# Note X: Annual other post-employment benefit cost and net OPEB obligations

***Note to preparer****: The OPEB note should go after the Pension Note.*

The state, through the Health Care Authority (HCA), administers a defined benefit other post-employment benefit (OPEB) plan that is not administered through a qualifying trust. The Public Employees Benefits Board (PEBB), created within the HCA, is authorized to design benefits and determine the terms and conditions of retired employee participation and coverage, including establishment of eligibility criteria. Benefits purchased by PEBB include medical, dental, life insurance and long-term disability insurance. (5).

Employers participating in the PEBB plan include the state of Washington (which includes general government agencies and higher education institutions), political subdivisions and tribal governments. Additionally, the PEBB plan is available to the retirees of K–12 school districts and ESDs. The District’s retirees are eligible to participate in the PEBB plan under this arrangement.

Eligibility

District members are eligible for retiree medical benefits after becoming eligible for service retirement pension benefits (either reduced or full pension benefits) under Plan 2 or 3 of TRS or SERS.

Former members who are entitled to a deferred vested pension benefit are not eligible to receive medical and life insurance benefits after pension benefit commencement. Survivors of covered members who die are eligible for medical benefits.

Medical Benefits

Upon retirement, members are permitted to receive medical benefits. Retirees pay the following monthly rates for pre-65 medical coverage for 2020.

(**Note to preparer**, charts to be updated yearly)

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| **Members not eligible for Medicare** |
| **(or enrolled in Part A only)** | **Type of Coverage** |
| **Descriptions** | **Employee** | **Employee & Spouse** | **Full Family** |
| Kaiser Permanente NW Classic | $715.66 | $1,426.75 | $1,959.20 |
| Kaiser Permanente NW CDHP | $608.85 | $1,206.99 | $1,611.85 |
| Kaiser Permanente WA Classic | $752.15 | $1,499.24 | $2,059.55 |
| Kaiser Permanente WA CDHP | $610.16 | $1,210.10 | $1,616.32 |
| Kaiser Permanente WA Sound Choice | $618.49 | $1,231.92 | $1,692.00 |
| Kaiser Permanente WA Value | $675.71 | $1,346.36 | $1,849.35 |
| UMP Classic | $679.72 | $1,354.37 | $1,860.37 |
| UMP CDHP | $608.35 | $1,206.48 | $1,611.34 |
| UMP Plus-Puget Sound High Value Network | $644.97 | $1,284.88 | $1,764.82 |
| UMP Plus-UW Medicine Accountable Care Network | $644.97 | $1,284.88 | $1,764.82 |
|  |
| Retirees enrolled in Medicare Parts A and B receive an explicit subsidy in the form of reduced premiums on Medicare supplemental plans. Retirees pay the following monthly rates. |
| **Members enrolled in Part A and B of Medicare** | **Type of Coverage** |
| **Descriptions** | **Employee** | **Employee& Spouse1** | **Full Family1** |
| Kaiser Permanente NW Senior Advantage | $173.01 | $342.75 | $875.70 |
| Kaiser Permanente WA Medicare Plan | $174.55 | $344.04 | N/A |
| Kaiser Permanente WA Classic | N/A | N/A | $904.36 |
| Kaiser Permanente WA Sound Choice | N/A | N/A | $804.11 |
| Kaiser Permanente WA Value | N/A | N/A | $847.03 |
| UMP Classic | $320.54 | $636.02 | $1,142.01 |
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| Note 1: Employee–Spouse and Full Family with two Medicare eligible subscribers. |

Funding Policy

The funding policy is based upon pay-as-you go financing.

The School Employee Benefits Board (SEBB) collects benefit premiums from all school district entities for covered employees. The premium includes a fee, established in state law. The purpose of this fee is to cover the impact of the subsidized rate of health care benefits for school retirees who elect to purchase their health care benefits through the state Health Care Authority PEBB plan. For the fiscal year 20XX–XY, SEBB was required to collect for the HCA $XX.XX per month per eligible employee to support the program. This amount is set forth in the state’s operating budget and is subject to change on an annual basis. This amount is not actuarially determined and is not placed in a trust to pay the obligations for post-employment health care benefits.

The District has no control over the benefits offered to retirees, the rates charged to retirees, nor the fee paid to the Health Care Authority. The District does not determine its annual required contribution, nor the net other post-employment benefit obligation associated with this plan.

These amounts are not shown on the financial statements.

For further information on the results of the actuarial valuation of the employer provided subsidies associated with the state’s PEBB plan, refer to the [Office of the State Actuary](https://leg.wa.gov/osa/additionalservices/Pages/OPEB.aspx).

The plan does not issue a separate report; however, additional information is included in the State of Washington Comprehensive Annual Financial Report, which is available on the [OFM](https://www.ofm.wa.gov/accounting/financial-audit-reports/comprehensive-annual-financial-report) website.