



MEMORANDUM

TO: Members of the Governing Board

FROM: Randall Booker, Superintendent
Song Chin-Bendib, Assistant Superintendent – Business Services

DATE: December 9, 2015

RE: Evaluation of Other Post-Employment Benefits (GASB 43/45)

As a requirement of Governmental Accounting Standards Board (GASB) 43 and 45, every two years, school districts are required to perform an evaluation of its other post-employment benefits (OPEB), excluding pensions, for active and retired employees. GASB 43/45 reports articulate post-employment benefits (noting who is eligible, how many employees and retirees are covered), and determine the liability for benefits as well as the assets that are available to offset the liability.

The Piedmont Unified School District currently uses a “pay as you go” method to address its post-employment liabilities. GASB reports enable the District to communicate the financial implications of retiree health benefits to the Board and to the community.

Since 2007, the District has engaged Total Compensation Systems, Inc. (TCS) to analyze liabilities associated with its current retiree health program. The report submitted to the Board as received from TCS reflects post-employment liabilities as of September 1, 2015 (the most recent “valuation date”) based on accounting entries for the fiscal year ending June 30, 2015. The actuarial study is intended to provide information to help the District assess and manage the costs and liabilities associated with retiree health benefits. Moreover, the report complies with Governmental Accounting Standards Board Accounting Standards 43 and 45 which are related to “other post-employment benefits” also known as OPEB.

This is the last year that school districts are required to perform an actuarial study of retiree health benefits based on the amortization method.

Starting in 2017-18, GASB 75 will be in effect whereby full accrual of retiree health benefits will appear on all LEAs financial statements.