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To: Matthew Malin  
From: Bo Zhao, Senior Economist  
Date: June 6, 2008  
Re: The phase-in schedule of GASB 45

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This memo provides some basic information on GASB 45, including its phase-in schedule. GASB 45 is an abbreviation of the Governmental Accounting Standards Board's Statement 45. It is an accounting standard issued to guide state and local governments on reporting their costs and financial obligations associated with the provision of post-employment benefits other than pensions (OPEB). Post-employment healthcare benefits are the most common form of OPEB and are a very significant financial commitment for many governments. The goal of GASB 45 is to provide more complete, transparent, and reliable information to decision makers and users of government financial statements.

There are three phases for the implementation of GASB 45. The first phase began on December 15, 2006 for large-size governments (those with total annual revenues of \$100 million or more). The second phase became effective after December 15, 2007 for medium-size governments (those with total annual revenues of \$10 million or more but less than \$100 million). GASB 45 will finally phase in for governments of the smallest size (those with total annual revenues of less than \$10 million) after December 15, 2008.

The following readings contain additional information about GASB 45.

Brady, Steffanie. "GASB 45 and Other Post-Employment Benefit Promises: The Fog Is Clearing." NEPPC Policy Brief No. 07-7. September 2007.  
<http://www.bos.frb.org/economic/neppc/briefs/2007/briefs077.pdf>

Government Accounting Standards Board, "Summary of Statement No. 45: Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."  
<http://www.gasb.org/st/summary/gstsm45.html>

Government Accounting Standards Board, "GASB Statement 45 on OPEB Accounting by Governments: A Few Basic Questions and Answers."  
[http://www.gasb.org/project\\_pages/gasb\\_st45\\_basic\\_q&a.pdf](http://www.gasb.org/project_pages/gasb_st45_basic_q&a.pdf)