



Update on Other Postemployment Benefits (OPEB)

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NPPD Board of Directors Meeting
Finance Committee

November 2025

Laura Kapustka, Executive Vice
President & CFO

Objective

- Review results of 1/1/25 OPEB actuarial valuation
 - Reporting timeline is tied to the timing of determining and approving the actuarial assumptions to be used to compile the Actuarial Valuation Report for the fiscal year end of 2025
- Provide annual report to Board regarding investment performance of the Trust, as required by the Trust Investment Policy Statements

Retiree Member Counts

- The OPEB Obligation maintained within the OPEB Plan applies to members as follows:

Members	1/1/2025	1/1/2024
Health Care Benefits:		
Actives ⁽¹⁾	1,994	1,959
Retirees	1,516	1,486
Total	3,510	3,445
Life Insurance Benefits:		
Actives	1,994	1,959
Retirees	1,379	1,358
Total	3,373	3,317

(1) Excludes eligible spouses and dependents

LTD Member Counts

- The OPEB Obligation maintained within the OPEB Plan applies to members as follows:

Members	1/1/2025	1/1/2024
Health Care Benefits ⁽¹⁾⁽²⁾	32	42
Life Insurance Benefits ⁽²⁾	36	46

(1) Excludes eligible spouses and dependents

(2) LTDs is for members on long-term disability

Updates to Key NPPD OPEB Actuarial Study Assumptions

Initial health care cost trend rates increase in 2025 study due to recent experience and underlying national expected trends

Assumption/Method	2025 Study	2024 Study
Funding Policy	Minimum Funding is 100% of Actuarially Determined Contribution	
Discount Rate	6.25%	6.25%
Actuarial Cost Method	Entry Age Normal	
Actuarial Asset Method	5-Year Smoothing	
Health Care Cost Trend Rates:		
Initial/Ultimate Pre-Medicare Medical Trend Rate	8.60%/4.50%	7.60%/4.50%
Initial/Ultimate Post-Medicare Medical Trend Rate	9.70%/4.50%	8.50%/4.50%

OPEB Investments, Asset Allocations and Returns as of 1/1/2025 Valuation

Asset Class	Domestic Equity	International Equity	Fixed Income	Real Estate	Cash & Equivalents	Total as of 1/1/25
Allowable Range	40 – 55%	5 – 20%	25 – 40%	5 – 15%	0 – 10%	
Actual Allocation	50.0%	14.6%	23.8%	6.3%	5.3%	100.0%
Cash and Investments (Market Value as of 1/1/25)	\$193.5M	\$56.5M	\$91.8M	\$24.5M	\$20.4M	\$386.7M
Performance against Benchmark	Russell 3000 Index: 23.8% Fund: 22.1%	Morgan Stanley Capital Index All Country World Index excluding the U.S.: 5.8% Fund: 13.9%	Bloomberg U.S. Aggregate Bond Index: 1.3% Fund: 1.9%	NCREIF Open-End Diversified Core Equity Index: (4.0%) Fund: (2.3%)		Benchmark Composite: 11.8% Fund: 12.9%

(1) The Annual Money-Weighted Rate of Returns, Net of Investment Expense, for 1/1/2025 and 1/1/2024 Valuations were 12.8% and 14.9%, respectively.

(2) Allowable investments can be found within the Investment Policy Statement

Net Position (in both Trusts) has increased YTD 2025 due to market performance

(\$ Millions)

	9/30/2025 Total	1/1/2025 Total	1/1/2024 Total
Plan Net Position	\$419.9	\$387.1	\$357.9
Actuarial Accrued Liability	\$(334.6)	\$(334.6)	\$(313.7)
Net OPEB Asset / (Liability) (1)	\$85.3	\$52.5	\$44.2

(1) Net OPEB Asset as of 1/1/25 and 1/1/24 is the amount shown on the District's financial statement for 2025 and 2024.

Assumptions Significantly Impact Funded Status

(\$ Millions)

Discount Rate	2025 Net OPEB Asset at 6.25% Discount Rate	Revised Net OPEB Asset from reducing Discount Rate by 1% to 5.25%	Revised Net OPEB Asset from increasing Discount Rate by 1% to 7.25%
Impact from Change in Discount Rate	\$52.5	\$13.1	\$85.7



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Questions

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