

ARTICLE 22: OPEB Trust Fund Appropriation



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Ms. Hartman moves to raise and appropriate \$1,387,565; and transfer \$21,431 from Water Fund, \$9,139 from Sewer Fund, \$10,410 from Swim & Fitness Fund, and \$39,306 from Broadband; for a total appropriation of \$1,467,851 to fund the Town's FY27 contribution to the Other Post-Employment Benefits Liability Trust Fund (OPEB Trust) established under Mass. Gen. Laws c. 32B, §20.



Other Post Employment Benefits

- Retiree benefits other than pension; i.e. health insurance
- 2005: Governmental Accounting Standards Board established Rule Nos 46/47
- 2015: GASB updated Rule Nos 74/75
- Replaced “pay-as-you-go” methodology
- Increased reporting requirements

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OPEB Trust Fund



- 2008: OPEB Trust Fund established by a Special Act of the Legislature
- 2020: OPEB Trust Fund reauthorized under M.G.L c. 32B, §20
- 2009-current: Annual contribution to the OPEB Trust Fund equal to the Actuarially Determined Contribution (ADC)



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Calculations

- OPEB Liability is valued by an actuary on an annual basis, as of Jan. 1
- As of 01/01/25, the liability was \$59M, of which 74.9% was funded
 - Unfunded = \$14.8M
 - Funded = \$44.2M
- Funding schedule assumes a 7% discount rate on June 30
- Fully amortized liability as of 2036
- Level payment methodology

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Fund	Amount
General	\$ 1,387,565
Light	\$ 0
Water	\$ 21,431
Sewer	\$ 9,139
Swim&Fitness	\$ 10,410
Broadband	\$ 39,306
Total:	\$ 1,467,851



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