

## **GASB 75 Accounting for Retiree Medical Benefits**



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# Topics Reviewed



- Key GASB Concepts
- How to Access your GASB Portal
- Changes in Assumptions this Year
- Contents of GASB Report



Terms commonly used include:

- **GASB 75**, or Governmental Accounting Standards Board Statement No. 75. This is the accounting standard that impacts requirements for the audited financial statements of public entities. No. 75 focuses on OPEB benefits.
  - Regardless of size of entity and regardless of community rating or pooled or blended rates
- **OPEB**, or Other Postretirement Employment Benefits, refers to retiree medical health coverage. Retiree medical is offered through participation in the health benefits program.

# GASB 75 Valuation Cycle



- GASB 75 requires:
  - ✓ **Full** actuarial valuations every two (2) years
  - ✓ **Roll-forward** valuations in between
- This year, 2023, is a Roll-forward valuation year.



## 2022 Full Valuation

- By person census
- Claims by age
- All assumptions studied



## 2023 Roll-forward

- Same census
- Same claims and plan
- **Updated discount rate**

**GASB 75 Two (2) Year Cycle**

# How to Access your GASB Reports



1. Each MMEHT participating entity will be invited to the portal via email.  
**Watch for an email from [Webmaster@Cheiron.us](mailto:Webmaster@Cheiron.us)!**
2. Login and share access to the portal with your auditor or others that are involved with GASB 75.
3. Call the MMEHT with any questions if you do not receive your login invitation!

# How to Access GASB 75 Reports



**GASB 75 Email Invitation from [Webmaster@Cheiron.us](mailto:Webmaster@Cheiron.us)**

**- Watch your email the week starting August 21, 2023!**

**Step 1: Set your Password**

**Step 2: Verify your Email**

**Step 3: Login to the Portal**

**Step 4: Download your  
GASB 75 Report**

**Step 5: Share with your  
auditor!**

Dear MMEHT participating employer,

As the actuary for the Maine Municipal Employees Health Trust, we are pleased to provide you with your 2023 GASB 75 actuarial valuation reports.

Your account has been set up so that you may access the GASB 75 actuarial valuation report prepared for your organization, as well as the supporting census documentation. Below is your username and a link to set up your password.

Your username is your email address: [klala@cheiron.us](mailto:klala@cheiron.us)

Please click on this link to set up your password

[https://mma.cheiron.us/login/reset/1/VY4zA\\_iX16ngiD89nM1a1A](https://mma.cheiron.us/login/reset/1/VY4zA_iX16ngiD89nM1a1A)

For security reasons, an additional verification process has been added. You will be asked to verify your email address when logging into the portal for the first time. The verification process is straightforward and simple. A verification email will be sent to you when you first set up your password. You will be asked to click on a link in the notification email in order to complete your sign-up and gain access to the portal.

Once you have access, the portal allows you to share the reports with your auditor in a secure manner. After signing in, you may choose to provide your auditors with access to the portal and the report by clicking on the "Share this page with your auditor" button and entering their email.

If you have questions, or if you have trouble accessing your account, please contact the Health Trust at [GASB75@memun.org](mailto:GASB75@memun.org). Questions regarding the contents of your report should be directed to your auditor. Thank you.

# Step 1: Set your Password



- Your first step is to set your password.
- Passwords must be at least eight characters long, contain at least one uppercase letter, one lowercase letter, and one numeral.



**MAINE MUNICIPAL**  
EMPLOYEES HEALTH TRUST

Welcome to the 2023 MMEHT GASB 75  
Portal!

Your username is klala@cheiron.us.

Please set your password below to login.

\*Passwords must be at least eight characters long, contain at least one uppercase letter,  
one lowercase letter, and one numeral

New Password

Retype Password

Set Password



# Step 2: Verify Your Email



- After Setting your password, please verify your email.



**MAINE MUNICIPAL**  
EMPLOYEES HEALTH TRUST

**Your Password Has Been Set**



**Next, Please Check Your Email To Verify Your  
Email Address**

In order to log in to your account, you must confirm your email address. To do this an email is being sent now to you. Please open the email and click on the link. You will then be automatically brought back to the portal site.

## Step 2: Verify Your Email



- Watch for another email from [Webmaster@Cheiron.us](mailto:Webmaster@Cheiron.us)!
- Click on the link in the email.
- If you receive a verify email message but haven't set up a password, do not click on the link and email [GASB75@memun.org](mailto:GASB75@memun.org) immediately.

Dear MMEHT participating employer,

To complete your sign up, please verify your email by clicking on the link below.  
<https://mma.cheiron.us/login/verify/1/WXfVxe0eLp0bi5HotLFcl2>

If you did not sign up, or if you have trouble accessing your account, please contact the Health Trust at [GASB75@memun.org](mailto:GASB75@memun.org). Questions regarding the contents of your report should be directed to your auditor. Thank you.

# Step 3: Login to the GASB Portal



**MAINE MUNICIPAL**  
EMPLOYEES HEALTH TRUST

## GASB 75 Reports Portal

Thank you for verifying your email address. You may now log in.

Email

klala@cheiron.us

Password

Enter password

[Forgot Password?](#)

Sign in

# Step 4: Select and Download Reports



Multiple reports for one user:



Sign out



**MAINE MUNICIPAL**  
EMPLOYEES HEALTH TRUST

## GASB 75 Reports Dashboard

There are multiple reports shared with you. Please access the reports from the table below.

| Report Group # | Action                      |
|----------------|-----------------------------|
| 101010         | <a href="#">View Report</a> |
| 101011         | <a href="#">View Report</a> |
| 101012         | <a href="#">View Report</a> |

# Step 4: Select and Download Reports



Sign out



**MAINE MUNICIPAL**  
EMPLOYEES HEALTH TRUST

## GASB 75 Reports Dashboard

[View All Reports](#)

Viewing Report: 10101

Share this page with your auditor

GASB 75 Reports for Year: 2023

GroupID: 10101



View the report in your  
browser

[View Report](#)



Download the report to your  
device

[Download Report](#)



Does your auditor need  
census file extracts?

[Download Data](#)

# Step 5: Share Reports with Auditor

- Click on the gold “Share this page...” button.
- Enter one email at a time and click share.
- The recipient will receive a link to access the report.
- For security, the share access automatically expires.

The screenshot shows the Cheiron web interface. A 'Share Reports' modal is open, displaying instructions and a table of shared reports. Below the modal, the 'Viewing Report' page is visible, featuring a gold 'Share this page with your auditor' button. The page title is 'GASB 75 Reports for Year: 2023' with 'GroupID: 01100'. Three options are presented: viewing in a browser, downloading a PDF report, or downloading Excel data.

**Share Reports**

If a share authorization has expired, but the auditor needs access again, please enter the auditor's email again below and click share. You can also share with multiple email addresses if needed.

| Email Shared     | Expires    | Last Accessed |        |
|------------------|------------|---------------|--------|
| klala@cheiron.us | 2023-09-03 | 2023-08-03    | Delete |

Enter Auditors Email

Share

**Viewing Report: 01100**

Share this page with your auditor

GASB 75 Reports for Year: 2023 GroupID: 01100

PDF

View the report in your browser

View Report

PDF

Download the report to your device

Download Report

Excel

Does your auditor need census file extracts?

Download Data

This section reviews key assumptions that were updated with the 2023 roll-forward valuation.

Each report is a full report and contains detailed information that the auditors need.

# 2023 Assumption Changes



- GASB 75 Discount Rate
- Getzen Trends



# Discount Rate for each GASB 75



- **GASB 75** defined the discount rate, which is used to convert year by year projected costs to a single sum present value or “liability” at the measurement date.

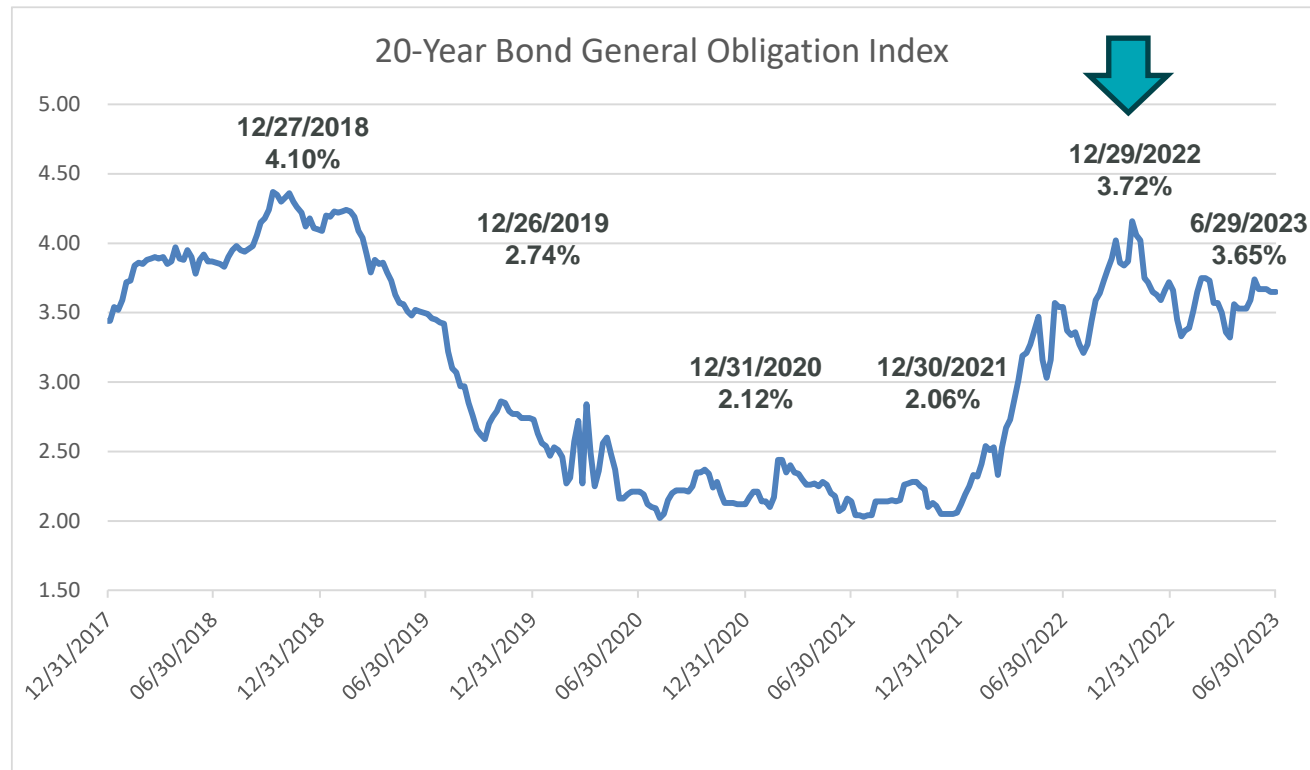


- **Definition of Discount Rate** - A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), for plans with no prefunding solely for retiree medical.

# 20 Year Tax-Exempt Bond Rates



- **Discount rate:** Single annual rate equal to 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa.



- GASB 75 discount rate was **2.06%** as of December 31, 2021, and **3.72%** as of December 31, 2022, a significant increase.
- The ultimate medical trend is also updated to reflect higher inflation at the recent measurement date.

# Trend Assumption – Getzen Model



- Modified to reflect higher long-term inflation
- Initial trends increased reflecting current expectations
- Ultimate trends were increased from:
  - 3.53% to 4.55% per annum

| FYE  | Non-Medicare |        | Medicare |       | Non-Medicare | Medicare |
|------|--------------|--------|----------|-------|--------------|----------|
|      | Medical      | Drug   | Medical  | Drug  | Blended      | Blended  |
| 2022 | 7.90%        | 8.15%  | 4.80%    | 8.15% | 7.95%        | 7.26%    |
| 2023 | 6.80%        | 14.25% | 7.20%    | 9.90% | 8.35%        | 9.20%    |
| 2024 | 6.50%        | 12.00% | 7.00%    | 9.30% | 7.70%        | 8.72%    |
| 2025 | 6.20%        | 10.00% | 6.80%    | 8.70% | 7.07%        | 8.23%    |
| 2026 | 5.90%        | 8.00%  | 6.60%    | 8.00% | 6.39%        | 7.66%    |
| 2027 | 5.81%        | 7.56%  | 6.40%    | 7.56% | 6.23%        | 7.28%    |
| 2028 | 5.73%        | 7.13%  | 6.19%    | 7.13% | 6.06%        | 6.90%    |
| 2029 | 5.64%        | 6.69%  | 5.99%    | 6.69% | 5.90%        | 6.52%    |
| 2030 | 5.55%        | 6.25%  | 5.79%    | 6.25% | 5.73%        | 6.14%    |
| 2031 | 5.47%        | 5.82%  | 5.58%    | 5.82% | 5.55%        | 5.76%    |
| 2032 | 5.38%        | 5.38%  | 5.38%    | 5.38% | 5.38%        | 5.38%    |
| 2033 | 5.21%        | 5.21%  | 5.21%    | 5.21% | 5.21%        | 5.21%    |
| 2034 | 4.98%        | 4.98%  | 4.98%    | 4.98% | 4.98%        | 4.98%    |
| 2035 | 4.87%        | 4.87%  | 4.87%    | 4.87% | 4.87%        | 4.87%    |
| 2036 | 4.80%        | 4.80%  | 4.80%    | 4.80% | 4.80%        | 4.80%    |
| 2037 | 4.76%        | 4.76%  | 4.76%    | 4.76% | 4.76%        | 4.76%    |
| 2038 | 4.72%        | 4.72%  | 4.72%    | 4.72% | 4.72%        | 4.72%    |
| 2039 | 4.70%        | 4.70%  | 4.70%    | 4.70% | 4.70%        | 4.70%    |
| 2040 | 4.68%        | 4.68%  | 4.68%    | 4.68% | 4.68%        | 4.68%    |
| 2041 | 4.67%        | 4.67%  | 4.67%    | 4.67% | 4.67%        | 4.67%    |
| 2042 | 4.61%        | 4.61%  | 4.61%    | 4.61% | 4.61%        | 4.61%    |
| 2043 | 4.55%        | 4.55%  | 4.55%    | 4.55% | 4.55%        | 4.55%    |

# About MMEHT Plan Updates



- 1/1/2022 Valuation Date
- 1/1/2023 Measurement Date
- Applies to either 6/30/2023 or 12/31/2023 Reporting Date
- Amendments that occur after 12/31/2022 are required to be valued and possibly disclosed, if significant. No significant plan amendments.
- Actual Impact is reflected in 12/31/2023 measurement date and recognized in the 12/31/2024 financials

Including:

- Tracking of deferred inflows and outflows
- Sensitivity of obligations due to a change in discount and change in trends
- Assumptions
- Census summaries
- Plan provisions

**In Summary** – a complete and thorough report to enable your auditors to have all that is needed!

# Disclaimer



*This analysis was prepared exclusively for MMEHT for educational purposes of understanding the accounting standards under GASB 75.*

*This analysis has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practices set out by the Actuarial Standards Board. Furthermore, as a credentialed actuary, I meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report.*

*To the extent any legal issues are involved in any determinations, we recommend you consult appropriate counsel regarding contractual and legal issues identified in this presentation. We are not attorneys and our firm does not provide any legal services or advice.*

*This analysis was prepared exclusively for MMEHT for the purposes as stated above. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.*

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