



To: Chief School Administrators
Employer Reporting Contacts
HR Contacts

Administrative Bulletin

Issue No. 2014-5

June 2014

NYSTRS to Review Payroll Records in Response To New Pension Accounting Standards

New accounting standards implemented by the Governmental Accounting Standards Board (GASB) significantly impact how pension plans and their participating employers report pension data. In conjunction with those standards, the American Institute of Certified Public Accountants (AICPA) has issued guidance in the form of a white paper that recommends pension plan auditors review underlying payroll records of plan participants as part of the annual financial audit.

As a result, beginning this summer, NYSTRS' external auditors will review payroll records of participating employers. These reviews are expected to continue in the years to come. Your full cooperation is requested, as these efforts will also help us provide you with the information you need to comply with the new financial reporting requirements.

If selected for review this summer, you will be contacted by our Internal Audit Department to arrange a one or two-day site visit in July or August. We will alert you prior to our visit of the information we will need to examine. The examination will be conducted by members of our external audit firm, who may be assisted by members of our internal audit staff.

Data to be tested may include: date of birth; date of hire or years of service; marital status; eligible compensation; class of employee; gender; date of termination or retirement; spouse date of birth; and, employment status (active, inactive, retired).

As an alternative to a site visit, a selected participating employer may engage its own external auditor to perform the examination. NYSTRS' external auditor could then use the resulting examination report in lieu of a direct audit, provided the engagement is designed, conducted and reported appropriately.

Employers should thoroughly review the whitepaper [Single-Employer and Cost-Sharing Multiple Employer Plans: Issues Associated with Testing Census Data in an Audit of Financial Statements](#) (Census Data Whitepaper), issued by the AICPA State and Local Government Expert Panel. Also see [Governmental Employer Participation in Cost-Sharing Multiple-Employer Plans: Issues Related to Information for Employer Reporting](#).

Questions on these topics should be addressed to Bruce Woolley in our Internal Audit Department. He can be reached by calling (800) 348-7298, Ext. 2830 or at bruce.woolley@nystrs.org.