

Maine Municipal Employees Health Trust



GASB 75 Accounting for Retiree Medical Benefits



August 2024
Prepared for MMEHT
Participating Entities

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- Key GASB Concepts
- How to Access your GASB Portal
 - And Share with your Auditors
- Changes in Assumptions this Year
- Overview of Report Contents



Terms commonly used include:

- **GASB 75**, or Governmental Accounting Standards Board Statement No. 75. This is the accounting standard that impacts requirements for the audited financial statements of public entities. No. 75 focuses on OPEB benefits.
 - Regardless of size of entity and regardless of community rating or pooled or blended rates
- **OPEB**, or Other Postretirement Employment Benefits, refers to retiree medical health coverage. Retiree medical is offered through participation in the health benefits program.

GASB 75 Reporting Cycle



- 2023 was the fifth year GASB 75 applied. 2024 is the sixth year of GASB 75.
- GASB 75 requires:
 - ✓ **Full** actuarial valuations every two (2) years and
 - ✓ **Roll-forward** valuations in between
- This year is a full valuation year.
- Next year will be a roll forward valuation year.



2024 Full Valuation

- By person census
- Claims by age
- All assumptions studied



2025 Roll-forward

- Same census
- Same claims and plan
- **Updated discount rate**

GASB 75 Two (2) Year Cycle

How to Access Your GASB Reports



1. Each MMEHT participating entity will be invited to the portal via email.
Watch for an email from Webmaster@Cheiron.us!
2. Login and share access to the portal with your auditor or others that are involved with GASB 75.
3. Email the MMEHT at GASB75@memun.org with any questions if you do not receive your login invitation!

How to Access GASB 75 Reports



Watch for your GASB 75 Email Invitation

- From **Webmaster@Cheiron.us**
- **Week starting August 19, 2024**

Step 1: Set your Password

Step 2: Verify your Email

Step 3: Login to the Portal

**Step 4: Download your
GASB 75 Report**

**Step 5: Share with your
auditor!**

Dear MMEHT participating employer,

As the actuary for the Maine Municipal Employees Health Trust, we are pleased to provide you with your 2024 GASB 75 actuarial valuation reports.

Your account has been set up so that you may access the GASB 75 actuarial valuation report prepared for your organization, as well as the supporting census documentation. Below is your username and a link to set up your password.

Your username is your email address: mdomash@cheiron.us

Please click on this link to set up your password
<https://mma.cheiron.us/login/reset/1/RluSeb2Ascna>

For security reasons, an additional verification process has been added. You will be asked to verify your email address when logging into the portal for the first time. The verification process is straightforward and simple. A verification email will be sent to you when you first set up your password. You will be asked to click on a link in the notification email in order to complete your sign-up and gain access to the portal.

Once you have access, the portal allows you to share the reports with your auditor in a secure manner. After signing in, you may choose to provide your auditors with access to the portal and the report by clicking on the "Share this page with your auditor" button and entering their email.

If you have questions, or if you have trouble accessing your account, please contact the Health Trust at GASB75@memun.org. Questions regarding the contents of your report should be directed to your auditor. Thank you.

Step 1: Log in and Set Your Password



- Your first step is to set your password.
- Passwords must be at least eight characters long, contain at least one uppercase letter, one lowercase letter, and one numeral.



Welcome to the 2024 MMEHT GASB
75 Portal!

Your username is klala@cheiron.us.
Please set your password below to
login.

*Passwords must be at least eight characters long, contain at least one
uppercase letter, one lowercase letter, and one numeral

New Password

Retype Password

Set Password



Step 2: Verify Your Email



- After Setting your password, please verify your email.



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Your Password Has Been Set



**Next, Please Check Your Email To Verify Your
Email Address**

In order to log in to your account, you must confirm your email address. To do this an email is being sent now to you. Please open the email and click on the link. You will then be automatically brought back to the portal site.

Step 2: Verify Your Email



- Watch for another email from Webmaster@Cheiron.us!
- Click on the link in the email.
- If you receive a verify email message but haven't set up a password, do not click on the link and email GASB75@memun.org immediately.

Dear MMEHT participating employer,

To complete your sign up, please verify your email by clicking on the link below.
<https://mma.cheiron.us/login/verify/1/WXfVxe0eLp0bi5HotLFcl2>

If you did not sign up, or if you have trouble accessing your account, please contact the Health Trust at GASB75@memun.org. Questions regarding the contents of your report should be directed to your auditor. Thank you.

Step 3: Log into the GASB Portal



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GASB 75 Reports Portal

Thank you for verifying your email address. You may now log in.

Email

Password

[Forgot Password?](#)

[Sign in](#)



Step 4: Select and Download Reports



Multiple reports for one user:



Sign out



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GASB 75 Reports Dashboard

There are multiple reports shared with you. Please access the reports from the table below.

Report Group #	Action
101010	View Report
101011	View Report
101012	View Report

Step 4: Select and Download Reports



Sign out



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GASB 75 Reports Dashboard

[View All Reports](#)

Viewing Report: 10101

Share this page with your auditor

GASB 75 Reports for Year: 2024

GroupID: 10101



View the report in your browser

[View Report](#)



Download the report to your device

[Download Report](#)



Does your auditor need census file extracts?

[Download Data](#)



Step 5: Share Reports With Auditor



- Click on the gold “Share this page...” button
- Enter one email at a time and click share
- The recipient will receive a link to access the report
- For security, the share access automatically expires

Share Reports

If a share authorization has expired, but the auditor needs access again, please enter the auditor's email again below and click share. You can also share with multiple email addresses if needed.

Email Shared	Expires	Last Accessed	
klala@cheiron.us	2024-10-31	Not Accessed	Delete

Enter Auditors Email [Share](#)

[View All Reports](#)

Viewing Report: 10101

Share this page with your auditor

GASB 75 Reports for Year: 2024 GroupID: 10101

PDF

View the report in your browser

[View Report](#)

PDF

Download the report to your device

[Download Report](#)

Excel

Does your auditor need census file extracts?

[Download Data](#)



This section reviews key assumptions that were updated with the 2024 full valuation.

- GASB 75 Discount Rate
- Claims Costs
- Health Care Trends

Each report is a full report and contains more detailed information that the auditors will need.

Discount Rate for each GASB 75



- **GASB 75** defined the discount rate, which is used to convert year by year projected costs to a single sum present value at the measurement date.

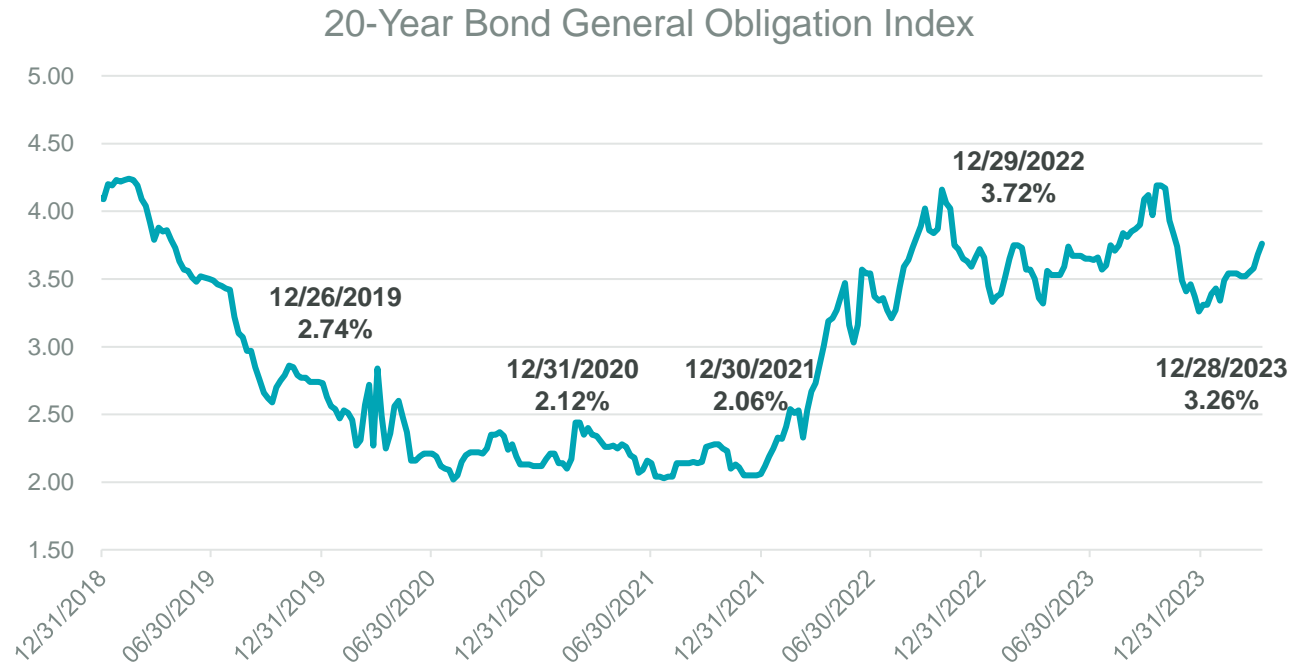


- **Definition of Discount Rate** - A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), for plans with no prefunding solely for retiree medical.

20 Year Tax-Exempt Bond Rates



- **Discount rate:** Single annual rate equal to 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa.



- December 31, 2023, rate: **3.26%** per annum.
 - Decrease of 46 basis points from December 31, 2022 rate of 3.72%

Claims Costs



- Reflect all medical and prescription plans offered based upon completed incurred experience through June 30, 2023 and projected to 2024, and associated enrollment in the various program options offered
- Claims curves reflect impact of aging



Trend Assumption – Getzen Model



- Modified to reflect lower long-term inflation
- Initial trends updated reflecting current expectations
- Ultimate trends were decreased from:
 - 4.55% to 3.81% per annum

FYE	Non-Medicare		Medicare		Non-Medicare Blended	Medicare Blended
	Medical	Drug	Medical	Drug		
2024	6.50%	11.82%	9.65%	11.15%	7.72%	10.77%
2025	6.25%	11.00%	9.00%	10.00%	7.38%	9.75%
2026	6.00%	10.00%	8.50%	9.00%	6.99%	8.87%
2027	5.75%	9.00%	8.00%	8.00%	6.57%	8.00%
2028	5.62%	8.33%	7.49%	7.49%	6.32%	7.49%
2029	5.49%	7.65%	6.99%	6.99%	6.06%	6.99%
2030	5.35%	6.98%	6.48%	6.48%	5.79%	6.48%
2031	5.22%	6.30%	5.97%	5.97%	5.51%	5.97%
2032	5.09%	5.63%	5.46%	5.46%	5.24%	5.46%
2033	4.96%	4.96%	4.96%	4.96%	4.96%	4.96%
2034	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%
2035	4.38%	4.38%	4.38%	4.38%	4.38%	4.38%
2036	4.23%	4.23%	4.23%	4.23%	4.23%	4.23%
2037	4.15%	4.15%	4.15%	4.15%	4.15%	4.15%
2038	4.09%	4.09%	4.09%	4.09%	4.09%	4.09%
2039	4.05%	4.05%	4.05%	4.05%	4.05%	4.05%
2040	4.02%	4.02%	4.02%	4.02%	4.02%	4.02%
2041	3.99%	3.99%	3.99%	3.99%	3.99%	3.99%
2042	3.97%	3.97%	3.97%	3.97%	3.97%	3.97%
2043	3.89%	3.89%	3.89%	3.89%	3.89%	3.89%
2044	3.81%	3.81%	3.81%	3.81%	3.81%	3.81%

About MMEHT Plan Updates



- 1/1/2024 Valuation Date
- 1/1/2024 Measurement Date
- Applies to either 6/30/2024 or 12/31/2024 Reporting Date
- Amendments that occur after 12/31/2023 are required to be valued and possibly disclosed, if significant. No significant plan amendments.
 - This includes the update in life insurance for retirees to \$3,000 effective April 1, 2024. This update is not significant and will be included in future valuations.
- Actual Impact is reflected in 12/31/2024 measurement date and recognized in the 6/30/2025 or 12/31/2025 financials

Including:

- Tracking of deferred inflows and outflows
- Sensitivity of obligations due to a change in discount and change in trends
- Assumptions
- Census summaries
- Plan provisions

In Summary – a complete and thorough report to enable your auditors to have all that is needed!

Disclaimer



This analysis was prepared exclusively for MMEHT or educational purposes of understanding the accounting standards under GASB 75.

This analysis has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practices set out by the Actuarial Standards Board. Furthermore, as a credentialed actuary, I meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report.

To the extent any legal issues are involved in any determinations, we recommend you consult appropriate counsel regarding contractual and legal issues identified in this presentation. We are not attorneys, and our firm does not provide any legal services or advice.

This analysis was prepared exclusively for MMEHT for the purposes as stated above. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

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