



2019 Actuarial Results  
Other Post Employment Benefits (OPEB)

# What is OPEB?

- Other Post-Employment Benefits (OPEB) include all retiree benefits that are not a part of a pension plan
  - Health Care
  - Life Insurance
  - Other

# What is OPEB?

- Explicit Benefit – Retirees hired prior to benefit sunset dates, who meet age and service criteria are eligible for **Employer paid** retiree health insurance benefits for life.
- Implicit Rate Subsidy – Retirees pooled with actives to determine premium rates: MS 471.61 allows retirees to participate in health plans indefinitely – **Retiree pays** total premium

# Council Funding Policy

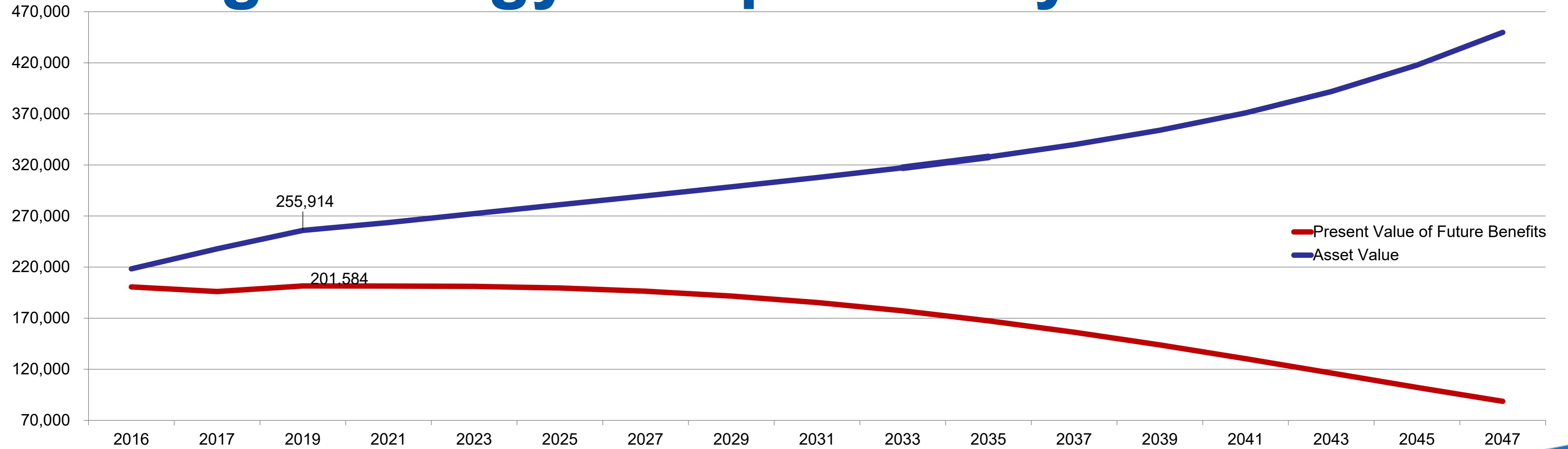
## Funding Strategy

- Present value of future benefits, earned and to be earned
  - Explicit
  - Medical
- Discount rate: 7%
  - Historical rate used in previous valuations
  - Investments are more conservative

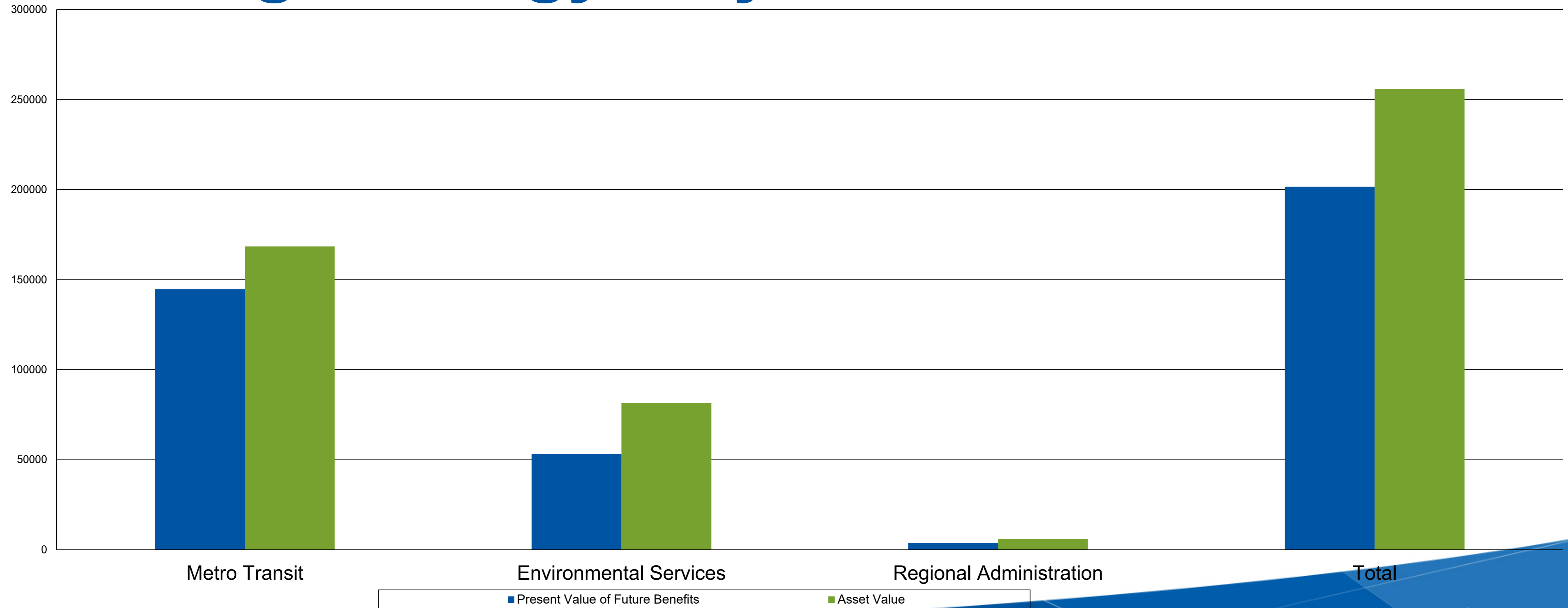
## Actuarial Accrued Liability (AAL)

- Present value of future benefits earned to date
  - Explicit and Implicit
  - Medical and Life
- Discount rate 4.10%
  - GASB 75
  - 20 Year tax-exempt GO municipal bond index

# Projected Present value of future benefits – Funding Strategy – Explicit only



# Funding Strategy – by Division - 2019



# Comprehensive Financial Report (CAFR)

## OPEB Activity in Calendar Year 2019

|  |                |
|--|----------------|
| Total Liability as of 1/1/2018           | 291,978        |
| Normal Cost                              | 3,727          |
| Employer Contributions                   | (14,831)       |
| Inflationary Growth in Liability         | 10,897         |
| Expected Liability as of 1/1/2019        | 291,771        |
| (Gain)/Loss due to experience            | 25,895         |
| (Gain)/Loss due to Discount Rate         | (11,071)       |
| (Gain)/Loss due to change in assumptions | (19,746)       |
| <b>Total Liability as of 1/1/2019</b>    | <b>286,849</b> |

### How it is represented

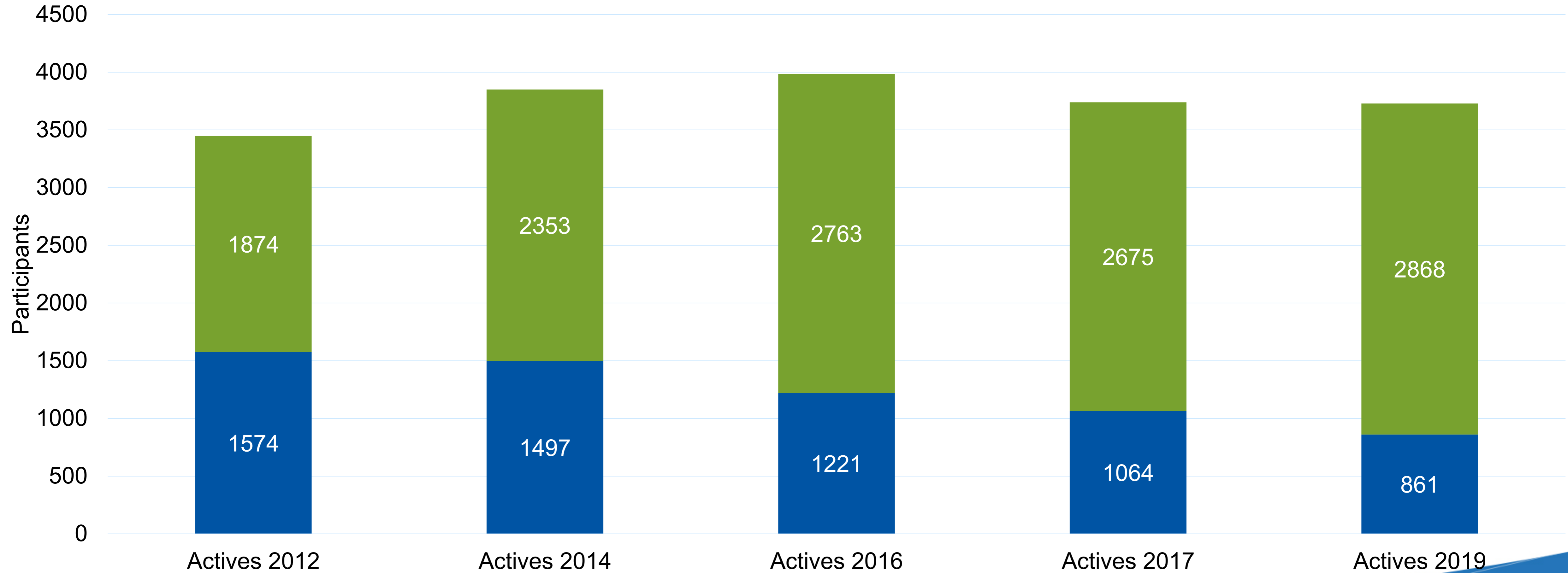
- Actuarial Accrued Liability (AAL): \$286,849
- Unfunded Liability: \$286,849
- Footnote: The Council has set aside \$255,914 in a revocable trust
- Under-funded by \$30,935

|                  | Medical        |
|------------------|----------------|
| Explicit Subsidy | 267,695        |
| Implicit Subsidy | 19,154         |
| <b>Total</b>     | <b>286,849</b> |

# Demographics

## Actives Employees

■ Explicit ■ Implicit

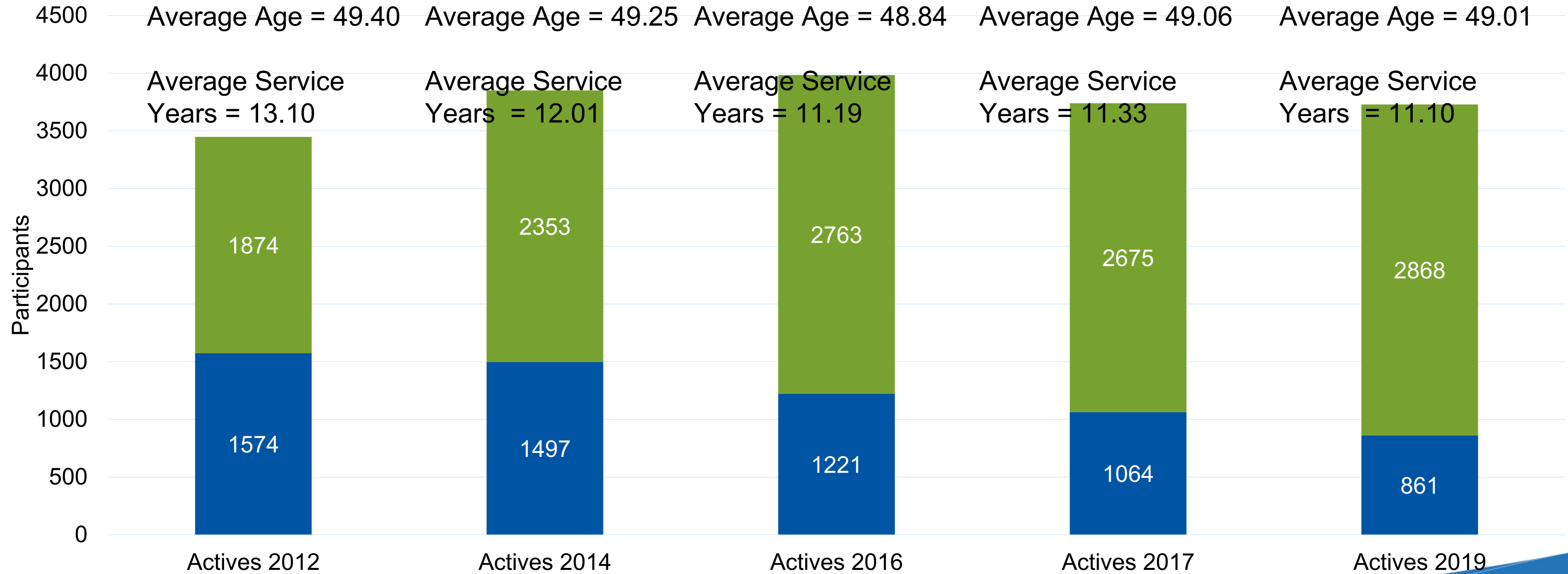




# Demographics

## Actives Employees

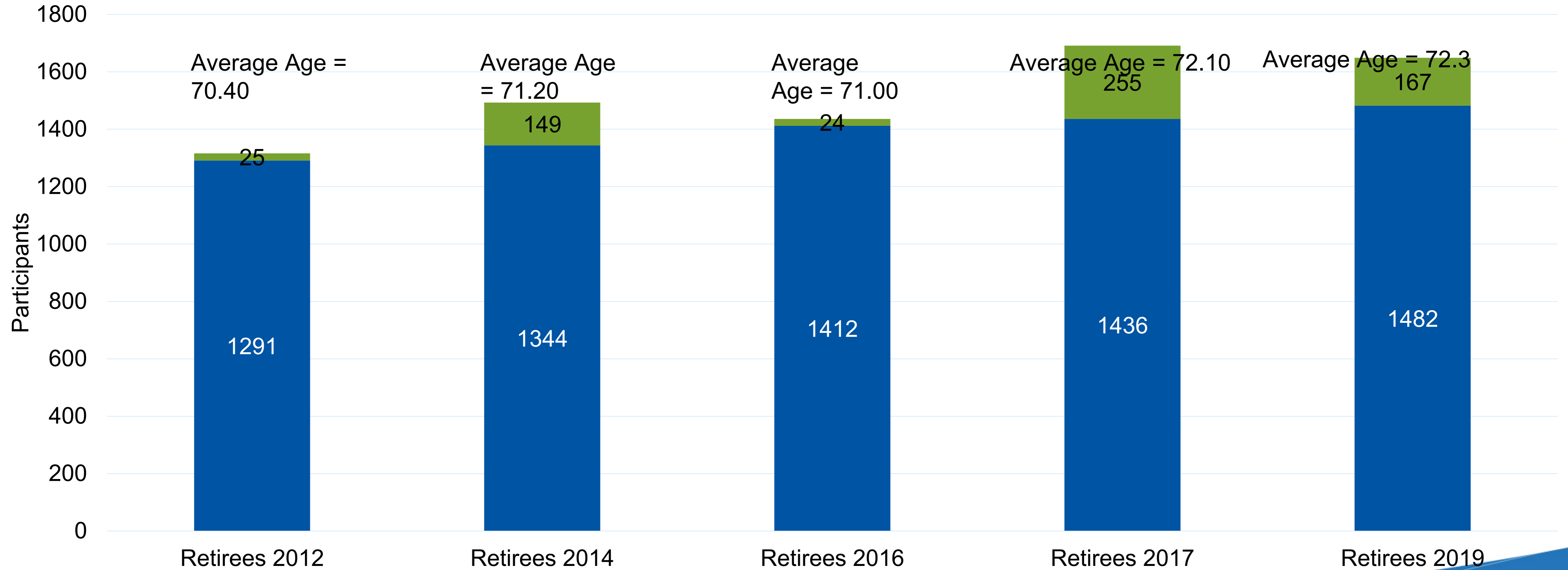
■ Explicit ■ Implicit



# Demographics

## Retirees

■ Explicit ■ Implicit



# Questions?

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