



At USI Consulting Group, we will ensure a successful race by paving the path ahead in order to cross the Finish Line Ahead



OTHER POSTEMPLOYMENT BENEFITS ("OPEB")

Our consultants have been providing Other Postemployment Benefits ("OPEB") actuarial services for over 20 years. We have a department dedicated to meeting employers' OPEB financial needs, including compliance with applicable accounting standards.

This focus on OPEB gives us vast experience in all aspects of the required accounting and plan design issues. We have assisted many of our clients with sensitivity analyses and projection scenarios, each time delivering results with both fiscal and personnel issues in mind. OPEB are benefits, other than pension or retirement income benefits, that are earned during employment but are payable upon cessation of employment.

OPEB includes postemployment healthcare benefits (medical, dental, vision, hearing and other health-related benefits) whether provided separately or through a defined benefit pension plan. OPEB also includes life insurance, disability, long-term care, etc., when provided separately from a pension plan. Unlike pension plans, there is no requirement that OPEB be funded prior to when the benefits are payable.

However, Generally Accepted Accounting Principles ("GAAP") view OPEB as a form of deferred compensation and require that the costs related to these benefits be recognized during employment.

The accounting requirements for OPEB plans that apply to nongovernmental employers are contained in FASB Accounting Standard Codification™ topics 715-60 and 712-10 (previously FAS #106 and #112, respectively).

The requirements that apply to governmental employers are contained in Governmental Accounting Standards #74 and #75.

BOB CROSS, ASA, FCA, MAAA
President, USICG Central Region
USI Consulting Group
Bob.Cross@usi.com
d: 865-523-8353 | c: 865-719-0955 | f: 865-523-8227