# Davis County OPEB

(Other Post Employment Benefits)



# What is OPEB?

## #170 Early Retirement Benefits

Requirements:

- Must be an employee or an elected officials receiving health insurance.
- Eligible to retire under Utah Retirement System (URS) regulations.
- At least eight (8) years of total employment experience with Davis County.

Benefit:

- County will pay, for a maximum of five (5) years, a percentage of the health insurance premium/Medicare Supplement premium cost that is five (5) percent less than the percentage paid for active employees/elected officials.
- The retiree must pay the balance.
- Public Employees Health Plan (PEHP) charges retirees an additional amount (currently approximately 35 percent of total premium cost) beginning eighteen (18) months after retirement. This cost increase is paid by the retiree.
- Employee/spouse moved to the Medicare Supplement Plan when they turn 65 years of age.
- Employees with 10+ years can use 1/3 of accrued sick leave balance on deposit with the County to pay for premiums.

# What Does it Cost?

**That depends.....**

- How many employees remain with the County until they reach retirement qualifications.
- The future cost of insurance.
- What the County continues to offer as the benefit.

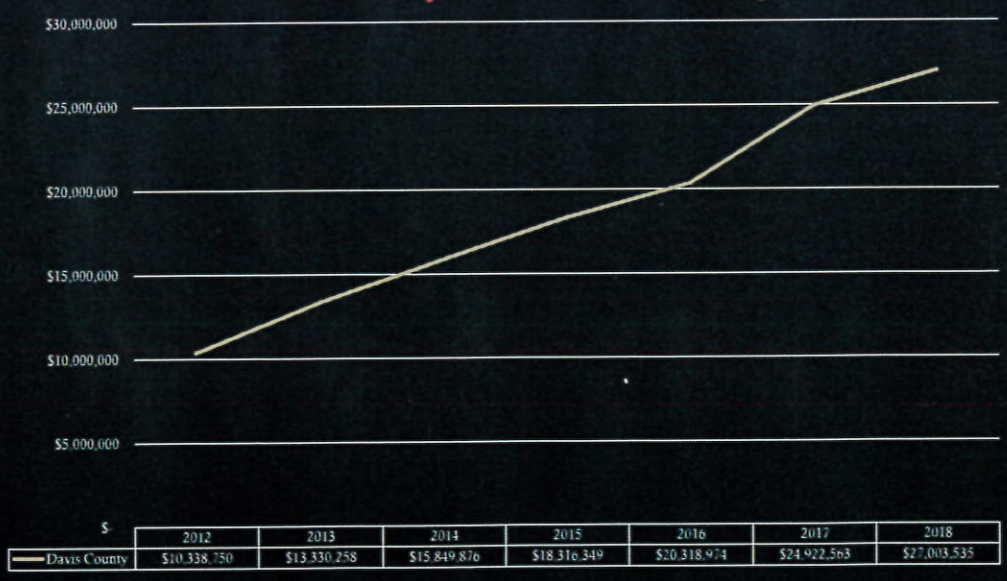
**Utilization**

- The last actuarial study showed 981 current employees eligible for the benefit
- 78 retired participants and 44 spouses utilizing the benefit.

**Current Liability**

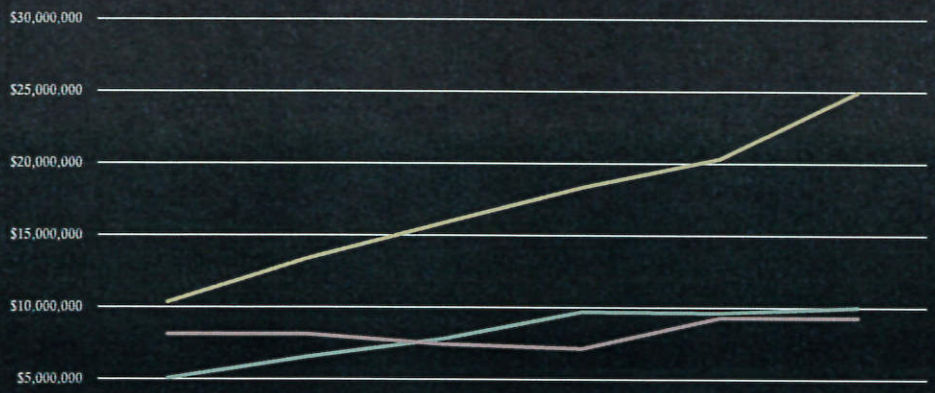
- The 2018 reported cost is $27,003,535.
- This is up $2,760,818 or 11.1% over the prior reporting year.

# Historically This Look Like



# Compared to Other Counties

## Net OPEB Liability Compared to Other Counties




| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|---|
| Davis County | $10,338,750 | $13,330,258 | $15,849,876 | $18,316,349 | $20,318,974 | $24,922,563 |
| Weber County | $5,056,857 | $6,521,017 | $7,806,413 | $9,682,667 | $9,634,249 | $10,007,832 |
| Utah County | $8,109,304 | $8,105,722 | $7,413,792 | $7,128,053 | $9,283,179 | $9,283,179 |

# Compared to Other Counties

**Davis County:**

- At least eight (8) years of total employment experience with Davis County.
- Up to 5 years of health insurance.
- Coverage after 65 shifts to Medicare with County paying portion.
- Pay the current employee rate +5%.

---

**Utah County:**

- Eligible once employee has served the County for 30/20 years.
- No coverage after 65.
- Has a surviving spouse benefit.

**Weber County:**

- Eligible once employee has served the County for 10 consecutive years immediately prior to retirement.
- Up to 5 years of health insurance.
- No coverage after 65.
- County contribution fixed at time of retirement.

**Washington County:**

- No OPEB offered beyond URS pension.

**Salt Lake County:**

- No OPEB offered beyond URS pension beginning in 2012.
- Have established a trust to offset the existing liability of $111.12 M in 2017

# So How Do We Pay For This?

There are three lines of thought:

- Pay as you go. (This is what Davis County has done.)
- Set money aside to fund the annual required contribution (ARC) so the County can pay it when it comes due in the future.
- A combination of both.