OPEB UPDATE
COLORADO PERA
LAWRENCE MUNDY, CHIEF FINANCIAL OFFICER
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Statement No. 74,  
Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans  
- For financial periods beginning after June 15, 2016  
- PERA’s first GASB 74 CAFR - December 31, 2017  

Statement No. 75,  
Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions  
- For financial periods beginning after June 15, 2017  

There are many instances where the new OPEB standards parallel the current pension standards (GASB 67 and 68)
GASB Standards

GASB 68 vs. GASB 75

Measurement of total pension liability (para 60-70)

Projection test to determine if discount rate is equal to the pension plan’s assumed investment rate of return or if a blended rate is used (para 65-66)

Calculation of collective net pension liability (para 59)

Measurement of total OPEB liability (para 71-85)

Projection test to determine if discount rate is equal to the OPEB plan’s assumed investment rate of return or if a blended rate is used (para 80-81)

Calculation of collective net OPEB liability (para 70)
<table>
<thead>
<tr>
<th>Paragraph 48</th>
<th>Paragraph 59</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers recognize a proportionate share of the collective net pension liability</td>
<td>Employers recognize a proportionate share of the collective net OPEB liability</td>
</tr>
<tr>
<td>Employer proportion is the relationship of one employer to all participating employers</td>
<td>Employer proportion is the relationship of one employer to all participating employers</td>
</tr>
<tr>
<td>Employer contributions are used as a basis to determine employer proportion</td>
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</tr>
<tr>
<td>GASB 68</td>
<td>vs.</td>
</tr>
<tr>
<td>---------</td>
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</tr>
<tr>
<td><strong>Paragraph 53</strong></td>
<td><strong>Paragraph 63</strong></td>
</tr>
<tr>
<td>Employers recognize a proportionate share of collective deferred outflows of resources related to pensions</td>
<td>Employers recognize a proportionate share of collective deferred outflows of resources related to OPEB</td>
</tr>
<tr>
<td>Employers recognize a proportionate share of collective deferred inflows of resources related to pensions</td>
<td>Employers recognize a proportionate share of collective deferred inflows of resources related to OPEB</td>
</tr>
<tr>
<td>Employers recognize a proportionate share of collective pension expense</td>
<td>Employers recognize a proportionate share of collective OPEB expense</td>
</tr>
</tbody>
</table>
GASB Standards

GASB 68 vs. GASB 75

Paragraph 48
Selection of the measurement date for the net pension liability
Measurement date should be no earlier than the end of the employer’s prior fiscal year
Consistently applied from period to period

Paragraph 59
Selection of the measurement date for the net OPEB liability
Measurement date should be no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year
Consistently applied from period to period
GASB Standards

GASB 68 vs. GASB 75

What “employer-level” deferred outflows and/or deferred inflows related to pensions are required to be disclosed:

- Change in employer proportion (para 54)
- Difference between actual and the proportionate share of employer contributions (para 55)
- Contributions subsequent to the measurement date (para 57)*

What “employer-level” deferred outflows and/or deferred inflows related to OPEB are required to be disclosed:

- Change in employer proportion (para 64)
- Difference between actual and the proportionate share of employer contributions (para 65)
- Contributions subsequent to the measurement date (para 68)*

* Deferred outflow only
GASB Standards

GASB 68 vs. GASB 75

Timing of amortization into Pension Expense

Period equal to the average of the expected remaining service life of all employees provided with pensions through the pension plan

Five-year period

Timing of amortization into OPEB Expense

Period equal to the average of the expected remaining service life of employees in the OPEB plan.

Five-year period
Health Care Trust Funds

Health Care Trust Fund
Expected to be a cost-sharing multiple-employer OPEB fund under the new standards

Denver Public Schools (DPS)
Health Care Trust Fund
Expected to be a single-employer OPEB fund under the new standards

Employer contribution rate is 1.02% of PERA-Includable salary
Health Care Trust Funds

Benefits provided by PERA’s Health Care Trust Funds

• Access to insurance coverage (PERACare)

• Health care premium subsidy for eligible benefit recipients and retirees who choose to enroll in one of PERA’s healthcare plans

• Subsidy amount is primarily dependent on years of service and whether recipient is eligible to receive Medicare Part A
Employer allocation percentage for purposes of GASB 75 will likely be different than the allocation percentage used for purposes of GASB 68.
## Health Care Trust Funds as of December 31, 2016

### 2016 CAFR

(Dollar amounts shown in thousands)

<table>
<thead>
<tr>
<th>OPEB Funds</th>
<th>Type of Plan</th>
<th>Funded Ratio</th>
<th>Unfunded Actuarial Accrued Liability</th>
<th>Amortization Period Current Year Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care Trust Fund</td>
<td>Cost-Sharing Multi-Employer</td>
<td>17.4%</td>
<td>$1,286,612</td>
<td>37 Years</td>
</tr>
<tr>
<td>DPS Health Care Trust Fund</td>
<td>Cost-Sharing Multi-Employer</td>
<td>26.0%</td>
<td>$53,900</td>
<td>13 Years</td>
</tr>
</tbody>
</table>
Information provided to employers

Provided in prior years for purposes of assisting employers with:

GASB 68:
- Audited Schedule of Employer Allocations and Schedule of Collective Pension Amounts
- Employer-Specific Payroll Contribution Reconciliation
- Updated sample note disclosures for pensions

Expecting to provide next year for purposes of assisting employers with:

GASB 68:
- Audited Schedule of Employer Allocations and Schedule of Collective Pension Amounts for 12/31/17
- Employer-Specific Payroll Contribution Reconciliation for 2017*
- Updated sample note disclosures for pensions

GASB 75:
- Audited Schedule of Employer Allocations and Schedule of Collective OPEB Amounts for 12/31/17
- Employer-Specific Payroll Contribution Reconciliation for 2017*
- Updated sample note disclosures for OPEB
- Audited Schedule of Employer Allocations and Schedule of Collective Net OPEB Liability for 12/31/16
- Employer-Specific Payroll Contribution Reconciliation for 2016

*Currently, we expect to provide a single spreadsheet file containing reconciliations for both pensions and OPEB
Example: Contribution Reconciliation Report

Current format for pension contributions

<table>
<thead>
<tr>
<th>Reporting Agency 1 - PERA Reporting Agency # xx1</th>
<th>Employer Contribution Reconciliation for Year-Ended December 31, 20xx Reporting Agency 1 PERA Reporting Agency # xx1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Control Id</td>
<td>Payroll Period</td>
</tr>
<tr>
<td>------------</td>
<td>----------------</td>
</tr>
<tr>
<td>ABC123</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>ABC124</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>ABC125</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>ABC126</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>ABC127</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>ABC128</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>ABC129</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>ABC130</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>ABC131</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>ABC132</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>ABC133</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>ABC134</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>ABC135</td>
<td>MMDDYYYY</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

*Contribution reconciliation reports have been simplified for purposes of this presentation*
Example: Contribution Reconciliation Report

Expected format for pension and OPEB contributions

*Contribution reconciliation reports have been simplified for purposes of this presentation*
Similar to the Pension Standards (GASB 67 & 68)

PERA’s GASB Email distribution list will be used for purposes of OPEB communications.

Secure employer website (STARS) will be used to provide OPEB-related schedules to PERA-affiliated employers.

External auditors will need to obtain the schedules directly from their clients.

GASBMail@copera.org
Get Engaged, Stay Involved

PERA – GASB reporting standards internet address:
https://www.copera.org/employers/gasb-reporting-standards

PERA – GASB reporting standards e-mail:
GASBMail@copera.org