Pension Myth
The transition costs of changing from a defined benefit plan to another type of plan are prohibitively high.

The Facts
There is an erroneous but commonly held belief that widely accepted accounting rules required accelerated payments when a plan closes, raising short term costs. This is not true.

- The Governmental Accounting Standards Board (GASB) has important requirements for what public retirement systems must disclose in their financial reporting, but this does not dictate how actual funding must occur.

- Systems must report contribution requirements in specific ways, but it is up to the state to determine how closed plans are funded.

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To learn more about teacher pensions and other reforms to elevate the teaching profession visit: nctq.org, studentsfirst.org and teacherpensions.org

National Council on Teacher Quality