to maintain an amortization schedule.*
1. **Participating employers will receive a proportionate share of each collective deferred outflow of resources and deferred inflow of resources each year.** *This means that participating employers will not be required to maintain amortization schedules for the deferred outflows and deferred inflows.*
  2. **In each subsequent year, the participating employers will reverse the prior year accumulated deferred outflows and deferred inflows and then record the new accumulated deferred outflows and deferred inflows.** *For example, for fiscal year 2025 (measurement year 2024) you will reverse all PLAN level deferrals (2018 through 2023) that were recorded last year. Then you will record the new accumulated combined deferred amounts (total for 2019 through 2024) based on the 2024 proportions provided to you in this year's schedule.*
  3. **This also will create a change in proportionate share that has been calculated for you.** *A change in proportionate share for each participating employer will be recognized as pension expense and either a **deferred outflow or deferred inflow related to the Change in Proportion** will be established.*

**To Summarize: Amortization schedules will not be maintained by the participating employers for these plan amounts.**

The amounts to be recognized in future years will be provided by the plan as a collective amount in the future years. In each future year, employers will be reversing out the cumulative balance of deferred outflows and deferred inflows that are recorded in their financials and will be provided the new accumulated (collective) amounts to record that year.

- In compliance with GASB 68, paragraph 57, contributions paid after the measurement date of the ending Net Pension Liability (8/31/24) and before the end of your reporting period (8/31/25 or 6/30/25) that were recorded as a deferred outflow on last year's financials will need to be reversed this year. This needs to be done before any other entries. **This means that this deferred outflow entry from last year will be reversed before you reverse the prior years deferred outflows and deferred inflows as discussed in items 1 through 3 above.** This entry will be an ongoing requirement so it will be kept separate.

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- The plan level Discount Rate Sensitivity of the Net Pension Liability can be found in the 2024 TRS Annual Comprehensive Financial Report (ACFR), Note 11, page 90. Employers will need to apply their proportionate share to these amounts to get the 1% decrease and 1% increase in the discount rate for their reporting entity.

The following instructions are intended to explain the purpose of each schedule and how to use the related information provided by TRS. It should be used in conjunction with guidance by your respective oversight agencies, [Texas Education Agency \(TEA\)](#) and [Texas Higher Education Coordinating Board \(THECB\)](#).

#### Schedules Provided

Name of Schedule	Audited?	Purpose
Schedule of Employer's Proportionate Shares (Allocations)	Yes*	To show the basis of the allocation
Schedule of Pension Amounts by Employer	Yes*	To provide amounts for journal entries
Schedule of Pension Expense Details	No**	To provide detail on the components of the Plan Pension Expense on the Schedule of Pension Amounts by Employer
Schedule of Deferrals to be Expensed by Employer	No**	To provide the future annual amortization of the balance of Deferred Outflows (Inflows)
Allocation (Schedule) of Non-Employer Contributing Entity On-Behalf Payments (Contributions)	No**	To provide amounts for journal entries recognizing the State's contributions on behalf of employers

\*The audit was performed by the Texas State Auditor's Office (SAO) specifically for the two AICPA recommended GASB 68 Schedules shown below:

- The **2024 GASB 68 Schedule of Employer's Proportionate Shares (Allocations)** contains the employer contributions and their proportionate shares only. This schedule provides the contribution amounts on which the proportions are based. Refer to the ***Notes to the Allocation Schedule, C- Employer Contributions*** for potential adjustments that may have been made to your reporting entity to arrive at the contributions as presented. The Notes are in the Audited file on a separate tab.
- The **2024 GASB 68 Schedule of Pension Amounts by Employer** is the basis of the journal entries required by GASB. It contains the Beginning Net Pension Liability, employer contributions, deferred outflows of resources, deferred inflows of resources and the Ending Net Pension Liability. It also contains the accumulated (cumulative for all years) deferred outflows of resources and deferred inflows of resources.

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**\*\* The Unaudited 2024 GASB 68 Schedule of Pension Expense Details** shows the components of the pension expense. While the SAO did not render an opinion on this schedule, the total flows to the **2024 GASB 68 Schedule of Pension Amounts by Employer**, columns 6 and 22 which was audited.

**\*\* The Unaudited 2024 GASB 68 Schedule of Deferrals to be Expensed by Employer** contains the details needed to prepare the note disclosures. While the SAO did not render an opinion on this schedule, column 2 ties to the net total of columns 16 and 21 on the **2024 GASB 68 Schedule of Pension Amounts by Employer** which was audited.

**\*\*The Unaudited 2024 GASB 68 Allocation (Schedule) of Non-Employer Contributing Entity On-Behalf Payments (Contributions)** is the source of journal entry #15 for GASB 68, paragraphs 94 and 95.

**Step by Step Instructions:** The detailed instructions on how to use the schedules to prepare the journal entries are provided separately. See **"Instructions for 2024 GASB 68 Journal Entries"**.