

# Teacher Pensions MYTHBUSTERS

## 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.



*To learn more about teacher pensions and other reforms to elevate the teaching profession  
visit: [nctq.org](http://nctq.org), [studentsfirst.org](http://studentsfirst.org) and [teacherpensions.org](http://teacherpensions.org)*



National Council on Teacher Quality

  
studentsfirst