

OPEB and Compensated Absences (Comp Abs)

OPEB Overview

- Authoritative Literature: GASB Statements 43 & 45
- Policy: MOM 355, Section IV
- Definition
 - Other Post-Employment Benefits
 - Form of deferred compensation
 - Offered in exchange for services rendered
 - Recognized when services are rendered

OPEB – State of Montana

- Health Insurance (Pay-As-You-Go) Plan
 - Retirees may purchase health insurance along with current employees
 - Retirees pay 100% of the premiums (but not the entire cost of the benefits)

Accounting for Montana's OPEB

- This benefit creates an expense and a long-term liability (full amount is non-current)
 - The amount is determined by actuaries
 - The liability is unfunded and will never be paid by Montana
 - The entry is generated and posted by SAD every FYE
 - Universities record their own entries
- Proprietary funds
 - Because the state does not pay this expense, the amount should not be included in rates or working capital calculations

OPEB – Financial Statement Presentation

- Governmental funds:
 - Recorded in the general fund only
 - Only reported in the government-wide, full accrual, statements
 - Entitywide Ledger
- Proprietary funds:
 - Recorded in the respective funds
 - Reported in the government-wide statements and the proprietary fund statements (all full accrual)
 - Actuals Ledger

Comp Abs

- Authoritative Literature: GASB Statements 16 and 34
- Policy: MOM 340, section XIV
- Definition
 - Liabilities owed to employees for unused leave
 - Offered in exchange for services rendered
 - Recognized when services are rendered

Comp Abs – State of Montana

- This benefit creates an expense and a long-term liability (with current and non-current portions)
- The amount is calculated, using the employees' current pay rate, at:
 - 100% of vacation, non-exempt comp time and banked holidays
 - 25% of sick leave

Comp Abs – Entries

- Generated and posted by SAD every FYE
 - Previous year's entry is reversed
 - Universities record their own entries
- Agency requirements
 - May be contacted to provide SAD with current org information
 - Sub-classes are not required for this entry
 - The expense account is non-budgeted

Comp Abs – Entries (cont.)

- Current Portion (2625) – set to the amount of leave, as a whole, taken during the current year
- Non-current Portion (2605) – the total liability less the amount recorded as the current portion
 - Will be a debit balance if the current portion is greater than the total liability
- SAD will make any adjustments necessary to correct unusual balances for these accounts

Comp Abs – Financial Statement Presentation

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 - Reported in the government-wide statements and the proprietary fund statements (all full accrual)
 - Actuals Ledger

Contacts

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