



August 1, 2012

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the August 1, 2012 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the August 1, 2012 meeting to order at 10:00 a.m. Committee members present were Liz Koppenhaver, Annette Cain-Darnes, Dale Amaral, Elizabeth Rogers, and George Wood. Other Board members present were George Dewey and Keith Carson; and alternate members David Safer and Darryl Walker. Staff present were Vincent Brown, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Robert Gaumer, Chief Counsel; Rose Kwong, Benefits Manager; Betty Tse, Chief Investment Officer; Latrena Walker, Projects and Information Services Manager; and Harsh Jadhav, Internal Audit Manager.

ACTION ITEMS

1. Adoption of Dental Plan Contract/Premiums for 2013

Keenan & Associates, ACERA's Benefits Consultant, presented information on Delta Dental's renewal contract and the rate guarantees, new features and products, plan options, and users reaching their maximum benefit level.

It was moved by Elizabeth Rogers and seconded by George Dewey that the Committee recommends to the Board of Retirement a motion to adopt the Delta Dental Plan Contract renewal for retirees effective February 1, 2013 with a single-party DPO coverage premium of \$43.72 per month (total rate), \$41.94 (billed rate) and a single-party DMO coverage premium of \$22.45 per month.

2. Adoption of Vision Plan Contract/Premiums for 2013

Keenan & Associates, ACERA's Benefits Consultant, presented information on Vision Service Plan's renewal contract and 2013 premiums, new features and products, and plan options. Staff recommended a change from the Signature Plan to the Choice Plan for the 2013 and 2014 plan years.

The Trustees directed Staff to provide additional information to the Board of Retirement regarding the financial impact to retirees and their dependents if this recommendation were adopted. This item will be presented as an action item at the August 16th Board of Retirement meeting.

3. Adoption of Dental Plan Contributions for 2013

Kathy Foster, Assistant Chief Executive Officer, reported that based on the premium rates for plan year 2013, which is the same as that for 2012, the current projected annual cost to provide this non-vested benefit for 2013 is \$3,316,615.20.

It was moved by Annette Cain-Darnes and seconded by George Wood that the Committee recommends to the Board of Retirement a motion to continue the dental plan contribution for plan year 2013, which provides a monthly subsidy equal to the single-party dental coverage premium of \$41.94 (Delta Dental DPO billed rate) and \$22.45 (DeltaCare USA DMO) for the retiree only to cover all retirees' Delta Dental Plan premiums.

4. Adoption of Vision Plan Contributions for 2013

Based on the discussion of the prior agenda topic, Adoption of Vision Plan Contract/Premiums for 2013, this item will also be presented as an action item at the August 16th Board of Retirement meeting.

INFORMATION ITEMS

1. Review of Dental and Vision Plan Coverage and Premiums for 2013

Keenan & Associates, ACERA's Benefits Consultant, and Staff presented information and proposed options for 2013 dental and vision plan coverage.

2. Presentation by Extend Health, Inc., Medicare Exchange

Representatives from Extend Health, Inc.; Andrea Comporato, Regional Vice President, and Kristine Gates, Account Manager, presented information regarding their company, Medicare exchange services, operational processes, role with retirees, current clients, and a tentative implementation plan to transition Medicare eligible retirees into the Medicare exchange.

3. Plans for Open Enrollment and Retiree Health Fair

Sharen Stanek-Lowe, Assistant Benefits Manager, provided information on the planning for ACERA's annual Open Enrollment and Retiree Health Fair.

4. Miscellaneous Updates

Sharen Stanek-Lowe, Assistant Benefits Manager, reported that the information normally shared under this topic was provided earlier in the meeting during the presentations regarding the dental and vision contract renewal topics. Future updates will include progress reports on the implementation of the Medicare exchange.

TRUSTEE/PUBLIC INPUT

None.

RECOMMENDATIONS

1. Adoption of Dental Plan Contract/Premiums for 2013

The Committee recommends, and I move that the Board of Retirement adopts the Delta Dental Plan Contract renewal for retirees effective February 1, 2013 with a single-party DPO coverage premium of \$43.72 per month (total rate), \$41.94 (billed rate) and a single-party DMO coverage premium of \$22.45 per month.

2. Adoption of Dental Plan Contributions for 2013

The Committee recommends, and I move that the Board of Retirement continues the dental plan contribution for plan year 2013, which provides a monthly subsidy equal to the single-party dental coverage premium of \$41.94 (Delta Dental DPO billed rate) and \$22.45 (DeltaCare USA DMO) for the retiree only to cover all retirees' Delta Dental Plan premiums. This is a non-vested benefit funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employee Retirement Law (CERL), ACERA treats an equal amount of Supplemental Retiree Benefit Reserve (SRBR) assets as employer contributions for pensions.

FUTURE DISCUSSION ITEMS

- Adoption of Amendments to the Supplemental Retiree Benefit Reserve (SRBR) Policy

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for September 5, 2012 at 10:00 a.m.

MEETING ADJOURNED

The meeting adjourned at 12:10 p.m.