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Thank you for considering Nyhart for your GASB 45 actuarial needs. We have been providing GASB 45 services to governmental entities across Iowa since 2008 and are a preferred vendor through the Iowa State Association of Counties (ISAC) and the Iowa Public Agency Investment Trust (IPAIT). We have the right experience, tools, and consultants to effectively manage your Other Post-Employment Benefit (OPEB) reporting obligations. At Nyhart, we take pride in being able to solve complex problems in a cost efficient and timely manner with little or no hassle to our clients. We believe the benefits you will receive by selecting Nyhart include the following:

- **State/Local Experience.** Nyhart works with over 50 counties, cities, towns, hospitals, and utilities in Iowa.
- **National Perspective.** Nyhart has more than 300 GASB clients around the United States. Our clients include six state capitals, the State of Indiana, five universities and colleges, 40 school districts, and over 150 cities, towns, and counties.
- **Dedicated Team.** You and your team will have direct access to a team of professionals who know your postretirement benefit plan design. We have 15 credentials actuaries and over 10 actuarial analysts on staff that are able to assist you.
- **Technology & Education.** Nyhart invests annually in technology to ensure effective, timely service and administration. From having the newest tools, to responding to your needs, to continually training our administration, consulting and legal staffs, we stay ahead of the issues so that we confidently can handle or assist you with any benefit issues that arise.

About Nyhart

Nyhart is an employee benefit consulting, actuarial, and administration firm that has been in business since 1943. We are 100% employee owned, a unique factor that makes the success of our clients personally important to every one of our employee-owners.

We provide actuarial services, consulting and administrative services for defined contribution and defined benefit plans, consulting and administrative services for Flexible Spending Accounts (FSA), Health Reimbursement Arrangements (HRA), Health Savings Accounts (HSA) and COBRA, as well as human resource consulting to more than 1,000 clients in 48 states. Headquartered in Indianapolis, IN, we have 86 employees with offices in Chicago, Kansas City, Atlanta and St. Louis.

In 2009, our Company was selected as a “Company to Watch” by the Indiana Economic Development Corporation. We have also been chosen a “Best Places to Work” company in 2009, 2010, and 2011.

Visit www.nyhart.com for more information on our firm and other services provided.

Professional Credentials and Experience

Nyhart has the appropriate credentials and experience to help you complete your GASB 45 disclosures. Some highlights include:

- Proper qualifications to issue Public Statements of Actuarial Opinion (PSAO) in accordance with the Qualification Standards of the American Academy of Actuaries
- Services conform to Actuarial Standards of Practice, Actuarial Code of Professional Conduct, and Government Account Standards Board Statements 43 and 45
- Credentialed actuaries that are Members of the American Academy of Actuaries and Society of Actuaries with a combined 30+ years of actuarial experience

What are GASB 45 and OPEB?

GASB 45 is a governmental financial reporting requirement for all state and local governments, universities, hospitals, public utilities, and school districts that sponsor post-employment benefits. These benefits include medical, dental, vision, life insurance, and disability. In certain circumstances, sick leave credits should also be included in GASB 45.

“OPEB”, or Other Post-Employment Benefits, are the post-employment benefits just mentioned that an employee begins receiving at retirement. It is these benefits that are provided to retirees that generates a GASB 45 liability. It is important to note that OPEB does not include benefits paid through pensions or severance, as those benefits are covered under GASB 16, 27, and/or 47.

Why do we have an OPEB liability?

In most cases, retirees are paying the same premiums as active employees. Because of the inherently higher cost of health care coverage for retirees, the premiums being charged to retirees are not sufficient to cover the actual cost of coverage. In most cases, this cost can be two or three times more than the cost to cover your younger, active employees. This higher cost creates an implicit subsidy. An implicit rate subsidy is the GASB 45 liability created when retirees do not pay the true cost of their health care coverage. What is the true cost of retiree health care coverage? The cost will vary depending on your plans’ experience and current demographic, however in almost all cases, the cost of retiree health care coverage is greater than the premium being charged to your retirees.

Explicit subsidies are created when you offer your employees health care benefits on a post-employment basis. Examples of subsidies include paying for a portion of health premiums, offering to convert sick leave credits to health premiums, paying for life insurance premiums, etc. Paying for these benefits also creates an OPEB liability.

How do I comply with GASB 45?

Depending on the size of your entity, GASB 45 regulations provide options for your reporting obligations. If your plan has 200 plan members or more, you are required to complete a full actuarial valuation biennially. With less than 200 plan members, full actuarial valuations are required triennially. If your entity has less than 100 plan members, the Alternative Measurement Method (AMM) can be utilized. This is a simplified version of a GASB 45 valuation that uses pre-determined assumptions as prescribed by the regulation.

GASB 45 Services

Nyhart will provide services required to comply with GASB 45 reporting obligations on a fixed fee basis. Our services include:

- Determination of the actuarial accrued liability (AAL), annual OPEB cost (AOC), net OPEB obligation (NOO), and annual required contribution (ARC). Multi-year projections of pay-as-you-go costs are also provided
- Preparation of comprehensive GASB 45 disclosure report
- Conference calls and on-site meetings to review preliminary and final results
- Electronic and paper copies of reports
- Discussions with auditors as required

Please contact us for a fee quote. Our fees are based on current membership in your health plan and complexity of benefits being offered.

GASB 45 Process

Our goal with GASB 45 clients is to alleviate you of as much responsibility as possible – when we are done with the project, we want you to say “That was easy.” We commit to upholding a level of service that exceeds your expectations from the moment we begin working with you.

Below is a sample GASB 45 project timeline, however we will work on your schedule and our turnaround times can be modified to meet your needs as necessary:

Step	Milestone	Responsibility	Estimated Timeline
1	Planning	Client & Nyhart	1 st Week
2	Data collection	Client	1 st Week
3	Perform actuarial calculations	Nyhart	2 nd Week
4	Release of preliminary report	Nyhart	3 rd Week
5	Discuss results	Client & Nyhart	3 rd Week
6	Release final report	Nyhart	4 th Week

Total: 4 - 6 Weeks

Contact Us

For more information about this flyer or if you would like to discuss your GASB 45 reporting obligations, please contact Randy Gomez or Suraj Datta:

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