



February 5, 2014

To: Members of the Retirees Committee

From: David Safer, Acting Chair, Retired Trustee

Subject: Summary of the February 5, 2014 Retirees Committee Meeting

Acting Committee Chair David Safer called the February 5, 2014 meeting to order at 10:32 a.m. Committee members present were David Safer, Acting Committee Chair, Dale Amaral, Keith Carson, George Dewey, and Elizabeth Rogers. Also present were Annette Cain-Darnes; and alternate member Darryl Walker. Staff present were Vincent Brown, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Marguerite Malloy, Associate Counsel; Rose Kwong, Benefits Manager; Latrena Walker, Projects and Information Services Manager; and Harsh Jadhav, Internal Audit Manager.

ACTION ITEMS

1. Annual Supplemental Cost of Living Adjustment (Supplemental COLA)

Rose Kwong, Benefits Manager, provided information regarding the Supplemental Cost of Living Adjustment (COLA) benefit. For 2013, there were approximately 500 retirees/payees receiving this benefit at a cost of \$2,067,218.69. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve (SRBR). Trustees directed Staff to provide additional information regarding the monthly dollar benefit, by Tiers, for those retirees receiving the Supplemental COLA.

It was moved by Elizabeth Rogers and seconded by Dale Amaral that the Committee recommends to the Board of Retirement to adopt the Supplemental COLA increase for Tier 1 members who retired on or before April 1, 1981 and Tier 2 members who retired on or before April 1, 1991, effective with the April 1, 2014 monthly retirement allowance.

The motion passed unanimously as follows:

Mr. Safer, yes; Captain Amaral, yes; Supervisor Carson, yes; Mr. Dewey, yes; Ms. Rogers, yes; Ms. Cain-Darnes, yes.

INFORMATION ITEMS

1. Annual Cost of Living Adjustment (COLA)

Rose Kwong, Benefits Manager, reported that based on information provided by The Segal Company, ACERA's actuaries, the Cost of Living Adjustment (COLA) effective April 1, 2014 results in an increase of 3% for Tier 1 and Tier 3 retirees/payees who retired on or before April 1, 1985. Tier 1 and Tier 3 retirees/payees who retired after April 1, 1985 through on or before April 1, 2014 will receive 2.5%, and all Tier 2 and Tier 4 retirees/payees will receive 2%.

2. Report on Health Reimbursement Arrangement Account Balances for 2013

Kathy Foster, Assistant Chief Executive Officer, provided information on retirees' Health Reimbursement Arrangement (HRA) account balances as of December 31, 2013 categorized by years of service.

3. Annual Health Plan Meeting with Retiree Representative/Date Announcement

Sharen Stanek-Lowe, Assistant Benefits Manager, presented information regarding the purpose and plans for ACERA's annual health plan meeting with Trustees, retiree representatives, Benefits Consultants, and Alameda County scheduled for March 5, 2014.

4. Open Enrollment Plan Changes for Plan Year 2014

Sharen Stanek-Lowe, Assistant Benefits Manager, provided information on enrollments into the group and individual health care plans during open enrollment. She also provided dental and vision plan enrollments categorized by retirees with less than 10 years of service and those retirees with 10 or more years of service.

5. Miscellaneous Updates

Sharen Stanek-Lowe, Assistant Benefits Manager, provided an update on the Health Reimbursement Arrangement (HRA) through December 31, 2013 and information on a contract agreement between UnitedHealthcare and Marin General Hospital. She also reported that due to a Kaiser Permanente pharmacy billing processing error, approximately 200 ACERA members were under charged for generic copayments. Kaiser plans to send these affected members a bill for the unpaid balance. Trustees directed Staff to find out Kaiser's legal position on recovering the underpayments from these members.

TRUSTEE/PUBLIC INPUT

Ken Moresi, REAC Board President, stated that invitations for its March 10, 2014 Spring Annual Membership meeting and luncheon has been sent and asked Trustees and Staff to attend.

Pete Albert, ACRE Board President, stated that due to logistical issues, its holiday luncheon will be held at HS Lordships on March 7, 2014 instead of in December as in the past.

RECOMMENDATIONS

1. Annual Supplemental Cost of Living Adjustment (Supplemental COLA)

The Committee recommends, and I move that the Board of Retirement adopts the Supplemental COLA increase for Tier 1 members who retired on or before April 1, 1981 and Tier 2 members who retired on or before April 1, 1991, effective with the April 1, 2014 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve (SRBR).

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for March 5, 2014 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:05 a.m.