

Policy No.: 6045

Board Approved: April 18, 2017

Revised:

GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions

The Board of Trustees approved fully funding the OPEB liability in FY17, and hereafter will review every two years following the most recent actuarial study.

The following background information was submitted to the Board of Trustees along with the proposed policy.

GASB 75, which replaces Statement 45, no longer allows for amortization of the Other Post-Employment Benefits (OPEB) liability over 20 years. (For HCC, Other Post-Employment Benefits (OPEB) includes health care benefits including the retiree portion of plans that cover both active employees and retirees.) The College is required to recognize the full expense and corresponding liability according to the most recent actuarial study, and can choose to keep the additional liability as unfunded on the balance sheet, or fully fund the trust.