Odyssey ADVISORS

OPEB Accounting - What's Changing?

	GASB 45	GASB 74	GASB 75
Effective Date	Already In Place	Fiscal Years Beginning After June 15, 2016	Fiscal Years Beginning After June 15, 2017
Actuarial Cost Method	Multiple Permissible Actual Cost Methods	Entry Age Normal Cost Method Required	
Valuation Date	Not More Than 24 Months Prior to the Beginning of the Biennial or Triennial Valuation Cycle	No More Than 24 Months Prior to Fiscal Year-End	No More Than 30 Months and 1 Day Prior to Fiscal Year-End
Valuation Frequency	Once Every 2 Years For Employers With More Than 200 Covered Participants. Once Every 3 Years For Employers With Less Than 200 Covered Participants.	Once Every 2 Years Regardless Of Size	
Alternative Measurement Method	Available For Plans With Fewer Than 100 Participants		
Discount Rate	Set By Actuary In Conjunction With The Plan Auditor	Single Equivalent Discount Rate: A Blended Rate Based On Plan Assets, Funding Policy and Investment Policy to the Extent That Plan Is Funded & A 20 Year Tax-Free Municipal Bond Index Rate For Unfunded Periods	
Net OPEB Obligation (Total OPEB Liability)	Accrued Normal Cost & Amortization Payment Less Benefit Payments	Net OPEB Obligation Replaced By "Net OPEB Liability" (Total Current Liability Less Plan Assets) or the Unfunded OPEB Liability	
Recognition of Changes in Liability	Changes Amortized In Gains/Losses Over A Period of 30 Years or Less	Investment Gains & Losses Are Phased In Over 5 Years While Changes In Liability Due to Experience & Assumption Changes Are Phased In Over The Average Remaining Lifetime of the Population	
Implicit Subsidy	Community Rated Plans Not Required to Recognize An Implicit Subsidy	All Plan Types Must Recognize An Implicit Subsidy	

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