

MERS - 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			
	Deferred Outflow	\$ XXX,XXX		
	Employer contribution expense (ADC) (e.g., the functional expense line items that include employer pension contributions during FY 2022		\$ XXX,XXX	FY 2022 employer contributions to the System - contributions subsequent to the measurement date of June 30, 2021
Step 2	Record FY 2022 pension expense and related deferred inflows/outflows			
	Net pension liability (change)		\$ XXX,XXX	GRS - Actuarial valuation report (employer unit specific)
	Pension expense (gross amount)	\$ XXX,XXX		GRS - Actuarial valuation report (employer unit specific)
	Change in Deferred Outflows (other than contributions subsequent to measurement date)	\$ XXX,XXX		GRS - Actuarial valuation report (employer unit specific)
	Change in Deferred Inflows - (a debit if a net reduction in deferred inflows - a credit if an increase in deferred inflows)	\$ XXX,XXX		GRS - Actuarial valuation report (employer unit specific)
	Deferred outflows (contributions subsequent to measurement date)		\$ XXX,XXX	Recognition of prior year deferred outflow for contributions subsequent to the 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 on the entity's gov't wide financial statements should match the ending net pension liability amount for the municipality as shown in the GRS "accounting schedules" report; additionally deferred inflows and outflows should match to the GRS accounting schedule amounts			