

OPEB Committee Meeting (Teleconference)

Thursday, April 10, 2025; 11:00 am – 12:00 pm; via TEAMS

Goals:

- I. Selection of the Technical Advisor and Actuary for the 06.30.2025 reporting period report
- II. Establish the evaluation timeline allowing for report finalization by 8/31/25 as requested by the State Controller for purposes of finalizing the ACFR

I. Actuary Recommendation and Selection:

In keeping with statute, the Committee designates either the actuary for the State Health Plan or the actuary for the Retirement Systems Division. Historically, since this is a valuation of a health benefit, the Committee has selected the actuary for the State Health Plan. The Health Plan has a contract with The Segal Company (Segal) that includes the option of conducting the OPEB valuation. The contract outlines Segal's valuation process, methodology, and data requirements. The Segal contract also states that the GASB 74 report will be completed at the earlier of August 31st or 60 days within receipt of the required data.

Last year's review process provided sufficient time for the Committee and Working Group to review drafts of the selected assumptions and OPEB valuation. The Group would like to continue this year with a similar process in order to have ample review time and complete the OPEB report in a timely fashion.

The cost to the State Health Plan for Segal to complete the GASB 74 and 75 reports last year was \$105,000 which will slightly increase this year to \$110,000.

MOTION – Accept the staff recommendation to select The Segal Company to perform the OPEB valuation process for the period ending 06.30.25.

II. Timeline Recommendation:

Definition:

The “Working Group” consists of Subject Matter Experts from OSC, OSBM, and DST with extensive GASB, financial, or actuarial knowledge. The purpose of the “Working Group” is to provide feedback to the selected Actuary regarding draft reports or presentations prior to presentation to the OPEB Committee. Below is a proposed timeline with highlighted dates pertinent to the OPEB Committee.

Proposed 2025 Process and High Level Timeline

- 4/10/25 – OPEB Committee selection of Technical Advisor and Actuary
- 5/21/25 – “Working Group” reviews recommended assumptions for reasonability and changes from prior year.
- 5/30/25 – OPEB Committee and Actuary finalize timeline and review reporting assumptions including: discount rate, trend rate, inflation rate and payroll growth.
- 8/7/25 – Financial Operations Division (DST) provides final FYE RHBT Financial Statements to Actuary.
- 8/12/25 – “Working Group” receives DRAFT GASB 74 Report from Actuary.
- 8/15/25 – Actuary presents DRAFT GASB 74 Report to “Working Group.”
- 8/20/25 – “Working Group” submits Report and Presentation revisions.
- 8/27/25 – Actuary presents FINAL GASB 74 Report and Presentation to OPEB Committee. OPEB Committee votes to accept GASB 74 Report.
- 12/15/25 – Actuary provides draft GASB 75 Report and Allocation Tables
- 2/6/26* – FOD asks questions, clarifications, and comments regarding GASB 75 Report and Allocation Tables
- 2/20/26* – Actuary provides Final GASB 75 Report and Allocation Tables

* FOD is simultaneously verifying the GASB 75 Report and Allocation Tables as well as other Reports (i.e. DIPNC, TSERS, etc) for the ACFR from December to February. It could be possible that FOD provides feedback to the actuary prior to 2/6/2026 where FOD would expect a final GASB Report and Allocation Tables within 2 weeks of the final comments.

MOTION – Accept the staff recommendation of the Proposed 2025/26 Process and High Level Timeline for the 06.30.25 OPEB valuation process.