September 11,2026

To: MERSD School Committee

From: Michelle Cresta, Director of Finance & Operations

Copy: Pam Beaudoin, Superintendent of Schools

Re: OPEB Transfer

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Each June our recommended contribution to the district's OPEB (Other Post Employment Benefits) trust fund is calculated based on the actual health insurance enrollments and costs. The contribution for fiscal year 2026 has been calculated at $734,348 based on the formula contained in the teachers' contract.

The district pledges to contribute savings from negotiated changes in active employee health insurance coverage. This negotiation was put into effect in fiscal year 2016. Savings stem from introducing lower-cost deductible plans and from reducing employer contribution rates from 80% to 75% for legacy staff and from 75% to 70% for new hires. MA State Law requires school districts to fund a portion of retiree health care for any retiree that earns pension eligibility. MERSD's OPEB trust contributions are invested with PRIT, the same fund that manages teacher and state employee pensions. Earnings on these investments help to reduce the amount that MERSD must contribute.

Before this contribution our balance at June 30, 2026, was $8,159,851. This contribution will bring our OPEB account balance to approximately $8,900,000.

*Suggested motion*:
*Motion to approve OPEB contribution transfer in the amounts of $734,348 from the FY26 operating budget to the OPEB trust fund.*