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*Municipal Finance Law Since 1971*

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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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