

PLYMOUTH COUNTY OPEB TRUST PROGRAM (PCOT)

Delivering Your Full-Service OPEB Prefunding Solution

What is PCOT?

The Plymouth County OPEB Trust (PCOT) is the largest regional OPEB trust program in Massachusetts. PCOT is a unique IRS Section 115 multiple employer, irrevocable trust program established by Plymouth County and the County Treasurer to prefund retiree healthcare and is available to cities, counties, school districts and special districts in Plymouth, Barnstable, Bristol and Norfolk Counties. The PCOT Program is a GASB 45, 75, M.G.L. 32B:20 compliant trust structure that also complies with the OPEB trust provisions of the MA Modernization Act (effective November 2016).

PCOT is administered by **Public Agency Retirement Services (PARS)**, a national leader in OPEB trust administration with over \$1 billion in trust assets, and utilizes the largest trustee of OPEB assets in the nation, **U.S. Bank**.



PCOT's "Turn-Key" Advantages

- No upfront / start-up costs
- No minimum contributions
- No funding requirements or commitments
- Signature-ready trust documents so that you do not need to develop your own
- Actively managed investment pool with oversight by the PCOT Investment Committee
- Legal, administrative and investment economies-of-scale
- Federal and state compliance monitoring
- Exclusive IRS Private Letter Ruling that protects earnings in the trust from taxation
- Segregated trust accounts for each member with no joint liabilities
- Individualized services and reporting
- Assets safeguarded by the 5th largest bank in the country (U.S. Bank)
- Investment fiduciary protections
- Local autonomy and control

PCOT Provides Flexible & Full-Service Administration

- Investment management and fiduciary
- Complete trust services including Trustee and Custodian
- Contribution and disbursement processing
- Actuarial coordination
- Consulting

PCOT Keeps Your OPEB Responsibilities Simple

- Contribution of funds to the Trust
- Submission of disbursement requests
- Monitoring of account and investment activity reporting

Why Prefund with PCOT?

With growing retiree healthcare costs, long-term OPEB liabilities will continue to rise. Some of the advantages of prefunding these liabilities with PCOT rather than “Pay-As-You-Go”:

- **Lower liabilities** on future actuarial valuations and financial statements
- **Invest to save** and potentially maximize assets through diversified investing for the long term (like with pensions)
- **Improve credit ratings** which can lower the cost of borrowing
- **Reduce exposure** from GASB 75, which requires liabilities to be on the balance sheet by 2017
- **Buffer budgets** from healthcare inflation and baby boomer retirements
- **Secure benefits** for future employees and retirees
- **Protect services and taxpayers** from rising costs that could impact key public services

FOR MORE INFORMATION OR A COMPLIMENTARY CONSULTATION, PLEASE CONTACT:

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PCOT information is also available
on the Plymouth County Website at
www.plymouthcounty-ma.gov



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