



MINUTES OF FEBRUARY 5, 2025 RETIREES COMMITTEE MEETING

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

Subject: Summary of the February 5, 2025 Retirees Committee Meeting

Committee Chair Elizabeth Rogers called the February 5, 2025 Committee meeting to order at 9:34 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Elizabeth Rogers and Keith Carson. Also present were Ross Clippinger, Kellie Simon, and alternate members Cynthia Baron and Kevin Bryant. Committee members Steven Wilkinson and George Wood joined the meeting after roll call.

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; and Jeff Rieger, Chief Counsel.

PUBLIC INPUT

Alicia Baptista, President of the Retired Employees of Alameda County, Inc. (REAC) invited the Trustees and Staff to attend the REAC Spring Luncheon, which will be held on Monday, March 17, 2025.

INFORMATION ITEMS

Chair Rogers moved the following information item to the top of the agenda at the request of Staff 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, 2025 results in the maximum increase of 3.0% for Tier 1 and Tier 3 retirees/payees who retired on or before April 1, 2023, due to carry over banked from prior years. Tiers 1 and 3 retirees/payees who retired on or after April 2, 2023 will receive a COLA increase of 2.5%. All Tier 2 and Tier 4 retirees/payees will receive a COLA increase of 2.0%. The Consumer Price Index (CPI) calculation resulted in a change of 2.38%. According to Government Code Sections 31870 and 31870.1, the percentage change should be rounded to the nearest one-half percent, which is 2.5%. The difference

between the 2.5% and the maximum COLA adjustment allowed for Tier 2 and Tier 4 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 over 15% due to inflation. For 2024, there were approximately 1,767 retirees/payees receiving this benefit at a cost of \$1,247,856.19. Based on the accumulated loss of purchasing power as of December 31, 2024, those Tier 1 members who retired on or before April 1, 1981, and those Tier 2 members who retired on or before April 1, 2007, will receive the Supplemental COLA increase effective with their April 1, 2025, monthly allowance.

It was moved by Kellie Simon and seconded by Ross Clippinger 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, 2007, effective with the April 1, 2025 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

The motion carried 6 yes (*Bryant, Carson, Clippinger, Rogers, Simon, Wilkinson*), 0 no, 0 abstentions

INFORMATION ITEMS

2. Proposed Study of the Impact on the SRBR of Granting the Full Medical Inflation Rate Assumption for the MMA Payments

Staff and Segal, ACERA's actuaries, provided a proposal to perform a retrospective actuarial study to estimate the impact on the Supplemental Retiree Benefit Reserve (SRBR) if higher Monthly Medical Allowances (MMA) were paid.

3. 2025 Annual Retirees Committee Work Plan Review

Staff provided a proposed 2025 Retirees Committee Work Plan highlighting four changes from last year's work plan: 1) a proposed study of the impact on the SRBR of granting the full medical inflation rate assumption for the MMA payments; 2) report on a project plan and timeline for the dental and vision plans request for proposals; 3) an information item regarding the survey of retired members on three rider additions to the Kaiser Permanente Senior Advantage Plan; and 4) a report and recommendation on the dental and vision plans and awarding of contracts for Plan Year 2026.

4. Dental and Vision Plans Request for Proposals for 2026 Plan Coverage

Staff and Segal, ACERA's Benefits Consultant, provided a report on a project plan and timeline to release a Request for Proposal (RFP) for the dental and vision plans coverage. A list of dental and vision plans vendors who will be invited to submit proposals in response to the RFPs was also provided.

5. 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. This meeting will be held virtually and has been tentatively set for February 26, 2025.

6. Report on 1099-R Processing

Staff reported that the 2024 1099-R forms were mailed to all retirees/payees on January 17th, prior to the IRS deadline of January 31st. A total of 12,548 1099-Rs were processed with no issues to report. This year, ACERA again utilized a third party vendor to print and mail all 1099-Rs instead of printing in-house for a slight cost savings.

7. Report on Open Enrollment Activity

Staff provided information on the Plan Year 2025 Open Enrollment activity for ACERA and Via Benefits. Out of the total 309 group change forms the members submitted, 75% were submitted via DocuSign.

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

Staff provided a report on ACERA's 2024 wellness email campaign performance covering various key metrics, which indicate that the frequency and content of the wellness emails were well received and enjoyed by the majority of recipients. Staff also reviewed the 2025 wellness email campaign, which focuses on addressing chronic conditions through virtual resources provided by ACERA's insurance carriers. Staff also continues to promote One Pass and the Kaiser Permanente Virtual Health Talks.

The planning for the hybrid 2025 Retiree Health and Wellness Fair is underway and is scheduled to take place in the third or fourth week of October.

TRUSTEE REMARKS

None.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for April 2, 2025, at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:34 a.m.