

Note to preparer - The instructions below assume the plan is not administered through a qualifying trust and there is no special funding situation. See paragraphs 162 through 171 of GASB Statement No. 75.

If applicable, the notes should separately identify amounts for the primary government (including blended component units) from amounts for discretely presented component units.

Note X – Defined Benefit Other Postemployment Benefit (OPEB) Plans

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the year 20XX:

Aggregate OPEB Amounts – All Plans	
OPEB liabilities	\$
OPEB assets	\$
Deferred outflows of resources	\$
Deferred inflows of resources	\$
OPEB expense/expenditures	\$

Note – The table appears once in the notes and reports the aggregate amounts for all plans, regardless of the type of OPEB plan and whether or not it is administered through a qualifying trust. OPEB assets would be relevant only for plans that are administered through a qualifying trust.

OPEB Plan Description – *Note - Plan descriptions are specific to each plan and the following information (a. through e.) should be disclosed about each OPEB plan.*

- a. The name of the OPEB plan, identification of the entity that administers the OPEB plan, and identification of the OPEB plan as a single-employer or multiple-employer defined benefit plan.
- b. A brief description of the benefit terms, including (1) the classes of employees covered; (2) the types of benefits; (3) the key elements of the OPEB formulas; (4) the terms or policies, if any, with respect to automatic postemployment benefit changes, including automatic COLAs, and ad hoc postemployment benefit changes, including ad hoc COLAs, and the sharing of benefit-related costs with inactive employees; and (5) the authority under which benefit terms are established or may be amended. If the OPEB plan is closed to new entrants, that fact should be disclosed.
- c. The number of employees covered by the benefit terms, separately identifying numbers of the following: (1) Inactive employees currently receiving benefit payments (2) Inactive employees entitled to but not yet receiving benefit payments (3) Active employees.

Example: Note – “inactive employee” = retiree.

Employees covered by benefit terms – At December 31, 20XX, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,000
Inactive employees entitled to but not yet receiving benefits	100
Active employees	10,000
Total	11,100

d. The fact that there are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. If OPEB is provided through an OPEB plan that is administered through a trust and that trust does not meet the criteria in paragraph 4, each criterion in paragraph 4 that the trust does not meet should be disclosed.

Example:

The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

Or:

The plan is administered through a trust that does not meet the requirements of a qualifying trust under paragraph 4 of GASB 75. *And then describe each criterion of paragraph 4 that the trust does not meet.*

e. Identification of the authority under which requirements for the employer and nonemployer contributing entities, if any, to pay OPEB as the benefits come due are established or may be amended. Also, the amount paid by the employer for OPEB as the benefits came due during the reporting period, if not otherwise disclosed.

Assumptions and Other Inputs

Significant assumptions and other inputs used to measure the total OPEB liability, including assumptions about inflation, healthcare cost trend rates, salary changes, ad hoc postemployment benefit changes (including ad hoc COLAs), and the sharing of benefit-related costs with inactive employees, should be disclosed, as applicable. With regard to the sharing of benefit-related costs, if projections are based on an established pattern of practice, that fact should be disclosed. With regard to mortality assumptions, the source of the assumptions (for example, the published tables on which the assumptions are based or that the assumptions are based on a study of the experience of the covered group) should be disclosed. The dates of experience studies on which significant assumptions are based also should be disclosed. For all significant assumptions, if different rates are assumed for different periods, information should be disclosed about what rates are applied to the different periods of the measurement. With regard to the discount rate, the rate applied in the measurement and the source of that rate should be disclosed.

In addition, if the alternative measurement method is used to measure the total OPEB liability, the source of or basis for all significant assumptions selected in conformity with paragraph 225 of GASB 75 should be disclosed.

Measures of the total OPEB liability calculated using each of the following rates, should be disclosed:

a. If applicable, a healthcare cost trend rate that is 1-percentage-point higher than the assumed healthcare cost trend rate, and a healthcare cost trend rate that is 1-percentage-point lower than the assumed healthcare cost trend rate.

Example: Note – this information should come from your actuarial valuation.

The following presents the total OPEB liability of the (entity type) calculated using the current healthcare cost trend rate of 6.8 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.8%) or 1-percentage point higher (7.8%) than the current rate.

	1% Decrease (5.8%)	Current Healthcare Cost Trend Rate (6.8%)	1% Increase (7.8%)
Total OPEB Liability	\$5,000,000	\$3,000,000	\$1,500,000

b. A discount rate that is 1-percentage-point higher than the current rate, and a discount rate that is 1-percentage-point lower than the current rate.

Example: Note – this information should come from your actuarial valuation.

The following presents the total OPEB liability of the (entity type) calculated using the discount rate of 3.5 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.5%) or 1-percentage point higher (4.5%) than the current rate.

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Total OPEB Liability	\$6,000,000	\$3,000,000	\$2,000,000

Changes in the Total OPEB Liability

For the current reporting period, a schedule of changes in the total OPEB liability should be presented.

Example: Note – This information should come from your actuarial valuation.

**If the alternative measurement method was used, you may combine the amounts for differences between expected and actual experience and changes of assumptions.*

Plan Name	
Total OPEB Liability at 1/1/20XX	\$
Service cost	
Interest	
Changes of benefit terms	
*Differences between expected and actual experience	
*Changes of assumptions	
Benefit payments	
Other changes	
Total OPEB Liability at 12/31/20XX	

In addition to the information required above, the following information should be disclosed, if applicable:

- a.** The measurement date of the total OPEB liability; the date of the actuarial valuation or alternative measurement method calculation on which the total OPEB liability is based; and, if applicable, the fact that update procedures were used to roll forward the total OPEB liability to the measurement date. If the alternative measurement method is used to measure the total OPEB liability, the fact that this alternative method was used in place of an actuarial valuation also should be disclosed.
- b.** A brief description of changes of assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement date.
- c.** A brief description of changes of benefit terms that affected measurement of the total OPEB liability since the prior measurement date.
- d.** The amount of benefit payments in the measurement period attributable to the purchase of allocated insurance contracts, a brief description of the benefits for which allocated insurance contracts were purchased in the measurement period, and the fact that the obligation for the payment of benefits covered by allocated insurance contracts has been transferred from the employer to one or more insurance companies.
- e.** A brief description of the nature of changes between the measurement date of the total OPEB liability and the employer's reporting date that are expected to have a significant effect on the total OPEB liability and the amount of the expected resultant change in the total OPEB liability, if known.
- g.** The amount of OPEB expense recognized by the employer in the reporting period.
- h.** The employer's balances of deferred outflows of resources and deferred inflows of resources related to OPEB, as applicable:

Example: Note - This information should come from your actuarial valuation. Under the alternative measurement method, deferred outflows and inflows are not calculated for anything other than payments subsequent to the measurement date.

At December 31, 20XX, the (entity type) reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions	\$	\$
Payments subsequent to the measurement date	\$	\$
TOTAL*	\$	\$

** Total should agree to amounts presented in the financial statements.*

For each of the subsequent five years, and in the aggregate thereafter, the net amount of the employer's balances of deferred outflows of resources and deferred inflows of resources in the table above that will be recognized in the employer's OPEB expense.

Example:

Deferred outflows of resources of \$_____ resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2019	\$
2020	\$
2021	\$
2022	\$
2023	\$
Thereafter	\$

Required Supplementary Information

The required supplementary information identified in subparagraphs (a) and (b) below, as applicable, should be presented separately for each OPEB plan through which OPEB is provided. The information should be determined as of the measurement date of the total OPEB liability and may be presented in a single schedule. If a primary government and one or more of its component units provide OPEB through the same OPEB plan, required supplementary information in the reporting entity's financial statements should present information for all benefits provided by the reporting entity through the OPEB plan.

Schedule of Changes in Total OPEB Liability and Related Ratios

- a. A 10-year schedule of changes in the total OPEB liability that separately presents the information required for each year
- b. A 10-year schedule presenting the following for each year:
 - (a) The total OPEB liability
 - (b) The covered-employee payroll – *Unlike pension RSI, which uses covered payroll (the payroll on which contributions to a plan are based), this schedule requires covered-employee payroll - the payroll of employees that are provided with OPEB through the OPEB plan.*
 - (c) The total OPEB liability as a percentage of covered-employee payroll

Notes to RSI

The fact that no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits should be presented as a note to the schedule.

In addition, information should be presented about factors that significantly affect trends in the amounts reported—for example, changes of benefit terms, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions. (The amounts presented for prior years should not be restated for the effects of changes—for example, changes of benefit terms or changes of assumptions—that occurred subsequent to the measurement date of that information.)

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