



State of Louisiana
Division of Administration
Office of Statewide Reporting and Accounting Policy

May 10, 2012

OSRAP MEMORANDUM 12-21

TO: Fiscal Officers
Non-ISIS Entities

FROM: Afranie Adomako, CPA
Director

SUBJECT: Governmental Accounting Standards Board (GASB) Statement 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*

GASB Statement 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, amends certain sections of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, to allow an agent employer with an individual-employer Other Postemployment Benefits (OPEB) plan with fewer than 100 total plan members to use the alternative measurement method (discussed in paragraphs 33-35 of Statement 45) in lieu of obtaining an actuarial valuation for financial reporting purposes, regardless of the number of total plan members in the agent multiple-employer OPEB plan in which it participates. In conjunction with this change, it amends the requirement in Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, that a defined benefit OPEB plan obtain an actuarial valuation. The amendment permits the requirement to be satisfied for an agent multiple-employer OPEB plan that reports an aggregation of results of actuarial valuations of the individual-employer OPEB plans or measurements that result from the use of the alternative measurement method for individual-employer OPEB plans that are eligible.

In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers, those measures should be determined as of a common date and at a minimum frequency to satisfy the agent multiple-employer OPEB plan's financial reporting requirements.

This Statement allows more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting; however, it is not necessary for entities that participate in the Office of Group Benefits (OGB) health care plan to use this alternative method because OGB provides an annual OPEB actuarial valuation, which includes all the participating entities reported in the Louisiana Comprehensive Annual Financial Report. OGB's GASB 45 OPEB Valuation Report as of July 1, 2011 (to be used for fiscal year

OSRAP Memo 12-21

Page 2 of 2

May 10, 2012

ending June 30, 2012) should be available on Office of Statewide Reporting and Accounting Policy's website by July 2012.

The provisions of this Statement related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011. If you have any questions please contact Deborah Zundel at 225-342-0710.

AA:dz