

Publications

Changing Retiree Medical Plan Benefits to Reduce OPEB Liabilities Under Governmental Accounting Rules

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The Governmental Accounting Standards Board (“GASB”) issued Statements No. 74 “Financial Reporting for Postemployment Benefit Plans Other than Pension Plans”, and 75 “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” to establish new standards of financial reporting for state and local governmental post-employment benefits other than pension benefits (known as “OPEB”) which includes post-employment healthcare benefits.

Liabilities for OPEB must be reflected in governmental financial statements beginning after 2016. If a governmental employer wishes to modify the amount of liabilities reported on its financial statements, provisions of a recently finalized Implementation Guide indicate what legal steps need to be taken to do so. Please see the attached memo for further information.

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