



**Alameda County Employees' Retirement Association
BOARD OF RETIREMENT**

**RETIREES COMMITTEE/BOARD MEETING
NOTICE and AGENDA**

THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE PER GOV'T CODE § 54953(e)

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

**Wednesday, February 2, 2022
10:30 a.m.**

ZOOM INSTRUCTIONS	COMMITTEE MEMBERS	
The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. https://zoom.us/join Meeting ID: 879 6337 8479 Password: 699406 Call-in Number: 1 669 900 6833 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	LIZ KOPPENHAVER, CHAIR	ELECTED RETIRED
	HENRY LEVY, VICE CHAIR	TREASURER
	DALE AMARAL	ELECTED SAFETY
	KEITH CARSON	APPOINTED
	KELLIE SIMON	ELECTED GENERAL

This is a meeting of the Retirees Committee if a quorum of the Retirees Committee attends, and it is a meeting of the Board if a quorum of the Board attends. This is a joint meeting of the Retirees Committee and the Board if a quorum of each attends.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes, and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure), are available online at www.acera.org.

Note regarding public comments: Public comments are limited to four (4) minutes per person in total.

Note regarding accommodations: The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

RETIREES COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 2 of 3 – Wednesday, February 2, 2022

Call to Order: 10:30 a.m.

Roll Call

Public Input (Time Limit: 4 minutes per speaker)

Action Items: Matters for Discussion and Possible Motion by the Committee

1. Annual Supplemental Cost of Living Adjustment (COLA)

Discussion and possible motion to recommend that the Board of Retirement adopt the annual Supplemental COLA benefit for 2022 paid to eligible retirees.

- Jessica Huffman

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement that it adopt the Supplemental Cost of Living Adjustment increase for Tier I members who retired on or before April 1, 1981, and Tier 2 members who retired on or before April 1, 2001, effective with the April 1, 2022 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports

1. Annual Cost of Living Adjustment (COLA)

Report of ACERA's COLA for 2022.

- Jessica Huffman

2. 2022 Annual Retirees Committee Work Plan Review

Review of the proposed Retirees Committee Work Plan for 2022.

- Kathy Foster

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

Staff will present plans for ACERA's annual health care planning meeting with retiree representatives, Benefits Consultants, and the County of Alameda.

- Kathy Foster

RETIREES COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 3 of 3 – Wednesday, February 2, 2022

4. Report on 1099-R Processing

Report on status of issuance process for 2021 Form 1099-R, which ACERA uses to report income paid to retirees, beneficiaries and members receiving refunds or contribution adjustments.

- Jessica Huffman

5. Discussion Regarding Retired Member (Lump Sum) Death Benefit

Staff will provide a comparison of lump sum death benefit amounts provided by other 1937 Act systems, and information on the estimated cost of the Retired Member (lump sum) Death Benefit at various level amounts.

- Jessica Huffman

6. Report on Hearing Aid Benefits

Segal, ACERA's Benefits Consultant, will present information on hearing aid benefits.

- Kathy Foster
- -Segal

7. Report on Open Enrollment Activity

Staff will provide a report on the Open Enrollment activity for Plan Year 2022.

- Ismael Piña

8. Miscellaneous Updates

Staff will update the Committee on any recent benefit issues affecting ACERA retirees.

- Ismael Piña

Trustee Remarks

Establishment of Next Meeting Date

April 6, 2022, at 10:30 a.m.


Adjournment



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 2, 2022

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Benefits Manager 

SUBJECT: **Annual Supplemental Cost of Living Adjustment**

In 1998, by the Board of Retirement action, the Supplemental Cost of Living Adjustment (COLA) benefit was restructured to provide a benefit that maintained retiree purchasing power at no less than 85% of the member's original benefit. Therefore, those retirees who have an accumulated loss of purchasing power of 15% due to inflation are eligible to receive this benefit. There is an average of 578 retirees/payees (184 Tier 1 and 394 Tier 2) receiving the Supplemental COLA. The cost of this benefit for 2021 was \$939,406.87.

Annually, the actuary reviews the accumulated carry-over in conjunction with the annual cost of living calculation. Based on the accumulated loss of purchasing power as of December 31, 2021, those Tier 1 members who retired on or before April 1, 1981, and those Tier 2 members who retired on or before April 1, 2001, will receive the Supplemental COLA increase effective with their April 1, 2022 monthly allowance. Tier 2 members who will be eligible to receive the Supplemental COLA have been expanded by one year, resulting in an estimated additional 109 retirees/payees who will receive this benefit.

This benefit is provided in accordance with Government Code Section 31618 and is paid out of the Supplemental Retiree Benefit Reserve.

For your information, attached is the updated Supplemental COLA matrix.

Recommendation

Staff recommends 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, 1981, and Tier 2 members who retired on or before April 1, 2001, effective with the April 1, 2022 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

Attachment

Supplemental Cost of Living Adjustment (COLA) Matrix

Below is a matrix showing the number of recipients receiving the Supplemental Cost of Living Adjustment (COLA) and the annual costs for this benefit over the last five-year period. Included in the matrix is the annual regular COLA increases provided to Tiers 1 and 3 and Tiers 2 and 4, if applicable. Any banked amounts are not included, or added to the COLA increase percentages.

Year	Supplemental COLA		Regular COLA Increase	
	Average No. of Recipients	Annual Cost	Tiers 1 & 3	Tiers 2 & 4
2022	N/A	N/A	3.0%	2.0%
2021	578	\$0.9 M	2.0%	2.0%
2020	591	\$1.1 M	2.5%	2.0%
2019	538	\$1.2 M	3.0%	2.0%
2018	458	\$1.1 M	3.0%	2.0%
2017	328	\$1.2 M	3.0%	2.0%


The median Supplemental COLA amount received in 2021 is \$62.37.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 2, 2022

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Benefits Manager 

SUBJECT: **Annual Cost of Living Adjustment for 2022**

Attached is a letter prepared by Segal, ACERA's actuary, providing the annual Consumer Price Index (CPI) change, and the resulting annual Cost of Living Adjustments (COLA) effective April 1, 2022, in accordance with Government Code Sections 31870 (Tiers 2 and 4, 2.0% maximum) and 31870.1 (Tiers 1 and 3, 3.0% maximum).

The CPI calculation results in a change of 4.24%. According to the above Government Code Sections, the percentage change should be rounded to the nearest one-half percent, which is 4.0%. All Tier 1 and Tier 3 retirees/payees will receive a COLA increase of 3.0%. Tiers 2 and 4 retirees/payees will receive a COLA increase of 2.0%. COLA increases will be processed with the April 2022 monthly payroll.

Tiers 1 and 3 will bank 1.0%, as the 2022 COLA exceeds the 3.0% maximum for Tiers 1 and 3 retirees. Tiers 2 and 4 will bank 2.0% as the 2022 COLA exceeds the 2.0% maximum for Tiers 2 and 4 retirees.

Tier 3 retirees are employees who retired from Livermore Area Recreation and Parks District and fall under Government Code Section 31870.1. Tier 2 retirees consist of General Tier 2 employees, Safety Tier 2 employees, and Safety Tier 2 employees with a new benefit formula. Tier 4 retirees are employees who retired under the California Public Employees' Pension Reform Act of 2012 regulations (effective January 1, 2013).

Attachment



Eva Yum, FSA, MAAA, EA
Vice President & Actuary
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180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
segalco.com

Via Email

January 18, 2022

Ms. Kathy Foster
Assistant Chief Executive Officer
Alameda County Employees' Retirement Association
475 14th Street, Suite 1000
Oakland, CA 94612-1900

Re: Alameda County Employees' Retirement Association (ACERA) Cost-of-Living Adjustments (COLA) as of April 1, 2022

Dear Kathy:

We have determined the cost-of-living adjustments for the Association in accordance with Sections 31870.1 and 31870, as provided in the enclosed exhibits.

The cost-of-living factor to be used by the Association on April 1, 2022 is determined by comparing the December CPI for the San Francisco-Oakland-Hayward Area (with 1982-84 as the base period), as published by the Bureau of Labor Statistics, in each of the past two years. The ratio of the past two December indices, 315.805 in 2021 and 302.948 in 2020, is 1.0424. The County Law sections cited above indicate that the resulting percentage change of 4.24% should be rounded to the nearest one-half percent, which is 4.0%.

Please note the above cost-of-living adjustments calculated using established procedures for ACERA may result in adjustments different from those calculated using alternative procedures by other systems.

The actual cost-of-living adjustment is dependent on tier. The CPI adjustment to be applied on April 1, 2022 is provided in Column (4) of the enclosed exhibits. The COLA banks before and after the SRBR supplemental COLA are provided in Columns (5) and (6), respectively.

Please give us a call if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Eva Yum".

Eva Yum, FSA, MAAA, EA
Vice President & Actuary

bts/bbf
Enclosures

cc: Dave Nelsen

Alameda County Employees' Retirement Association
 Cost-Of-Living Adjustment
 As of April 1, 2022

Retirement Date	(1) April 1, 2021 Accumulated Carry-over	(2) CPI Change*	(3) CPI Rounded**	(4) CPI Used***	(5) April 1, 2022 Accumulated Carry-over****	(6) Effective April 1, 2022 Accumulated Carry-over***** W/ Supp. COLA
Tiers 1 & 3						
Section 31870.1						
Maximum Annual COLA 3.0%						
<hr/>						
On or Before 7/1/1967	71.0%	4.24%	4.0%	3.0%	72.0%	15.0%
07/01/1967 to 06/30/1968	70.5%	4.24%	4.0%	3.0%	71.5%	15.0%
07/01/1968 to 04/01/1969	69.5%	4.24%	4.0%	3.0%	70.5%	15.0%
04/02/1969 to 04/01/1970	67.0%	4.24%	4.0%	3.0%	68.0%	15.0%
04/02/1970 to 04/01/1971	64.5%	4.24%	4.0%	3.0%	65.5%	15.0%
04/02/1971 to 04/01/1972	62.5%	4.24%	4.0%	3.0%	63.5%	15.0%
04/02/1972 to 04/01/1973	61.5%	4.24%	4.0%	3.0%	62.5%	15.0%
04/02/1973 to 04/01/1974	61.0%	4.24%	4.0%	3.0%	62.0%	15.0%
04/02/1974 to 04/01/1975	58.0%	4.24%	4.0%	3.0%	59.0%	15.0%
04/02/1975 to 04/01/1976	51.0%	4.24%	4.0%	3.0%	52.0%	15.0%
04/02/1976 to 04/01/1977	44.0%	4.24%	4.0%	3.0%	45.0%	15.0%
04/02/1977 to 04/01/1978	41.5%	4.24%	4.0%	3.0%	42.5%	15.0%
04/02/1978 to 04/01/1979	37.0%	4.24%	4.0%	3.0%	38.0%	15.0%
04/02/1979 to 04/01/1980	30.5%	4.24%	4.0%	3.0%	31.5%	15.0%
04/02/1980 to 04/01/1981	25.0%	4.24%	4.0%	3.0%	26.0%	15.0%
04/02/1981 to 04/01/1982	13.0%	4.24%	4.0%	3.0%	14.0%	14.0%
04/02/1982 to 04/01/1983	3.0%	4.24%	4.0%	3.0%	4.0%	4.0%
04/02/1983 to 04/01/2017	0.5%	4.24%	4.0%	3.0%	1.5%	1.5%
04/02/2017 to 04/01/2021	0.0%	4.24%	4.0%	3.0%	1.0%	1.0%
04/02/2021 to 04/01/2022		4.24%	4.0%	3.0%	1.0%	1.0%

* Based on ratio of December 2021 CPI to December 2020 CPI for the San Francisco - Oakland - Hayward Area.
 ** Based on CPI change rounded to nearest one-half percent.
 *** These are the cost-of-living adjustment factors to be applied on April 1, 2022.
 **** These are the carry-over of the cost-of-living adjustments that have not been used on April 1, 2022.
 ***** Assuming that the supplemental COLA providing 85% purchasing power is continued by the Board in 2022.

Alameda County Employees' Retirement Association
 Cost-Of-Living Adjustment
 As of April 1, 2022

Retirement Date	(1) April 1, 2021 Accumulated Carry-over	(2) CPI Change*	(3) CPI Rounded**	(4) CPI Used***	(5) April 1, 2022 Accumulated Carry-over****	(6) Effective April 1, 2022 Accumulated Carry-over***** W/ Supp. COLA
Tiers 2, 2C, 2D, & 4						
Section 31870						
Maximum Annual COLA	2.0%					
On or Before 4/1/1985	37.5%	4.24%	4.0%	2.0%	39.5%	15.0%
04/02/1985 to 04/01/1986	34.0%	4.24%	4.0%	2.0%	36.0%	15.0%
04/02/1986 to 04/01/1987	32.0%	4.24%	4.0%	2.0%	34.0%	15.0%
04/02/1987 to 04/01/1988	31.0%	4.24%	4.0%	2.0%	33.0%	15.0%
04/02/1988 to 04/01/1989	29.5%	4.24%	4.0%	2.0%	31.5%	15.0%
04/02/1989 to 04/01/1990	27.0%	4.24%	4.0%	2.0%	29.0%	15.0%
04/02/1990 to 04/01/1991	25.0%	4.24%	4.0%	2.0%	27.0%	15.0%
04/02/1991 to 04/01/1992	21.0%	4.24%	4.0%	2.0%	23.0%	15.0%
04/02/1992 to 04/01/1993	19.5%	4.24%	4.0%	2.0%	21.5%	15.0%
04/02/1993 to 04/01/1997	19.0%	4.24%	4.0%	2.0%	21.0%	15.0%
04/02/1997 to 04/01/1998	18.5%	4.24%	4.0%	2.0%	20.5%	15.0%
04/02/1998 to 04/01/1999	16.5%	4.24%	4.0%	2.0%	18.5%	15.0%
04/02/1999 to 04/01/2000	15.5%	4.24%	4.0%	2.0%	17.5%	15.0%
04/02/2000 to 04/01/2001	13.5%	4.24%	4.0%	2.0%	15.5%	15.0%
04/02/2001 to 04/01/2007	10.0%	4.24%	4.0%	2.0%	12.0%	12.0%
04/02/2007 to 04/01/2012	8.5%	4.24%	4.0%	2.0%	10.5%	10.5%
04/02/2012 to 04/01/2014	7.5%	4.24%	4.0%	2.0%	9.5%	9.5%
04/02/2014 to 04/01/2015	7.0%	4.24%	4.0%	2.0%	9.0%	9.0%
04/02/2015 to 04/01/2016	6.5%	4.24%	4.0%	2.0%	8.5%	8.5%
04/02/2016 to 04/01/2017	5.5%	4.24%	4.0%	2.0%	7.5%	7.5%
04/02/2017 to 04/01/2018	4.0%	4.24%	4.0%	2.0%	6.0%	6.0%
04/02/2018 to 04/01/2019	3.0%	4.24%	4.0%	2.0%	5.0%	5.0%
04/02/2019 to 04/01/2020	0.5%	4.24%	4.0%	2.0%	2.5%	2.5%
04/02/2020 to 04/01/2021	0.0%	4.24%	4.0%	2.0%	2.0%	2.0%
04/02/2021 to 04/01/2022		4.24%	4.0%	2.0%	2.0%	2.0%


* Based on ratio of December 2021 CPI to December 2020 CPI for the San Francisco - Oakland - Hayward Area.
 ** Based on CPI change rounded to nearest one-half percent.
 *** These are the cost-of-living adjustment factors to be applied on April 1, 2022.
 **** These are the carry-over of the cost-of-living adjustments that have not been used on April 1, 2022.
 ***** Assuming that the supplemental COLA providing 85% purchasing power is continued by the Board in 2022.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 2, 2022

TO: Members of the Retirees Committee

FROM: Kathy Foster, Assistant Chief Executive Officer 

SUBJECT: **Retirees Committee Work Plan Review**

Attached for review and discussion is the proposed 2022 Retirees Committee Work Plan. The following changes have been made from last year's work plan:

February Meeting

- Added a discussion regarding the lump sum death benefit
- Added a report on hearing aid benefits

September Meeting

- Added a placeholder to schedule a meeting, if needed

Attachment



Proposed 2022 Retirees Committee Work Plan

Action Items		Information Items
February	<ul style="list-style-type: none"> • Annual Supplemental Cost of Living Adjustment (COLA) 	<ul style="list-style-type: none"> • Annual COLA Adjustment • 2022 Annual Retirees Committee Work Plan Review • Annual Health Care Planning Meeting with Retiree Representatives/Date Announcement • Report on 1099-R Processing • Discussion Regarding Retired Member (Lump Sum) Death Benefit • Report on Hearing Aid Benefits • Report on Open Enrollment Activity • Miscellaneous Updates
April		<ul style="list-style-type: none"> • SRBR Financial Status • Via Benefits 2021 Year End Review • Semi-Annual Report on ACERA's Wellness Program • Miscellaneous Updates
June	<ul style="list-style-type: none"> • Approval of Payment for Implicit Subsidy Cost for 2021 • Possible Declaration of Intent to Fund Implicit Subsidy Program for 2023 	<ul style="list-style-type: none"> • Presentation and Report on Health Care Inflation/Trends • Preliminary Report on Projected Benefit Costs Funded through SRBR • Discussion of Monthly Medical Allowance for 2023 • 2023 Medical Plans Update/Renewal Requests of ACERA/County • Report on Annual Health Care Planning Meeting with Retiree Groups • Report on HRA Balances and Reimbursements • Plans for Open Enrollment and Retiree Health and Wellness Fair • Miscellaneous Updates
July	<ul style="list-style-type: none"> • Adoption of 2023 Monthly Medical Allowance for Group Plans • Adoption of 2023 Monthly Medical Allowance for Early Retiree Individual Plans • Adoption of 2023 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans 	<ul style="list-style-type: none"> • Report on Dental and Vision Plans Experience and Utilization • Miscellaneous Updates



Proposed 2022 Retirees Committee Work Plan

Action Items		Information Items
August	<ul style="list-style-type: none"> • Adoption of Dental Plan Contributions for 2023 • Adoption of Vision Plan Contributions for 2023 	<ul style="list-style-type: none"> • Review of Dental and Vision Plans Premiums for 2023 • Miscellaneous Updates
September	<p>Note: This is a placeholder to schedule a meeting if needed. Otherwise the information will be presented at the September Board of Retirement meeting.</p>	<ul style="list-style-type: none"> • ACERA-Sponsored Medical Plans and Premiums for Plan Year 2023
October	<ul style="list-style-type: none"> • Presentation and Acceptance of SRBR Funding Report/Valuation • SRBR Policy Update (review 2023) 	<ul style="list-style-type: none"> • SRBR Financial Status • Final Report on Open Enrollment Preparation and Communications Material, and Virtual Retiree Health and Wellness Fair Arrangements • Miscellaneous Updates <ul style="list-style-type: none"> ○ Report on Medicare Part D Certificates of Creditable Coverage and Updates for 2023 ○ Via Benefits Medicare Fall Newsletter ○ Via Benefits Balance Reminder Statement
December	<ul style="list-style-type: none"> • Adoption of Medicare Part B Reimbursement Plan Benefit for 2023 • Adoption of Updates to Appendix A of 401(h) Account Resolutions 	<ul style="list-style-type: none"> • Annual Retired Member (Lump Sum) Death Benefit Report • Semi-Annual Report on ACERA’s Wellness Program • Retiree Health and Wellness Fair Results and Open Enrollment Activity • Miscellaneous Updates

Notes: 1) This work plan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the work plan to provide a reasonable length of time for each meeting.
 2) Meeting date is assumed to be the first Wednesday of the month.

The following items to be presented at the Board of Retirement meeting:

- May – action item to approve the 401(h) Account Resolution Request to ACERA Participating Employers



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 2, 2022

TO: Members of the Retirees Committee

FROM: Kathy Foster, Assistant Chief Executive Officer 

SUBJECT: **Annual Health Care Planning Meeting with Retiree Representatives /
Date Announcement**

ACERA Staff hosts an annual Health Care Planning meeting with Trustees, ACRE and REAC Board Members, our Benefits Consultant, and the County Benefits Management team. Last year this meeting was held virtually due to concerns related to the spread of the COVID-19 coronavirus.

The Health Care Planning meeting is designed to discuss global issues, affecting multiple members, who are enrolled in a medical, dental and vision plans offered through ACERA or Via Benefits™ (Willis Towers Watson). The Health Care Planning meeting is a precursor to the annual renewal letters Staff sends to the County of Alameda as well as ACERA's dental and vision carriers for the next plan year. Concerns raised by the retirement associations are often included in these renewal letters.

This venue allows for discussion of ACERA's health care communication pieces and events. It is also designed to review areas where possible improvements can be made to save resources and enhance efficiency regarding health care.


The meeting this year will again be held virtually, and has been tentatively set for April 6th, immediately following the Retirees Committee meeting. Agenda items will be requested during the March ACRE and REAC Board meetings where Staff will be in attendance.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 2, 2022

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Benefits Manager 

SUBJECT: **Issuance of 2021 1099-R Forms**

The 1099-R form is provided to all ACERA payees in January of each year. The 1099-R form is used by ACERA to report pension and annuity distributions paid to retirees, beneficiaries, and terminated members receiving refunds. For tax year 2021, there were no changes to the 1099-R reporting form that affected ACERA.

Since October 2021, ACERA staff worked on the accuracy and clean-up of the reporting data, as well as conducting PensionGold incremental testing. The final test run took place on December 30, 2021.

The printing of the 1099-R forms began the week of January 10, 2022. All forms were mailed the week of January 17th, which was prior to the IRS issuance deadline of January 31st. A total of 11,780 1099-Rs were processed with no issues to report.


On January 5th, ACERA placed updates on the website, as well as sending e-mail blasts to retirees on January 7th, notifying them that their 1099-R would be mailed by January 31st. Retirees were also able to access their 1099-R form through ACERA Web Member Services as of January 17th.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 2, 2022

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Benefits Manager 

SUBJECT: **Retired Member (Lump Sum) Death Benefit**

ACERA provides a one-time payment of \$1,000 to be paid upon the death of an ACERA retired member if that member retired from ACERA as their last employer. If a reciprocal agency was the last employer and that agency pays less than a \$1,000 death benefit, ACERA will supplement that benefit at a level which ensures the reciprocal retired member will receive up to a \$1,000 death benefit when considering the amount of death benefits paid by all reciprocal retirement systems combined. There is no minimum years of service requirement for this benefit.

On January 1, 2013, this benefit was reduced from \$5,000 to \$1,000. At that time the Board of Retirement (Board) had concerns about the sufficiency of the Supplemental Retiree Benefit Reserve (SRBR) as the projected payment period was close to 15 years, and the fund balance was at approximately \$571 million. Pursuant to the SRBR Policy, the Board made decisions at that time to eliminate the Active Death Equity Benefit, and to decrease the retired member lump sum death benefit in an attempt to preserve and prolong the solvency of the SRBR. However, it was stated that if there came a time when the fund was at a higher sufficiency level, these benefits would be reconsidered.

Last December, Staff provided the Retirees Committee with a report on death benefits paid for the twelve-month period December 1, 2020 through November 30, 2021. At that time a total of 207 death benefits had been paid for a total of \$201,990.33. Reciprocal agencies paid \$44,000.00, either a portion or the entire amount for twelve reciprocal member deaths.

Staff obtained information from the other 1937 Act systems regarding retiree death benefits provided. As a range, three systems pay no benefit and ten systems pay \$5,000. Three systems pay \$1,000, one pays \$3,000, one pays \$3,500 and one pays \$4,000.

Using last year's total deaths of 207, we can project costs if ACERA were to increase the benefit to the following amounts, assuming ACERA pays the full benefit (no reciprocal system payments).

Benefit Amount	Total Cost
Leave at \$1,000	\$ 207,000
Increase to \$2,000	\$ 414,000
Increase to \$3,000	\$ 621,000
Increase to \$4,000	\$ 828,000
Increase to \$5,000	\$1,035,000


Staff looks forward to discussing this matter further and providing any further assistance.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 2, 2022

TO: Members of the Retirees Committee

FROM: Kathy Foster, Assistant Chief Executive Officer 

SUBJECT: **Report on Hearing Aid Benefits**

Segal, ACERA's Benefits Consultant, will review the attached hearing aid benefits presentation, and discuss the following topics.

- General Observations
- Medical Coverage Costs
- Alternative Sources

Attachment



Alameda County Employees'
Retirement Association (ACERA)

Hearing Aid Benefits

ACERA Retirees Committee Meeting

Presented on February 2, 2022
Presented by Stephen Murphy and Michael Szeto

| Agenda

General Observations

Medical Coverage Cost Matrix

Alternative Sources

General Observations

Impact of Hearing Loss Nationally

- Approximately 33% of people between ages 65 to 74 experience hearing loss and nearly half of individuals older than age 75 have difficulty hearing
- Contributes to an increase in hospitalizations, cognitive decline, and dementia

ACERA Members

- From 2019 to 2021, at least 1,414 Kaiser Medicare members were diagnosed with hearing loss
- 629 members from Kaiser and at least 19 members from Via Benefits have utilized the existing hearing aid benefit

Costs

- Retail price for a pair of hearing aids ranges from nearly \$1,000 to \$5,000
- Out-of-Pocket costs after medical plan coverage or retailer discounts for a pair of hearing aids ranges from \$0 to \$3,000

Pending Legislation

- Build Back Better (BBB) Act's proposed expansion of hearing benefits to Traditional Medicare is stalled in the U.S. Senate
- Approval of the BBB Act would create a new marketplace for over-the-counter Hearing Aid solutions

Medical Coverage Cost Matrix

Hearing Aids

	Kaiser	UHC	Via Benefits ¹
Non-Medicare Plans			
Cost Per Pair	N/A	\$3,000 - \$5,000	\$998 - \$1,500
Plan Benefit Per Pair	N/A	\$5,000 every 36 months	N/A
Estimated Patient Out-of-Pocket Cost	N/A	\$0 every 36 months	\$998 - \$1,500
Medicare Plans			
Cost Per Pair	\$3,000 - \$5,000	N/A	\$998 - \$1,500
Plan Benefit Per Pair	\$2,000 every 36 months	N/A	N/A
Estimated Patient Out-of-Pocket Cost	\$1,000 - \$3,000 every 36 months	N/A	\$998 - \$1,500

- UHC's medical plan is not offered to Medicare members
- Kaiser currently offers hearing aid solutions to Medicare members only
- Monthly financing options are available for hearing aid solutions through Via Benefits

¹ Via Benefits offers hearing aid options through iHEAR

Medical Coverage Cost Matrix

Kaiser Non-Medicare Population

Hearing Aid Benefit Allowance (Per Hearing Aid)	Additional Cost (PMPM) ¹
\$1,000 (Current Medicare Plan Benefit)	\$0.71 PMPM
\$2,000	\$1.44 PMPM
\$2,500	\$1.80 PMPM
\$3,000	\$2.14 PMPM

- The table above illustrates the cost and benefit of hearing aid solutions for Kaiser’s Non-Medicare plans
 - Hearing Aid Tests are included for all plan options
 - Allowance Frequency is every 36 months per ear
 - Warranty includes three-year manufacturer repair and loss/damage

¹ Additional costs are listed on a per member per month (PMPM) basis

Alternative Sources

	Amplifon (Delta Dental)	TruHearing (VSP)
Cost for a Pair	\$3,000 - \$5,000	\$3,000 - \$5,000
Self-Reported Retail Discount	62%	60%

- The list below contains organizations recognized as leaders in providing hearing aid benefits:
 - AudioNet America
 - Epic Hearing
 - HearUSA
 - NationsHearing
 - Virtual Hearing Solutions



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 2, 2022
TO: Members of the Retirees Committee
FROM: Ismael Piña, Assistant Benefits Manager
SUBJECT: **Open Enrollment Activity**

A handwritten signature in black ink, appearing to read 'Ismael Piña'.

This is to provide an update on the results of the Plan Year 2022 Open Enrollment activity for ACERA and Via Benefits. New this year was the recreation of our ACERA Medical, Dental, and Vision enrollment forms into DocuSign fillable online forms. Having this new digital format option allowed members to complete forms online, and submit them securely to ACERA. Members could still download, complete, and submit forms the standard way.

ACERA Open Enrollment Changes

- 240 Enrollment Forms have been received consisting of:
 - 69 Medical (36 submitted via DocuSign)
 - 83 Dental (66 submitted via DocuSign)
 - 88 Vision (72 submitted via DocuSign)
- Confirmation of change letters were mailed out mid-December 2021 through January 7, 2022.

Via Benefits Open Enrollment Changes

For Plan Year 2022, ACERA's Post-65 Medicare population mostly made changes to their prescription drug plans. Overall, the changes consisted of:

- 173 Prescription Drug Plan to Prescription Drug Plan
- 1 Medicare Advantage to Medicare Supplement
- 6 Medicare Supplement to Medicare Advantage
- 17 Medicare Advantage to Medicare Advantage
- 7 Medicare Supplement to Medicare Supplement

As expected the majority of changes for ACERA retirees continues to be in the Prescription Drug Plan coverage. Via Benefits representatives were able to assist our members work through the various Plan Providers by utilizing their Prescription Profiler Database allowing members to compare Plans, and make a selection that best suits their coverage needs.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 2, 2022

TO: Members of the Retirees Committee

FROM: Ismael Piña, Assistant Benefits Manager

A handwritten signature in black ink, appearing to read "Ismael Piña", is positioned to the right of the "FROM:" line.

SUBJECT: **Miscellaneous Updates**

An oral report will be provided on any recent benefit issues at the Retirees Committee meeting.