



The Office Of  
State Treasurer  
Denise L. Nappier

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# Statement

**FOR IMMEDIATE RELEASE**

June 22, 2012

## **Treasurer Nappier's Statement Concerning OPEB Assets**

Currently, the Treasury employs a prudent investment strategy given the demands on the Fund to pay current OPEB benefits, not, as has been suggested, to pay other obligations of the State.

To date, OPEB fund cash balances have fluctuated and have been relatively small, making long-term investments impractical. If the State ceases to use the assets of this Trust to cover current OPEB benefits, or when contributions materially outpace payment of benefits, my office will be prepared to employ a long-term investment strategy. Until then, any fund assets will continue to be maintained in the common cash pool with any positive balances earning interest at the common cash pool rate.

The value of the trust fund assets reported by OFA on June 21st, \$49.6 million, does not take into consideration the expenditures to date. Indeed, the fund currently has a negative cash balance of \$13.6 million, which means that retiree health expenses have exceeded appropriations and employee contributions as of this particular point in time.

OPEB contributions are credited to a trust fund for accounting purposes by the State Comptroller's Office.

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