



GASB 75

Actuarial and Advisory Services for Postemployment Healthcare Benefits

Tired of trying to keep track of all of the acronyms and rules of GASB 75? Take a breath. Our actuaries and advisors have been helping clients with employee benefit consulting solutions for nearly five decades.

Here's a quick guide to GASB 75 and how we can help.



As you know, the Governmental Accounting Standards Board (GASB) sets the standards for the accounting and financial reporting of postemployment benefits other than pensions. But did you know that GASB 75 entails complex requirements and a robust set of assumptions? It also requires the transparency of Other Postemployment Benefit (OPEB) liability changes from year to year, requires the Net OPEB Liability (NOL) to be reported on the balance sheet, and requires an expense on the income statement.

Here's some good news. We'll take care of it all for you.

FAQs on GASB 75

<p>Do you offer medical, Rx, Part B reimbursement, dental, vision, life insurance, or other non-pension benefits to retirees?</p>	<p>If you answered yes, GASB 75 applies to you. GASB 75 requires plan sponsors to book an expense on the income statement and liabilities on the balance sheet to recognize the value of these benefits.</p>
<p>How do plan sponsors comply with GASB 75?</p>	<p>GASB 75 requires an actuarially certified valuation every year.</p> <ul style="list-style-type: none"> • A full actuarial valuation must be completed at least biennially and be based on updated plan participant and benefit plan information as of the valuation date. • An actuarially certified interim valuation must be completed in years in which a full valuation is not completed, using roll-forward techniques. <p><i>(Note: Employers are not allowed a valuation "holiday" between full valuations.)</i></p>
<p>What does GASB 75 require on an annual basis?</p>	<p>An actuarial valuation must be completed every year, including interim years, to recalculate the Balance Sheet Liability and Expense, including updates to experience and assumption inflows/outflows. On an annual basis, plan sponsors and their actuaries must:</p> <ul style="list-style-type: none"> • Determine the discount rate assumption based on 20-year tax-exempt general obligation municipal bond yields (AA/Aa or higher). • Select appropriate mortality tables and improvement scale. • Select appropriate healthcare trend rates. • Determine if a plan change was ratified prior to the end of the measurement period.

How do you manage OPEB liabilities? Simple. Call us. We'll take care of everything.

Managing OPEB Liabilities

BPAS Covers

Medicare Advantage Plans:

- Immediately capture federal subsidies that reduce cash flow, reduce GASB 75 liabilities, and avoid Retiree Drug Subsidy (RDS) filings.
- BPAS can find Medicare Advantage plans that provide substantially the same benefits as currently offered to retirees but at greater savings. In fact, BPAS recently negotiated a combined Medicare Advantage with Prescription Drug Plan available to multiple local municipalities that saved our clients more than \$1,600 per Medicare-eligible member annually (cash basis) and significantly lowered GASB 75 liabilities for each entity.



Budgeting and Forecasting:

- Incorporate intricate benefit plan detail to develop rolling budgets with a score card throughout the year.
- Create real-time awareness before the annual budget cycle.
- Analyze budget vs forecast; adjust forecasts throughout the year as actual claims become available.
- Project financial impact of potential plan changes and collective bargaining.



Collective Bargaining Support:

- Identify opportunities for cost containment and develop strategy for sustainable commitment.
- Model changes to eligibility, benefit terms, contributions, and other policies.
- Quantify the value of plan design adjustments.



Calculate the Value of OPEB Cash Flows:

- Including the impact of plan design changes on the valuation.



Better Together

BPAS and OneGroup are subsidiaries of Community Bank System, Inc. (CBSI. NYSE: CBU). As sister companies, we partner with your team to deliver the most comprehensive, robust solutions in the industry. Our extensive team of credentialed actuaries and consultants serve plans of all sizes, along with retiree health valuations in the private and governmental sectors.

We integrate our consulting expertise with rigorous actuarial and financial analysis to create cohesive, strategically-focused solutions that bring real value to clients. We operate as one company working as one team with one focus and one mission: serve each client as our one client.



Ready to learn more? Let's talk.

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