



September 5, 2012

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the September 5, 2012 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the September 5, 2012 meeting to order at 10:10 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 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 Amendments to the Supplemental Retiree Benefit Reserve (SRBR) Policy

Kathy Foster, Assistant Chief Executive Officer, provided draft revised language for the Monthly Medical Allowance (MMA) section of the Supplemental Retiree Benefit Reserve (SRBR) policy and other non-technical and clarifying changes for consideration.

It was moved by George Dewey and seconded by Annette Cain-Darnes that the Committee recommends to the Board of Retirement a motion to adopt the recommended changes to the Supplemental Retiree Benefit Reserve (SRBR) policy.

2. Discussion and Possible Recommendation to Discontinue the Active Death Equity Benefit (ADEB)

Kathy Foster, Assistant Chief Executive Officer, provided information on the Active Death Equity Benefit (ADEB), and a recommendation to discontinue the benefit as requested by members of the Retirees Committee. The Trustees directed Staff to gather additional information in response to questions that were raised, and to provide this information for further discussion at the November or December Committee meeting.

INFORMATION ITEMS

1. Presentation and Report on Supplemental Retiree Benefit Reserve (SRBR) Funding Status

The Segal Company, ACERA's Actuary, provided an updated preliminary report of the Supplemental Retiree Benefit Reserve (SRBR) financial status using actual 2013 benefit information, which indicates that the lifespan of the SRBR has increased to 15 full years and one partial year.

2. Discussion, Review and Analysis of Benefits Provided through the Supplemental Retiree Benefit Reserve (SRBR)

Kathy Foster, Assistant Chief Executive Officer, provided a summary of current Supplemental Retiree Benefit Reserve (SRBR) benefit information including costs, eligibility, action taken by the Retirees Committee and the Board of Retirement over the last 12 months, and considerations for changes. The Trustees directed Staff to prepare additional information based on years of service and reciprocity, and to provide this information at the November or December Committee meeting.

3. Pre-Medicare Eligible Dependent Coverage through Extend Health

Kathy Foster, Assistant Chief Executive Officer, reported that medical coverage for non-Medicare eligible dependents of retirees with medical coverage through the Medicare Exchange will be available through an individual plan with Extend Health.

4. ACERA-Sponsored Medical Plans and Premiums for Plan Year 2013

Kathy Foster, Assistant Chief Executive Officer, provided information regarding renewal rates from Kaiser Permanente and UnitedHealthcare for the plan year February 1, 2013 through January 31, 2014. In addition, Keenan & Associates, ACERA's Benefits Consultant, presented a report on renewal and analysis of Alameda County medical plan contracts for the 2013 plan year.

5. Status Report on Open Enrollment and Retiree Health Fair

Sharen Stanek-Lowe, Assistant Benefits Manager, provided a timeline of milestones for ACERA's annual Open Enrollment and Retiree Health Fair activities, and a summary of the "What's New for 2013" section of the Enrollment Guide.

6. Miscellaneous Updates

Sharen Stanek-Lowe, Assistant Benefits Manager, provided a timeline and information regarding the communications pieces related to the implementation of the Medicare Exchange.

TRUSTEE/PUBLIC INPUT

Ken Moresi, REAC Board President, reminded Trustees and Staff of its fall luncheon to be held on October 8, 2012. The guest speaker will be Alex Briscoe.

RECOMMENDATIONS

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

The Committee recommends, and I move that the Board of Retirement adopts the revisions to the Supplemental Retiree Benefit Reserve (SRBR) policy to include the changes to the Monthly Medical Allowance (MMA) section of the policy, allowing for two MMA amounts in order to provide specific benefits for both the group and individual plan coverage; and the other non-technical and clarifying amendments.

FUTURE DISCUSSION ITEMS

- Approval of 2011 Supplemental Retiree Benefit Reserve (SRBR) Valuation

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for October 3, 2012 at 10:00 a.m.

MEETING ADJOURNED

The meeting adjourned at 12:25 p.m.