

**IMPERIAL COMMUNITY COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)**

NOTE 12 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Imperial Community College District (District) administers a single-employer healthcare plan (Plan). For faculty members, the plan provides lifetime retiree health, dental, and vision benefits to eligible retirees and their dependents. Eligibility for retiree benefits requires retirement on or after a minimum age of 55 up to age 60 with at least fourteen years of eligible service. Retirement on or after age 61 up to age 64 requires age plus service to meet or exceed seventy-four while retirement on or after age 65 requires nine years of service. For faculty hired prior to July 1, 1983, retirement on or after age 55 requires only eight years of service.

For classified employees, the plan provides lifetime retiree health, dental, vision benefits to eligible retirees and their dependents. Eligibility for retiree benefits requires retirement on or after a minimum age of 50 with at least twelve years of eligible service. In addition, the retiree age plus years of service must be at least seventy to be eligible for retiree benefits. Lifetime benefits are provided for retirees and dependents with the exception of vision benefits which expire after the retiree reaches age 65. Membership of the plan consists of approximately 303 eligible active employees and 129 eligible retirees.

Contribution Information

The contribution requirements of Plan members and the District are established and amended by the District and the local California Service Employees Association (CSEA) for classified staff and the California Teachers Association (CTA) for faculty. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2012-13, the District contributed \$1,633,860 to the Plan, all of which was used for current premiums.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the District's annual OPEB cost of the year, the amount actually contributed to the plan and changes in the District's net obligation to the Plan:

| | |
|--|----------------------------|
| Annual required contribution | \$ 2,565,899 |
| Interest on net OPEB obligation | - |
| Adjustment to annual required contribution | - |
| Annual OPEB cost (expense) | <u>2,565,899</u> |
| Contribution made | <u>(1,633,860)</u> |
| Increase in net OPEB obligation | 932,039 |
| Net OPEB obligation, beginning of year | <u>7,996,569</u> |
| Net OPEB obligation, end of year | <u><u>\$ 8,928,608</u></u> |