

# Coding Tip of the Month, May 2019

as of 5/14/2019

## Closing out Pension Fund

Section 25 (SB131, 2016) The pension fund of the school district is provided for the purpose of financing payments to the South Dakota Retirement System and to finance pensions to retired employees of a school district that has established a pension system. **Upon discontinuance of the pension fund any unexpended balance shall be transferred to the general fund.** This section is **repealed on July 1, 2020.**

- The allowance to operate a Pension Fund by a school district ends as of 6/30/2020.
- Pension fund may be closed any time between NOW and 6/30/2020.
- Board action is required to authorize the transfer and closing of the fund.
- Determine final amounts remaining in the pension fund to be transferred.
- Please consider general fund cash balance implications in determining the timing of closing out the pension fund.

### Transfer of funds remaining:

Debit 24 8110 000 690  
Credit 24 - applicable cash account(s)

Debit 10 - cash account  
Credit 10 5110

### Close out remaining delinquent taxes receivable:

Debit 24 551  
Credit 24 112

### Combine remaining pension fund delinquent taxes receivable amounts into the general fund:

Debit 10 112  
Credit 10 551

- Run a final balance sheet for the pension fund to make sure all accounts are zeroed out.
- Delinquent taxes received after the pension fund is closed should be receipted in the general fund.
- Please contact SUI support for assistance on inactivating the fund after it has been completely closed out.
- Annual report data must be submitted for the pension fund in the year it is closed out to report the activity from that year.