

Fund 692

Public School OPEB Trust Fund

Focus

In July 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions." This standard addresses how the school system should account for and report its costs related to post-employment health care and other non-pension benefits, such as the program subsidizing the cost of health benefit coverage and premiums for eligible retirees and their surviving spouses.

Program participants may continue medical coverage by paying the appropriate subsidized premiums. Subsidies range from \$15 to \$175 per month (explicit subsidy), based on years of service and the retirement plan under which the retiree is covered. In addition, FCPS subsidizes the premium rates paid by the retirees by allowing them to participate in the medical plans at the reduced or blended group premium rates for both active and retired employees (implicit subsidy). These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the program on average than those of active employees. GASB 45 requires that FCPS calculate and include the liability for this implicit subsidy.

This program is accounted for in the School Other Post-Employment Benefits (OPEB) Trust Fund, a single-employer defined other post-employment benefits plan established by the School Board in FY 2008. This fund is used as a mechanism to accumulate and invest assets to fund the school system's health benefit subsidies and to make progress towards reducing the unfunded actuarial accrued liability (UAAL) under GASB 45.

FCPS actuarial data was unavailable before the printing of this volume. Actuarial information will be included in the FY 2010 Adopted Budget Plan.

Fund 692

Public School OPEB Trust Fund

FUND STATEMENT

Fund Type G60, Trust Funds

Fund 692, Public School OPEB Trust Fund

	FY 2008 Actual	FY 2009 Adopted Budget Plan	FY 2009 Revised Budget Plan ¹	FY 2010 Superintendent's Proposed
Beginning Balance	\$0	\$0	\$7,995,517	\$7,995,517
Revenue:				
Employer Contribution	\$26,115,364	\$0	\$0	\$0
Interest on Investment Income	517	0	0	0
Total Revenue	\$26,115,881	\$0	\$0	\$0
Transfer In:				
Health and Flexible Benefits Fund	\$0	\$0	\$0	\$0
School Operating Fund	0	0	0	0
Total Transfer In	0	0	0	0
Total Available	\$26,115,881	\$0	\$7,995,517	\$7,995,517
Expenditures ² :				
Benefits Paid	\$18,115,364	\$0	\$0	\$0
Administrative Expenses	5,000	0	0	0
Total Expenditures	\$18,120,364	\$0	\$0	\$0
Total Disbursements	\$18,120,364	\$0	\$0	\$0
Reserved Ending Balance	\$7,995,517	\$0	\$7,995,517	\$7,995,517

¹ The *FY 2009 Revised Budget Plan* reflects adjustments adopted by the Fairfax County School Board on November 17, 2008 during their *FY 2009 Midyear Review*. The Fairfax County School Board adjustments will be officially reflected in the County's *FY 2009 Third Quarter Review*, which will be acted upon by the Board of Supervisors on April 20, 2009.

² It should be noted that FY 2008 actual revenues and expenditures were received in and paid from Fund 591, School Health Benefits Trust, but are displayed in Fund 691 for accounting purposes. FCPS is still in the process of moving activities related to other post-employment benefits and budgeting for these activities in Fund 691.