

Post-Retirement Health Accrual Policy

California State University, Dominguez Hills Foundation

PURPOSE

The purpose of this policy is to articulate how the California State University, Dominguez Hills Foundation accounts for its post-retirement health accrual required under GASB 45.

GASB 45, or GASB Statement 45, is an accounting and financial reporting provision requiring governmental employers to measure and report the liabilities associated with other (than pension) postemployment benefits (or OPEB). As a GASB reporting entity, this pronouncement applies to the Foundation and its post-retirement health program.

POLICY AND PROCEDURES

As required under GASB 45, the Foundation shall undergo actuarial valuations of its OPEB plan based upon the total membership within its plan:

<u>Total Membership*</u>	<u>Required Frequency</u>
200 or more	At least biennially (every 2nd year)
Fewer than 200	At least triennially (every 3rd year)

* *Total Membership* is the sum of the number of employees in active service, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and beneficiaries currently receiving benefits.

The Foundation shall charge all accounts that have employees eligible to receive benefits under this policy as a fixed percentage of actual payroll expenses charged. This fixed percentage shall be calculated as follows:

$$\text{Annual Required Contribution of Current Year} \div \text{Total Covered Payroll of Prior Year}$$

This fixed percentage shall be recalculated on an annual basis and updated on July 1st of each year, corresponding with the beginning of each new fiscal year for the Foundation.

The fixed percentage that is charged is intended to adequately cover the cost of providing post-retirement health benefits based on the third party actuarial study. It is the intent of this policy in recalculating the rate annually to accurately and correctly charge for accrued costs based upon actuarial standards.

Transfers of accrued post-retirement health expenses shall be made to the Auxiliary VEBA (Voluntary Employee Benefits Association) not less than on an annual basis, within six months of the close of the fiscal year, in accordance with § 200.431(G) of the 2 CFR 200: Uniform Guidance.