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How Big a Burden Are State and Local OPEB Benefits?

The brief's key findings are:

- State and local OPEB liabilities, largely retiree health, have received growing attention due to rising health costs and a change from cash to accrual accounting.
- This analysis provides a comprehensive look at OPEBs in 2012-2013 at the state, county, city and school district levels.
- The three key insights are:

1. aggregate unfunded OPEB liabilities are an estimated $862 billion – nearly two thirds of which is held at the local level;
2. these unfunded liabilities are equivalent to 28 percent of the unfunded liabilities of pensions (using the OPEB interest rate for pensions);
3. and while OPEB liabilities are large, several factors – such as sponsors' flexibility to scale back benefits – limit their potential drain on resources.

Download the full brief.

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