



Brian P. Kemp, Governor

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To: Financial Directors  
Employers (Payroll Locations of the State Health Benefit Plan)

From: Terry Conrad, Comptroller

Subject: GASB 75 Financial Reporting Requirements

This memo is to inform you of the GASB 75 accounting standards that will impact the way Other Post-Employment Benefit (OPEB) plans are reported. The Department of Community Health (DCH) administers the two State of Georgia OPEB Plans - the State OPEB Fund for state organizations, technical colleges, community service boards and public health departments; and the School OPEB Fund for local school systems, libraries, and regional educational service agencies. This standard will result in the recognition of liabilities that have always existed but are now required to be reported in the financial statements of each cost-sharing employer which includes your organization.

The Governmental Accounting Standards Board (GASB) issued two accounting and financial reporting standards, GASB 74 and GASB 75, in June 2015 for OPEB plans provided through state and local governments and their sponsoring employers. GASB Statement 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, impacts the OPEB plans at the administrative level and was effective for fiscal years beginning after June 15, 2016. This statement requires OPEB plans to disclose its net OPEB liability by calculating the difference between its total OPEB liability and its fiduciary net position (market value of net plan assets). This Statement also requires DCH to present more extensive note disclosures and supplementary information.

GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans other than Pension Plans* impacts the reporting for employers and was effective for fiscal years beginning after June 15, 2017. This statement requires cost-sharing employers, such as your organization, to record a liability and expense on your full accrual basis financial statements equal to your proportionate share of the net OPEB liability and expense for the cost-sharing plan. This statement further requires employers to present more extensive note disclosures, including descriptive information about the types of benefits provided, how contributions to the OPEB plan are determined, and assumptions and methods used to calculate the total OPEB liability. Employers must also present required supplementary information schedules for their proportionate share of the net OPEB liability and for their contractually required contributions.



Because DCH administers the OPEB plans, we have provided all of this information for each employer including the calculation of your share of the net OPEB liability, as well as any additional information necessary to assist you in preparing journal entries and note disclosures required under GASB Statement 75 for fiscal year 2022. Provided below are instructions to assist you in accessing your individual employer information.

- Employer packets for **Individual Employer Required Disclosures and Supplementary Information** are located on the State Health Repository Tool (SHRT) portal where employers access their monthly premium billing reports. Boards of Education (BOE), Libraries and select state organizations that prepare their own stand-alone financial statements will be required to record their share of the OPEB liability, contributions, deferred inflows and deferred outflows which will be included in the employer packets and can be found on the last page of the report in journal entry format. BOE employers will receive only one employer packet going forward, which will contain combined amounts for certified and non-certified payroll locations. For organizations that do not prepare their own stand-alone financial statements, the State Accounting Office (SAO) will record OPEB liabilities on your behalf. Other supplemental information in the packet is used in conjunction with the Note Disclosure template referenced below. Additionally, packets will be emailed to the contact we have on file, for all organizations that prepare their own stand-alone financial statements.

*(Note- Contract payroll locations including critical access hospitals and healthcare centers, school board members and certain retiree payroll locations are excluded)*

- For Note Disclosures, a template will be included in the email with this memo, but also please refer to our website at <https://shbp.georgia.gov/employer-opeb-gasb>. Here you will find two templates – the **State OPEB Fund Note Disclosure** and the **School OPEB Fund Note Disclosure** which will assist organizations that prepare their own stand-alone financial statements. This template does not include dollar amounts. Actual amounts can be found in the Individual Employer Required Disclosures and Supplementary Information packets. You will need to insert your amount in your note disclosure. For questions regarding the Employer Packets or Note Disclosures, contact me at [terry.conrad@dch.ga.gov](mailto:terry.conrad@dch.ga.gov) or 404-463-0132.
- Please refer to the GASB website at <https://www.gasb.org/> for additional information and resources about these two GASB statements.