



17-08

# EMPLOYER BULLETIN

## SUGGESTED DISCLOSURE FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS FOR GASB STATEMENT NUMBERS 24 & 45

May 2017

*Please forward a copy of this bulletin to the auditors of your financial statements and to your superintendent.*

### Overview

The following information covers your reporting requirements for Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The statement provides reporting requirements for postemployment benefits other than pensions such as health insurance.

The following information also covers your reporting requirements for GASB Statement No. 24, but only pertaining to postemployment benefits other than pensions. Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, provides reporting requirements for state contributions made on behalf of your TRS-covered employees. On behalf contributions from the state for pension benefits are [discussed in TRS Employer Bulletin 17-09](#).

This bulletin provides a suggested format for disclosure of employer contributions to the Teacher Health Insurance Security (THIS) Fund. When using the suggested format, please substitute your amounts where “\$xx,xxx” occurs. A new format for disclosure under GASB Statement No. 75, which replaces GASB Statement No. 45, will be provided for June 30, 2018 reporting.

### Questions about TRS or THIS Fund contributions

If you have questions, please contact the Accounting Department by calling (888) 877-0890, option 2 (*In June 2017, the Employer Services number will change to (888) 678-3675. Employers will be notified when the change is effective.*) or via email at [employers@trsil.org](mailto:employers@trsil.org).

Employers may generate a Fiscal Year Contribution Totals Report from the secure Employer Access area of the TRS website. The report is available to employers from April through May and may be of assistance when completing various reconcilements and reporting requirements. This information should be provided to the employers’ auditors.

### Overview: Employer Contributions to the THIS Fund

#### “On behalf” contributions to the THIS Fund from the state

For the year ended June 30, 2017, the estimated state contribution made on behalf of your TRS-covered employees to the THIS Fund for retiree health insurance can be determined by multiplying total TRS-covered salaries by 1.12 percent. This 1.12 percent is the same rate paid during the year by active employees for retiree health insurance. State contributions to the THIS Fund are intended to match active member contributions to the THIS Fund.

**TEACHERS’ RETIREMENT SYSTEM  
OF THE STATE OF ILLINOIS**

2815 West Washington  
P.O. Box 19253  
Springfield, Illinois 62794-9253

(888) 877-0890  
[employers@trsil.org](mailto:employers@trsil.org)



Note: If you are preparing your budget for the fiscal year ending June 30, 2018, the certified state on behalf contribution rate to the THIS Fund for retiree health insurance is 1.18 percent of pay. The 1.18 percent rate has been certified by the TRS Board of Trustees, based on information provided by the Illinois Department of Central Management Services.

### Other employer contributions to the THIS Fund

Employers have remitted contributions for the Teachers' Retirement Insurance Program since January 1, 2002. Contributions based on active member TRS-covered payroll are remitted to TRS, which serves as collection agent for the retiree insurance program, and those contributions are forwarded to the THIS Fund. For the year ended June 30, 2017, the employer contribution rate for the THIS Fund was 0.84 percent of total active member TRS-covered payroll.

### Suggested Format for Disclosure of THIS Fund Employer Contributions

The employer participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

- **On behalf contributions to the THIS Fund**

The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 1.12 percent of pay during the year ended June 30, 2017. State of Illinois contributions were \$xx,xxx, and the employer recognized revenue and expenditures of this amount during the year.

- **Employer contributions to the THIS Fund**

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.84 percent during the year ended June 30, 2017. For the year ended June 30, 2016, the employer paid \$xx,xxx to the THIS Fund, which was 100 percent of the required contribution.

### Further information on the THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General (<http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>). The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>). Prior reports are available under "Healthcare and Family Services" (<http://www.auditor.illinois.gov/Audit-Reports/HEALTHCARE-FAMILY-SERVICES-Teacher-Health-Ins-Sec-Fund.asp>).

