

ERS - Teachers - journal entry template -- *updated for FY 2022 employer reporting*

Template for journal entries - Government-wide financial statements - to record pension expense, net pension liability (asset), and related deferred inflows/outflows

	DR	CR	information source
Step 1	Record a deferred outflow for contributions made to the plan subsequent to the plan measurement date of June 30, 2021		
		\$ XXX,XXX	FY 2022 employer contributions to the System - contributions subsequent to the measurement date of June 30, 2021 -- actual contributions made to the plan based on the required contributions in FY 2022
	Deferred outflow Employer contribution expense (ADC) - e.g., the functional expense line items that include employer pension contributions during FY 2022	\$ XXX,XXX	
Step 2	Record FY 2022 pension expense and related deferred inflows/outflows		
	Net pension liability (change)	\$ XXX,XXX	net pension liability - change from beginning of year - end of year - amounts calc'd from Schedule D
	Pension expense (gross amount)	\$ XXX,XXX	Schedule E - Source Amounts for Journal Entries - pension expense
	State revenue - special funding situation	\$ XXX,XXX	Schedule E - Source Amounts for Journal Entries - pension expense
	Change in Deferred Outflows (other than contributions subsequent to measurement date)	\$ XXX,XXX	Calculate the difference between prior year total deferred outflows and current year total deferred outflows - from OAG report - Schedule D (current and prior year)
	Change in Deferred Inflows - (a debit if a net reduction in deferred inflows - a credit if an increase in deferred inflows)	\$ XXX,XXX	Calculate the difference between prior year total deferred inflows and current year total deferred inflows - from OAG report - Schedule D (current and prior year)
	Deferred outflows (contributions subsequent to measurement date)	\$ XXX,XXX	Recognition of prior year deferred outflow for contributions subsequent to measurement date -- Use the amount booked as a deferred outflow in the prior year for contributions subsequent to the measurement date of June 30, 2020 (reverse prior year journal entry)
Proof	after recording the above journal entries, the net pension liability at June 30, 2022 the entity's gov't wide financial statements should match the ending net pension liability amount for the municipality as shown in our report -- Schedule D; additionally, deferred inflows and outflows should match to the Schedule D amounts.		
Note:	The allocation of each teacher employer is based on adjusted equivalent contributions reflecting all at the same state/local share. Each employer's deferred contributions subsequent to the measurement date reflect the actual contributions made (including those charged 100% to federal programs). The amount shown in the allocation schedule - Schedule B as the adjustment amount needs to be included in the journal entry as an adjustment to pension expense to "balance" the entry and to match the ending net pension liability.		