Metropolitan Council

INFORMATION ITEM 1
OTHER POST EMPLOYMENT BENEFITS (OPEB)

Environment Committee, August 14, 2012

About OPEB

- Other Post Employment Benefits (OPEB) = all retiree benefits not part of pension plans
  - Healthcare
  - Dental
  - Life insurance
  - Other

Retiree Healthcare (OPEB)

- Explicit benefit
  - Retirees are eligible for employer paid retiree health insurance benefits for life if they:
    - Are hired prior to benefit sunset dates
    - Meet age and service criteria
- Implicit rate subsidy
  - Retirees:
    - Pooled with actives to determine premium rates
    - Allowed to participate in health plans indefinitely--retiree pays total premium, per MS 471.61

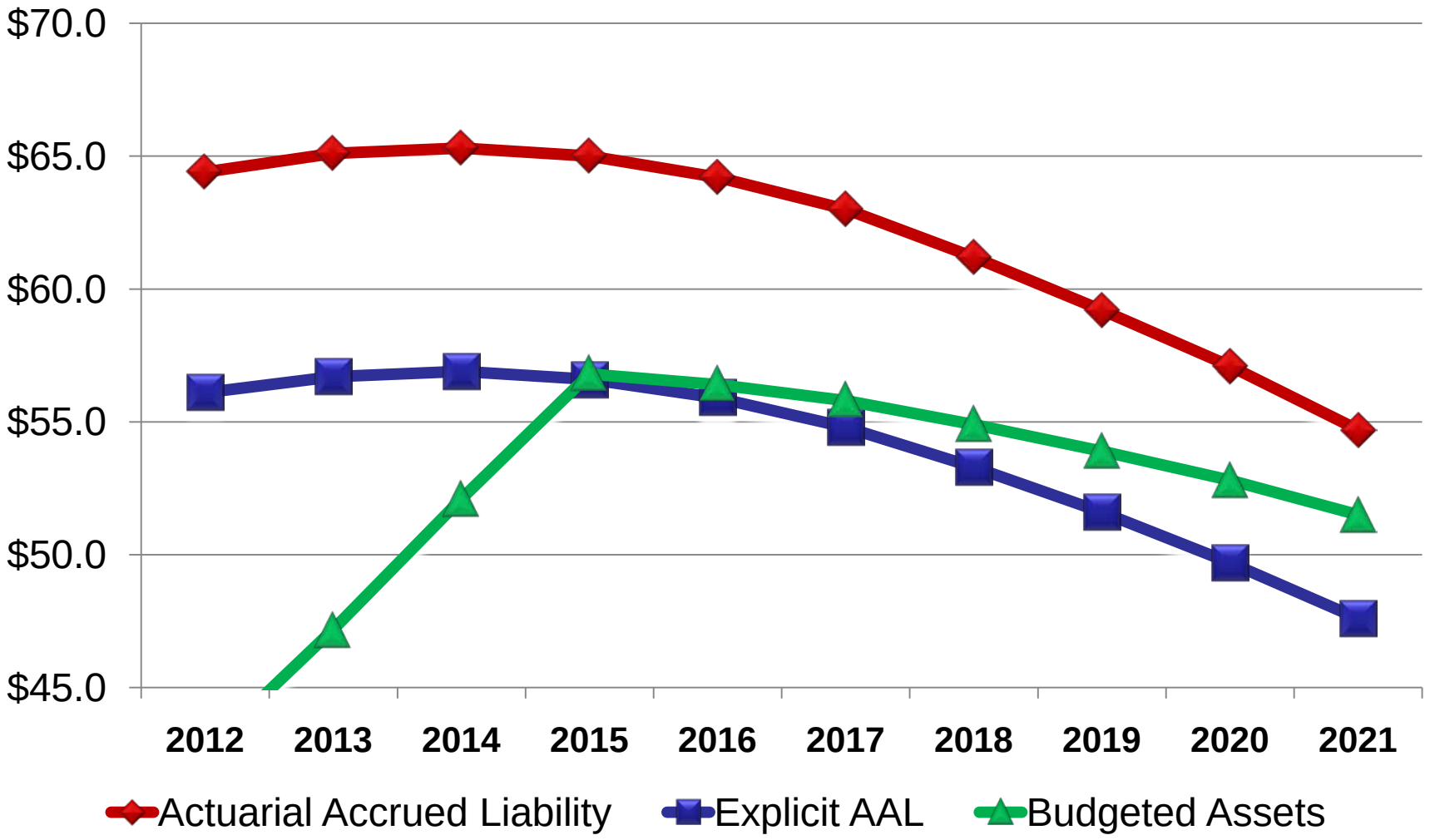
Council Funding Policy

- Requires annual funding of explicit benefits:
  - Future costs associated with eligible active employees (normal cost)
  - Current costs associated with retirees (pay-as-go)
- Duration
  - Until funds set aside are adequate, with expected interest, to meet all projected future retiree benefits
- Council will review year-end surpluses and consider making additional contributions to benefit fund

Actuarial Accrued Liability ($M)

	Metro Transit	MCES	Regional Admin	TOTAL
Actuarial Accrual Liability	$191	$66	$5	$262
Explicit Portion	$152	$56	$4	$212
Market Value Assets	$61	$43	$3	$107
Percent Funded	40%	77%	100%	50%
Estimated Funded Date	2022	2015	2012	

Projected MCES OPEB and Funding ($M)

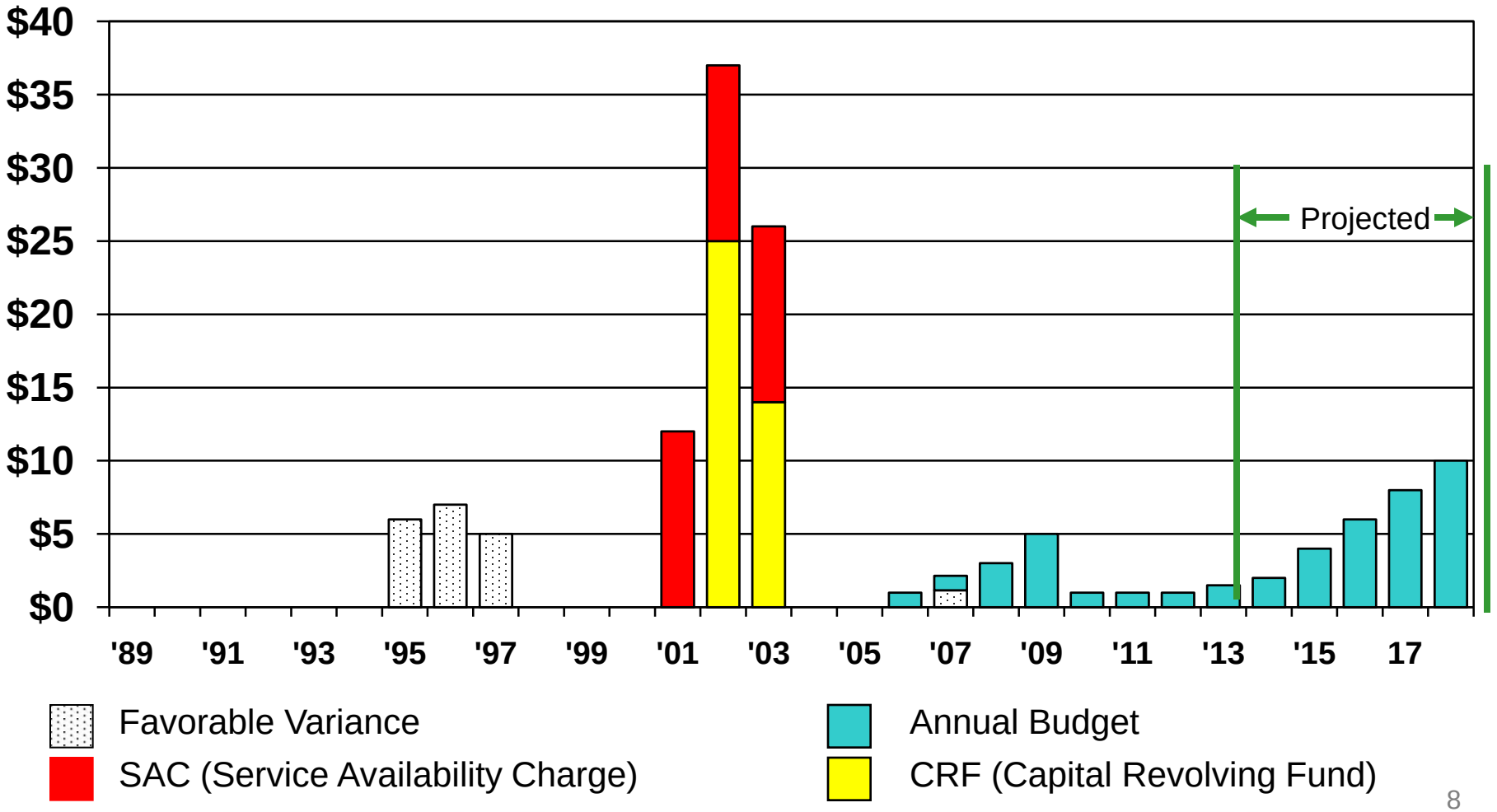


Projected MCES OPEB and Funding ($M)*

Year	AAL	Explicit AAL	Budgeted Assets	Unfunded Liability	MCES OPEB Budget
2012	$64.4	$56.1	$42.6	$13.5	$5.2
2013	$65.1	$56.7	$47.2	$9.5	$5.5
2014	$65.3	$56.9	$52.1	$4.8	$5.0
2015	$65.0	$56.6	$56.8	---	---
2016	$64.2	$55.9	$56.4	---	---
2017	$62.9	$54.8	$55.8	---	---
2018	$61.2	$53.3	$54.9	---	---
2019	$59.2	$51.6	$53.9	---	---
2020	$57.1	$49.7	$52.8	---	---
2021	$54.7	$47.6	$51.5	---	---

**Based on 2012 actuarial report.*

Pay-As-You-Go ($M)



Questions?