

## GASB versus FASB Accounting

Item	GASB 45	FASB
<b>Actuarial Funding Method</b>	Any of six methods : Entry Age and Projected Unit Credit are most common	Projected Unit Credit Only
<b>Annual Accounting Cost</b>	<ul style="list-style-type: none"> <li>• Actuarial Normal Cost</li> <li>• Actuarial Amortization of Unfunded Liabilities and Gains / Losses</li> <li>• Interest on Beginning of Year Accounting Obligation</li> <li>• ARC adjustment</li> <li>• Less Contributions</li> </ul>	<ul style="list-style-type: none"> <li>• Actuarial Normal Cost</li> <li>• Straight Line Amortization of Initial Unfunded Benefits</li> <li>• Interest on Liability</li> <li>• Less Expected Return on Assets</li> <li>• Amortization of Gains/Losses outside corridors</li> </ul>
<b>Discount Rate</b>	Long term expected rate of return on assets expected to pay benefits	Based upon yield curve as of disclosure date of high grade corporate bonds
<b>Medicare D Reimbursement</b>	Not reflected	Reflected in calculations Offsets liabilities
<b>Balance Sheet Recognition</b>	Only Accounting Liability Reflected	Total Unfunded Liability reflected on balance sheet
<b>Accounting Liability</b>	Net OPEB obligation at year end = Net beginning of year OPEB obligation plus Increase in OPEB	Net Unfunded Liability <ul style="list-style-type: none"> <li>• Projected Benefit Obligation (Liability) less Market Assers</li> </ul>