Why prefund your OPEB obligations with the OPEB Solutions Program?

- Diversification of trust assets can result in a greater rate of return, which in turn can lower your school district’s liability.
- Rule of thumb — For every 1% increase in investment returns, your school district’s liability will be lowered about 10-12%.
- GASB 75 compliant — GASB Statement 75 requires net OPEB liability to be placed directly on your school district’s balance sheet similar to net pension liability as required by GASB 68.
- Assets in the trust address your school district’s liability on its financial statements.
- Credit rating agencies may look more favorably on school districts that prefund into an OPEB trust.
- School districts with a lower liability have a better chance to retain retiree medical benefits.
- School districts can make contributions to the trust at any time and are not obligated to contribute regularly.
- School districts can access funds in the trust at any time to pay current OPEB costs, including annual “Pay-Go” pay-as-you-go costs.
- Prefunding into a compliant trust is considered “best practice” by the Government Finance Officers Association (GFOA).
**Additional features of the OPEB Solutions Program:**

- **PARS & CSBA make it easy** — Comprehensive, hands-on, turn-key services that include consulting, marketing, record-keeping, reporting, compliance, trustee/custodian services, design, implementation, ongoing administration and coordination of investment management.

- **Multiple-employer trust structure** that brings investment and administrative **economies of scale** of large provider with no risk sharing or set-up costs.

- **Legally vetted program** with exclusive favorable **IRS Private Letter Ruling**.

- **Full flexibility and local control** over investment options, including both discretionary and directed trustee approaches.

- **Signature-ready documents** that enable a fast, streamlined implementation process.

- **Hands-on, dedicated service** team support from PARS and U.S. Bank (one of the nation’s largest OPEB trustees).

- **Unique design** — The trust can also accommodate contributions to address pension liabilities under GASB 68, (sub-accounted for separately, saving the time and expense of a separate trust for pension obligation prefunding).

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**For more information please contact:**

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