



Fund OPEB Liabilities

Using a Post-Employment Benefit Trust



Problem

Due to increases in health insurance costs, schools, cities, and counties who offer retiree health insurance are finding their plans unsustainable over the long term, and may be accumulating large unfunded OPEB (Other Post Employment Benefit) liabilities.

Solution

Instead of using the pay-as-you-go method, you can fund your OPEB liability by depositing funds into a Post-Employment Benefit Trust. In some instances, contributions to an OPEB Trust can qualify for additional state aid. This may increase the employer's financial sustainability.

How It Works

- Employer creates and funds an irrevocable employee benefit trust for post-employment liabilities

Advantages to Employer

- Fund segregation allows for reduction of OPEB liability (and may improve bond rating)
- In Wisconsin, employers receive increased categorical aid for OPEB contributions

Why Choose National Insurance Services?

- National Insurance Services (NIS) has extensive HRA expertise and experience since 2002
- NIS specializes in schools, cities, and counties
- Benefit sensitive withdrawal (can withdraw any amount necessary for benefits)
- Competitive fixed interest rate
- Variable investment lineup available

Rules and Restrictions

- Withdrawal restrictions
- Money can only be used for post-employment benefits