Reduce your financial liability on post-retirement benefits

Learn about the impact and options relating to FASB/GASB

The cost of funding post-retirement benefits can be expensive. Accounting Standards require private and public companies to report their retiree health care costs on an accrual basis as opposed to pay-as-you-go. This presents a significant problem in its effect on companies’ medical costs for retiree medical plans; the numbers can be substantial. In fact, reporting liabilities can dramatically impact your budget and financial statements, potentially reducing net income.

Improve the financial outlook for you – and your retirees

Providing cost-effective solutions for our employer group clients, both large and small, is a top priority for Anthem Blue Cross (Anthem). We offer Medicare Advantage plans for Medicare-eligible retirees and their Medicare-eligible dependents that can help offset the costs associated with providing retiree health care benefits. For example, under Medicare Advantage, retirees can “opt out” of the standard Medicare program in favor of a Medicare Advantage plan offered through their former employer. These plans can potentially bring about reduced liability for the employer and typically provide more extensive benefits than those provided by Medicare and potentially lower retiree contributions. Anthem also offers Medicare Part D plans, either as part of our Medicare Advantage products or on a stand-alone basis.

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Assess your retirees’ benefits
To understand the FASB or GASB cost and the impact of post-retirement benefits, consider evaluating the health benefits you are committed to offering your Medicare-eligible retirees. As part of this analysis, you should also review your Part D strategy and its effect on FASB or GASB costs. The Medicare portion of the FASB or GASB cost will vary by employer and benefits offered.

Accounting and Financial Reporting by Employers for Other Post-Employment Benefits (OPEB)

- **Financial Accounting Standards Board (FASB)**
  Accounting Standards Codification Subtopic 715-60, Defined Benefit Plans — Other Post-Retirement — Private Sector

- **Government Accounting Standards Board (GASB)**
  Summary of Statement Number 45, Accounting and Financial Reporting By Employers For Post-Employment Other Than Pensions — Public Sector

These accounting standards provide guidance related to the accounting for employer obligations for other post-retirement benefits and require the measuring and reporting of the financial cost associated with providing other post-retirement benefits.

Find out how to make the best decision for your retirees and organization
Contact your Anthem account executive about a customized solution to help reduce your liability.

Anthem Blue Cross is a Medicare Advantage Organization and a Prescription Drug Plan with a Medicare contract. Enrollment in Anthem Blue Cross depends on contract renewal.
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