



MINUTES OF FEBRUARY 1, 2023 RETIREES COMMITTEE MEETING

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

Subject: Summary of the February 1, 2023 Retirees Committee Meeting

Committee Chair Elizabeth Rogers called the February 1, 2023 Committee meeting to order at 10:33 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Elizabeth Rogers, Ophelia Basgal, and Kellie Simon. Also present were Cynthia Baron, Kevin Bryant, Tarrell Gamble, Jaime Godfrey, and George Wood.

Staff present were Carlos Barrios, Assistant Chief Executive Officer; Sandra Dueñas-Cuevas, Benefits Manager; Mike Fara, Communications Manager; Jessica Huffman, Benefits Manager; Harsh Jadhav, Chief of Internal Audit; Vijay Jagar, Chief Technology Officer; Lisa Johnson, Assistant Chief Executive Officer; David Nelsen, Chief Executive Officer; Jeff Rieger, Chief Counsel and Betty Tse, Chief Investment Officer.

PUBLIC INPUT

None.

INFORMATION ITEMS

Chair Rogers moved the following information item to the top of the agenda to provide for more complete background before considering the action item:

1. Annual Cost of Living Adjustment (COLA)

Staff reported that based on information provided by Segal, ACERA's actuaries, the Cost of Living Adjustment effective April 1, 2023 results in the maximum increase of 3.0% for all Tier 1 and Tier 3 retirees/payees, and all Tier 2 and Tier 4 retirees/payees will receive 2.0%. The Consumer Price Index (CPI) calculation resulted in a change of 4.88%. According to Government Code Sections 31870 and 31870.1, the percentage change should be rounded to the nearest one-half percent, which is 5.0%. The difference between the 5.0% and the maximum COLA adjustment allowed for each Tier group will be banked.

ACTION ITEMS

1. Annual Supplemental Cost of Living Adjustment (COLA)

Staff provided information regarding the Supplemental Cost of Living Adjustment (COLA) benefit. The Supplemental COLA is provided to retirees who have an accumulated loss of purchasing power of 15% due to inflation. For 2022, there were approximately 649 retirees/payees receiving this benefit at a cost of \$941,730.91. Based on the accumulated loss of purchasing power as of December 31, 2022, those Tier 1 members who retired on or before April 1, 1982, and those Tier 2 members who retired on or before April 1, 2007, will receive the Supplemental COLA increase effective with their April 1, 2023 monthly allowance.

In response to Trustee Basgal's request, Staff will look into providing a five-year demographic survey of the number of payees and cost by Tiers who will be eligible for the Supplemental COLA.

In response to Trustee Wood's question, Staff will provide an analysis of the factors that cause the differences between when Tier 1 and Tier 2 payees become eligible for the Supplemental COLA, to include the increases and decreases in the population based on the retirement dates and Tiers.

It was moved by Jaime Godfrey and seconded by Ophelia Basgal that the Retirees Committee recommend to the Board of Retirement that it adopt the Supplemental Cost of Living Adjustment increase for Tier 1 members who retired on or before April 1, 1982, and Tier 2 members who retired on or before April 1, 2007, effective with the April 1, 2023 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

The motion carried 7 yes (*Basgal, Bryant, Gamble, Godfrey, Rogers, Simon, Wood*), 0 no, 0 abstentions

INFORMATION ITEMS.

2. 2023 Annual Retirees Committee Work Plan Review

Staff provided a proposed 2023 Retirees Committee Work Plan highlighting three changes from last year's work plan: 1) a proposal to conduct a Request for Information for Individual Medical Plans coverage and services; 2) a review of the potential alternatives to the discontinued Active Death Equity Benefit (ADEB) program; and 3) a review of the Supplemental Retiree Benefit Reserve Policy. In response to Trustee Rogers' question, Staff clarified that the Active Death Equity Benefit (ADEB) agenda item for the April meeting is a discussion item.

3. Annual Health Care Planning Meeting with Retiree Representatives/Date Announcement

Staff presented information regarding the purpose and plans for ACERA's annual health care planning meeting with Trustees, retiree representatives, Benefits Consultants, and the County of Alameda, which is tentatively scheduled for April 5, 2023. Unless the Alameda County Retired Employees (ACRE) and Retired Employees of Alameda County (REAC) Board representatives prefer to meet in person, this meeting will be held virtually again this year.

4. Proposal to Conduct a Request for Information (RFI) for Individual Medical Plans Coverage and Services

Staff and Segal, ACERA's Benefits Consultant, provided a proposed plan to conduct a request for information (RFI) for individual medical plans coverage and services. Conducting an RFI in advance of a request for proposal (RFP) will allow ACERA to assess the interest and capabilities of the limited number of prospective exchanges that provide the services currently provided by Via Benefits, to determine if there is value in looking at alternatives and in making a change before going through the RFP process. Staff will plan to proceed with conducting an RFI.

5. Report on 1099-R Processing

Staff reported that the 2022 1099-R forms were mailed to retirees/payees the week of January 17th prior to the IRS deadline of January 31st.

6. Report on Open Enrollment Activity

Staff provided information on the Plan Year 2023 Open Enrollment activity for ACERA and Via Benefits. Out of the total 293 group change forms the members submitted, 61% were submitted via DocuSign.

7. Semi-Annual Report on ACERA's Wellness Program

Staff provided a report on ACERA's 2022 virtual wellness offerings, and plans for the 2023 wellness program. Based on the survey results from the 2022 virtual Retiree Health and Wellness Fair, the limited Staff resources due to the Pension Administration System project work, and concerns of spreading COVID-19 among our at-risk retiree population, the 2023 Retiree Health and Wellness Fair will be held again virtually.

In response to Trustee Basgal's suggestion to look into hosting at least one in person event, like a walk around Lake Merritt, Staff will assess the necessary resources to plan such an event. Also, based on Trustee Rogers' suggestion, Staff will find out from the ACRE and REAC retiree associations if there is interest in participating in a walk around Lake Merritt.

TRUSTEE REMARKS

None.

FUTURE DISCUSSION ITEMS

- Review of Potential Alternatives to the Discontinued Active Death Equity Benefit (ADEB) Program

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for April 5, 2023 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:12 a.m.