



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

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

ACERA MISSION:

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

**Thursday, February 19, 2026
11:30 a.m.**

LOCATION AND TELECONFERENCE	COMMITTEE MEMBERS	
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14 TH STREET, 10 TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574	ELIZABETH ROGERS, CHAIR	ELECTED RETIRED
	KELLIE SIMON, VICE CHAIR	ELECTED GENERAL
	OPHELIA BASGAL	APPOINTED
	KEITH CARSON	APPOINTED
	STEVEN WILKINSON	APPOINTED

The Alternate Retired Member votes in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General members, or the Safety Member and an Elected General member, are absent.

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.

Note regarding accommodations: If you require a reasonable modification or accommodation for a disability, please contact ACERA between 9:00 a.m. and 5:00 p.m. at least 72 hours before the meeting at accommodation@acera.org or at 510-628-3000.

Public comments are limited to four (4) minutes per person in total. The order of items on the agenda 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 posted online at www.acera.org and also may be inspected at 475 14th Street, 10th Floor, Oakland, CA 94612-1900.

RETIREES COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 2 of 3 – Thursday, February 19, 2026

Call to Order: 11:30 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 2026 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, 2012, effective with the April 1, 2026, 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 2026.

- Jessica Huffman

2. 2026 Annual Retirees Committee Work Plan Review

Review of the proposed Retirees Committee Work Plan for 2026.

- Carlos Barrios

3. Discussion to Offer Individual Plans for Early Retirees Living in the Service Area

Staff will present information regarding the proposal to offer individual health plan options for early retirees living within the service area.

- Carlos Barrios

RETIREES COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 3 of 3 – Thursday, February 19, 2026

4. Discussion to Increase MMA for Medicare Eligible Retiree Individual Plans to Coincide with Group Plans

Staff and Segal will present information regarding the proposal to increase the MMA for Medicare eligible retiree individual plans to coincide with group plans.

- Carlos Barrios
- Andy Yeung, Segal

5. 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.

- Carlos Barrios

6. Report on 1099-R Processing

Report on the status of issuance process for 2025 Form 1099-R, which ACERA uses to report income paid to retirees, beneficiaries and members receiving refunds or contribution adjustments.

- Jessica Huffman

7. Report on Open Enrollment Activity

Staff will provide a report on the Open Enrollment activity for Plan Year 2026.

- Jessica Huffman

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

Staff will provide the semi-annual report on ACERA's Wellness Program.

- Mike Fara
- Jessica Huffman

Trustee Remarks

Future Discussion Items

- Proposal to Offer Individual Plans for Early Retirees Living in the Service Area

Establishment of Next Meeting Date

April 1, 2026, at 9:30 a.m.

Adjournment



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 19, 2026

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Retirement 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 1,683 retirees/payees (97 Tier 1 and 1,586 Tier 2) receiving the Supplemental COLA. The cost of this benefit for 2025 was \$1,312,590.80.

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, 2025, those Tier 1 members who retired on or before April 1, 1981, and those Tier 2 members who retired on or before April 1, 2012, will receive the Supplemental COLA increase effective with their April 1, 2026, monthly allowance. The Supplemental COLA range for Tier 1 members did not change from last year. An estimated decrease of six Tier 1 retirees/payees will receive this benefit. Tier 2 members who will be eligible to receive the Supplemental COLA expanded by five years. An estimated increase of 1,711 Tier 2 retirees/payees will receive this benefit. For 2026, an estimated 3,388 members will receive Supplemental COLA, and the cost of this benefit will be \$1,352,732.52.

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 recommend 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, 2012, effective with the April 1, 2026, 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.

Year	Supplemental COLA	
	Average No. of Recipients	Annual Cost
2025	1,683	\$1.3 M
2024	1,767	\$1.2 M
2023	622	\$1.1 M
2022	649	\$0.9 M
2021	578	\$0.9 M

The median Supplemental COLA amount received in 2025 is \$32.63.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 19, 2026

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Retirement Benefits Manager *JH*

SUBJECT: **Annual Cost of Living Adjustment for 2026**

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, 2026, 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 3.04%. According to the above Government Code Sections, the percentage change should be rounded to the nearest one-half percent, which is 3.0%. 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 2026 monthly payroll.

Tiers 1 and 3 retirees/payees will not bank any amount, as the 2026 COLA does not exceed the 3.0% maximum COLA. Tiers 2 and 4 will bank 1% as the 2026 COLA exceeds the 2.0% maximum for Tiers 2 and 4 retirees. Attached for your information is a 10-year history of the COLA banking.

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

Attachments



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Vice President and Actuary
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Via Email

January 22, 2026

Mr. Carlos Barrios
Assistant Chief Executive Officer, Benefits
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, 2026**

Dear Carlos:

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, 2026 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, 358.568 in 2025 and 348.001 in 2024, is 1.0304. The County Law sections cited above indicate that the resulting percentage change of 3.04% should be rounded to the nearest one-half percent, which is 3.0%.

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, 2026 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. The effective supplemental COLA to be granted on April 1, 2026 is provided in Column (7), assuming the Board will continue the 85% purchasing power program in 2026.

Please give us a call if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Eva Yum".

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

JT/bbf
Attachments

cc: Lisa Johnson

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Alameda County Employees' Retirement Association Cost-of-Living Adjustment (COLA) as of April 1, 2026

Tiers 1 and 3
(Section 31870.1 — Maximum Annual COLA of 3.0%)

Retirement Date	April 1, 2025 Accumulated Carry-Over (1)	CPI Change ¹ (2)	CPI Rounded ² (3)	CPI Used ³ (4)	April 1, 2026 Accumulated Carry-Over ⁴ (5)	Effective April 1, 2026 Accumulated Carry-Over ⁵ w/ Supp. COLA (6)	Effective April 1, 2026 Supp. COLA Granted ⁵ (7)
On or Before 7/1/1967	73.0%	3.04%	3.0%	3.0%	73.0%	15.0%	58.0%
07/01/1967 to 06/30/1968	72.5%	3.04%	3.0%	3.0%	72.5%	15.0%	57.5%
07/01/1968 to 04/01/1969	71.5%	3.04%	3.0%	3.0%	71.5%	15.0%	56.5%
04/02/1969 to 04/01/1970	69.0%	3.04%	3.0%	3.0%	69.0%	15.0%	54.0%
04/02/1970 to 04/01/1971	66.5%	3.04%	3.0%	3.0%	66.5%	15.0%	51.5%
04/02/1971 to 04/01/1972	64.5%	3.04%	3.0%	3.0%	64.5%	15.0%	49.5%
04/02/1972 to 04/01/1973	63.5%	3.04%	3.0%	3.0%	63.5%	15.0%	48.5%
04/02/1973 to 04/01/1974	63.0%	3.04%	3.0%	3.0%	63.0%	15.0%	48.0%
04/02/1974 to 04/01/1975	60.0%	3.04%	3.0%	3.0%	60.0%	15.0%	45.0%
04/02/1975 to 04/01/1976	53.0%	3.04%	3.0%	3.0%	53.0%	15.0%	38.0%
04/02/1976 to 04/01/1977	46.0%	3.04%	3.0%	3.0%	46.0%	15.0%	31.0%
04/02/1977 to 04/01/1978	43.5%	3.04%	3.0%	3.0%	43.5%	15.0%	28.5%
04/02/1978 to 04/01/1979	39.0%	3.04%	3.0%	3.0%	39.0%	15.0%	24.0%
04/02/1979 to 04/01/1980	32.5%	3.04%	3.0%	3.0%	32.5%	15.0%	17.5%
04/02/1980 to 04/01/1981	27.0%	3.04%	3.0%	3.0%	27.0%	15.0%	12.0%
04/02/1981 to 04/01/1982	15.0%	3.04%	3.0%	3.0%	15.0%	15.0%	0.0%
04/02/1982 to 04/01/1983	5.0%	3.04%	3.0%	3.0%	5.0%	5.0%	0.0%
04/02/1983 to 04/01/2017	2.5%	3.04%	3.0%	3.0%	2.5%	2.5%	0.0%
04/02/2017 to 04/01/2022	2.0%	3.04%	3.0%	3.0%	2.0%	2.0%	0.0%
04/02/2022 to 04/01/2023	1.0%	3.04%	3.0%	3.0%	1.0%	1.0%	0.0%
04/02/2023 to 04/01/2025	0.0%	3.04%	3.0%	3.0%	0.0%	0.0%	0.0%
04/02/2025 to 04/01/2026		3.04%	3.0%	3.0%	0.0%	0.0%	0.0%

¹ Based on ratio of December 2025 CPI to December 2024 CPI for the San Francisco - Oakland - Hayward Area.

² Based on CPI change rounded to nearest one-half percent.

³ These are the cost-of-living adjustment factors to be applied on April 1, 2026.

⁴ These are the carry-over of the cost-of-living adjustments that have not been used on April 1, 2026.

⁵ Assuming that the supplemental COLA providing 85% purchasing power is continued by the Board in 2026.

Alameda County Employees' Retirement Association Cost-of-Living Adjustment (COLA) as of April 1, 2026

Tiers 2, 2C, 2D, and 4
(Section 31870 - Maximum Annual COLA of 2.0%)

Retirement Date	April 1, 2025 Accumulated Carry-Over (1)	CPI Change ⁶ (2)	CPI Rounded ⁷ (3)	CPI Used ⁸ (4)	April 1, 2026 Accumulated Carry-Over ⁹ (5)	Effective April 1, 2026 Accumulated Carry-Over ¹⁰ w/ Supp. COLA (6)	Effective April 1, 2026 Supp. COLA Granted ¹⁰ (7)
On or Before 4/1/1985	43.5%	3.04%	3.0%	2.0%	44.5%	15.0%	29.5%
04/02/1985 to 04/01/1986	40.0%	3.04%	3.0%	2.0%	41.0%	15.0%	26.0%
04/02/1986 to 04/01/1987	38.0%	3.04%	3.0%	2.0%	39.0%	15.0%	24.0%
04/02/1987 to 04/01/1988	37.0%	3.04%	3.0%	2.0%	38.0%	15.0%	23.0%
04/02/1988 to 04/01/1989	35.5%	3.04%	3.0%	2.0%	36.5%	15.0%	21.5%
04/02/1989 to 04/01/1990	33.0%	3.04%	3.0%	2.0%	34.0%	15.0%	19.0%
04/02/1990 to 04/01/1991	31.0%	3.04%	3.0%	2.0%	32.0%	15.0%	17.0%
04/02/1991 to 04/01/1992	27.0%	3.04%	3.0%	2.0%	28.0%	15.0%	13.0%
04/02/1992 to 04/01/1993	25.5%	3.04%	3.0%	2.0%	26.5%	15.0%	11.5%
04/02/1993 to 04/01/1997	25.0%	3.04%	3.0%	2.0%	26.0%	15.0%	11.0%
04/02/1997 to 04/01/1998	24.5%	3.04%	3.0%	2.0%	25.5%	15.0%	10.5%
04/02/1998 to 04/01/1999	22.5%	3.04%	3.0%	2.0%	23.5%	15.0%	8.5%
04/02/1999 to 04/01/2000	21.5%	3.04%	3.0%	2.0%	22.5%	15.0%	7.5%
04/02/2000 to 04/01/2001	19.5%	3.04%	3.0%	2.0%	20.5%	15.0%	5.5%
04/02/2001 to 04/01/2007	16.0%	3.04%	3.0%	2.0%	17.0%	15.0%	2.0%
04/02/2007 to 04/01/2012	14.5%	3.04%	3.0%	2.0%	15.5%	15.0%	0.5%
04/02/2012 to 04/01/2014	13.5%	3.04%	3.0%	2.0%	14.5%	14.5%	0.0%
04/02/2014 to 04/01/2015	13.0%	3.04%	3.0%	2.0%	14.0%	14.0%	0.0%
04/02/2015 to 04/01/2016	12.5%	3.04%	3.0%	2.0%	13.5%	13.5%	0.0%
04/02/2016 to 04/01/2017	11.5%	3.04%	3.0%	2.0%	12.5%	12.5%	0.0%
04/02/2017 to 04/01/2018	10.0%	3.04%	3.0%	2.0%	11.0%	11.0%	0.0%
04/02/2018 to 04/01/2019	9.0%	3.04%	3.0%	2.0%	10.0%	10.0%	0.0%
04/02/2019 to 04/01/2020	6.5%	3.04%	3.0%	2.0%	7.5%	7.5%	0.0%
04/02/2020 to 04/01/2022	6.0%	3.04%	3.0%	2.0%	7.0%	7.0%	0.0%
04/02/2022 to 04/01/2023	4.0%	3.04%	3.0%	2.0%	5.0%	5.0%	0.0%
04/02/2023 to 04/01/2024	1.0%	3.04%	3.0%	2.0%	2.0%	2.0%	0.0%
04/02/2024 to 04/01/2025	0.5%	3.04%	3.0%	2.0%	1.5%	1.5%	0.0%
04/02/2025 to 04/01/2026		3.04%	3.0%	2.0%	1.0%	1.0%	0.0%

⁶ Based on ratio of December 2025 CPI to December 2024 CPI for the San Francisco - Oakland - Hayward Area.

⁷ Based on CPI change rounded to nearest one-half percent.

⁸ These are the cost-of-living adjustment factors to be applied on April 1, 2026.

⁹ These are the carry-over of the cost-of-living adjustments that have not been used on April 1, 2026.

¹⁰ Assuming that the supplemental COLA providing 85% purchasing power is continued by the Board in 2026.

Cost of Living Adjustments - COLA Banking 10-Year History

Tiers 1 & 3

Section 31870.1

Maximum Annual COLA - 3.00 %

COLA Year	Retirement Dates	CPI	Adjusted CPI/COLA	Tier COLA MAX	Bank Utilization	
					Used	Banked
2026		3.04%	3.00%	3.00%		N/A
2025		2.38%	2.50%	3.00%		
	On or Before April 1, 2023		3.00%		-0.50%	
	On or After April 2, 2023		2.50%			N/A
2024		2.62%	2.50%	3.00%		
	On or Before April 1, 2023		3.00%		-0.50%	
	On or After April 2, 2023		2.50%			N/A
2023		4.88%	5.00%	3.00%		2.00%
2022		4.24%	4.00%	3.00%		1.00%
2021		2.00%	2.00%	3.00%		
	On or Before April 1, 2019		3.00%		-1.00%	
	On or After April 2, 2019		2.00%			N/A
2020		2.45%	2.50%	3.00%		
	On or Before April 1, 2019		3.00%		-0.50%	
	On or After April 2, 2019		2.50%			N/A
2019		4.50%	4.50%	3.00%		1.50%
2018		2.94%	3.00%	3.00%		N/A
2017		3.53%	3.50%	3.00%		0.50%

Tiers 2, 2C, 2D & 4

Section 31870

Maximum Annual COLA - 2.00%

COLA Year	Retirement Dates	CPI	Adjusted CPI/COLA	Tier COLA MAX	Bank Utilization	
					Used	Banked
2026		3.04%	3.00%	2.00%		1.00%
2025		2.38%	2.50%	2.00%		0.50%
2024		2.62%	2.50%	2.00%		0.50%
2023		4.88%	5.00%	2.00%		3.00%
2022		4.24%	4.00%	2.00%		2.00%
2021		2.00%	2.00%	2.00%		N/A
2020		2.45%	2.50%	2.00%		0.50%
2019		4.50%	4.50%	2.00%		2.50%
2018		2.94%	3.00%	2.00%		1.00%
2017		3.53%	3.50%	2.00%		1.50%



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 19, 2026

TO: Members of the Retirees Committee

FROM: Carlos Barrios, Assistant Chief Executive Officer *CB*

SUBJECT: **2026 Retirees Committee Work Plan Review**

Attached for review and discussion is the proposed 2026 Retirees Committee Work Plan. The following changes have been made from last year's work plan:

February Meeting

- Added the following information item:
 - Discussion to Offer Individual Plans for Early Retirees Living in the Service Area
 - Discussion to Increase MMA for Medicare Eligible Retiree Individual Plans to Coincide with Group Plans

April Meeting

- Added the following action items:
 - Proposal to Offer Individual Plans for Early Retirees Living in the Service Area
 - Proposal to Increase MMA for Medicare Eligible Retiree Individual Plans to Coincide with Group Plans

Attachment



Proposed 2026 Retirees Committee Work Plan

Action Items	Information Items
February 4 (Rescheduled from 2/4)	<ul style="list-style-type: none">• Annual Supplemental Cost of Living Adjustment (COLA) <ul style="list-style-type: none">• Annual COLA Adjustment• 2026 Annual Retirees Committee Work Plan Review• Discussion to Offer Individual Plans for Early Retirees Living in the Service Area• Discussion to Increase MMA for Medicare Eligible Retiree Individual Plans to Coincide with Group Plans• Annual Health Care Planning Meeting with Retiree Representatives/Date Announcement• Report on 1099-R Processing• Report on Open Enrollment Activity• Semi-Annual Report on ACERA's Wellness Program
April 1	<ul style="list-style-type: none">• Proposal to Offer Individual Plans for Early Retirees Living in the Service Area• Proposal to Increase MMA for Medicare Eligible Retiree Individual Plans to Coincide with Group Plans <ul style="list-style-type: none">• Via Benefits 2025 Year in Review• 2027 Medical Plans Update/Renewal Requests of ACERA/County• Report on Annual Health Care Planning Meeting with Retiree Groups• SRBR Financial Status
June 3	<ul style="list-style-type: none">• Approval of Payment for Implicit Subsidy Cost for 2025• Possible Declaration of Intent to Fund Implicit Subsidy Program for 2027 <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 2027• Report on HRA Balances and Reimbursements• Plans for Open Enrollment and Retiree Health and Wellness Fair
July 1	<ul style="list-style-type: none">• Adoption of 2027 Monthly Medical Allowance for Group Plans• Adoption of 2027 Monthly Medical Allowance for Early Retiree Individual Plans• Adoption of 2027 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans <ul style="list-style-type: none">• Report on Dental and Vision Plans Experience and Utilization



Proposed 2026 Retirees Committee Work Plan

Action Items		Information Items
August 5	<ul style="list-style-type: none">Adoption of Dental Plan Contributions for 2027Adoption of Vision Plan Contributions for 2027	<ul style="list-style-type: none">Review of Dental and Vision Plans Premiums for 2027Semi-Annual Report on ACERA's Wellness Program
September 2		<ul style="list-style-type: none">ACERA-Sponsored Medical Plans and Premiums for Plan Year 2027
October 7	<ul style="list-style-type: none">Presentation and Acceptance of SRBR Funding Report/ValuationSRBR Policy Update (review 2027)	<ul style="list-style-type: none">SRBR Financial StatusFinal Report on Open Enrollment Preparation and Communications Materials, and Retiree Health and Wellness Fair ArrangementsVia Benefits UpdatesProcessing Report on Medicare Part D Certificate of Creditable Coverage and Updates for 2027
December 2	<ul style="list-style-type: none">Adoption of Medicare Part B Reimbursement Plan Benefit for 2027Adoption of Updates to Appendix A of 401(h) Account Resolutions	<ul style="list-style-type: none">Annual Retired Member (Lump Sum) Death Benefit ReportRetiree Health and Wellness Fair Results

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 19, 2026

TO: Members of the Retirees Committee

FROM: Carlos Barrios, Assistant Chief Executive Officer *CB*

SUBJECT: **Discussion to Offer Individual Plans for Early Retirees Living in the Service Area**

Trustees have expressed concern over the cost of medical premiums for the retirees who are under age 65 (early retirees) and requested to consider allowing early retirees to enroll into a medical plan through the Individual Plans.

Currently, an early retiree who lives outside of the Group Plans service area may enroll into a medical plan through the Individual Plans, whereas early retirees who live inside of the Group Plans service area may not enroll into a medical plan through the Individual Plans. This memo serves to inform the Retirees Committee of our intent to bring the matter back as an Action item at its April 1, 2026 meeting to consider recommending to the Board of Retirement the restriction be removed against early retirees living inside the service area and thereby allowing them to enroll into the Individual Plans. The reason for bringing it to your attention today is to inform the trustees of this consideration before speaking about the subject at the Annual Healthcare Planning Meeting on March 18, 2026.

Trustees have also requested to know how the Group Plans compare to the Individual Plans. At the Retirees Committee Meeting on April 1, 2026, our third party administrator of the Individuals Plans, Via Benefits (Willis Towers Watson), will provide medical plan costs and coverage that a member would want to consider while comparing the Group Plans to the Individual Plans.

Retirees in the Individual Plan with 20 years of service receive a Monthly Medical Allowance of up to \$687.21 per month regardless if they select the Group Plan or the Individual Plan; therefore, the retiree's selection does not affect the Supplemental Retiree Benefit Reserve sufficiency period.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 19, 2026

TO: Members of the Retirees Committee

FROM: Carlos Barrios, Assistant Chief Executive Officer *CB*

SUBJECT: **Discussion to Increase MMA for Medicare Eligible Retiree Individual Plans to Coincide with Group Plans**

Medicare eligible retirees in the Individual Plan with 20 years of service receive a Monthly Medical Allowance (MMA) of up to \$526.46 per month whereas Medicare eligible retirees in the Group Plan receive an MMA of up to \$687.21 per month. The MMA is derived from the Supplemental Retiree Benefit Reserve (SRBR) and any changes to the amount of the MMA affects the SRBR sufficiency period. The Board has the sole and exclusive authority and discretion to distribute funds in the SRBR to provide benefits. The distribution of these funds shall be determined solely by the Board and shall be used only for the benefit of retired members and their beneficiaries.

We reached out to our actuary, Segal, to explore the effect on the SRBR sufficiency period if the Board were to increase the MMA for Medicare eligible retirees enrolled in the Individual Plan such that the MMA coincided with the Group Plans starting in 2027. A representative from Segal is here today to discuss the results of that report.

Attachment



180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
T 415.263.8200
segalco.com

January 27, 2026

Mr. Carlos Barrios
Assistant Chief Executive Officer, Benefits
Alameda County Employees' Retirement Association
475 14th Street, Suite 1000
Oakland, California 94612-1900

Re: Alameda County Employees' Retirement Association (ACERA)
Impact of increasing Maximum Monthly Medical Allowance (MMA) for Medicare
Eligible Retiree Individual Plans to coincide with MMA for Group Plans and Pre-65
Individual Plans

Dear Carlos:

This letter summarizes the expected financial impact of a proposal to increase the maximum Monthly Medical Allowance (MMA) for Medicare-eligible retirees enrolled in Individual Plans (\$526.46 in 2026) to align with the allowances provided under Group Plans and Pre-65 Individual Plans* (\$687.21 in 2026) beginning in 2027.

Summary of results

The financial impact of the proposal would be dependent on the increase in the subsidy paid by ACERA. Under two alternative assumptions as to the level of increase, the change in the sufficiency period and the funded ratio are as follows:

Key Metric	12/31/2024 Valuation	100% Assumption	50% Assumption
Sufficiency Period	Through 2045 or 20 years 6.0 months	Through 2044 or 19 years 11.9 months	Through 2045 or 20 years 1.2 months
Change		-6 months	-5 months
Funded Ratio	82.0%	80.1%	80.4%
Change		-1.9%	-1.6%

* Individual insurance coverage is available to retirees under age 65 residing outside of ACERA group medical plans' coverage area.

Based on discussions with ACERA, the impact was modeled under two separate assumptions:

Scenario	Description
100% Assumption	<p>Retirees who have currently utilized the maximum MMA (\$526.46 in 2026) with zero Health Reimbursement Account (HRA) balance were assumed to utilize 100% of the MMA increase. For example, retirees with at least 20 years of service would receive and utilize an additional \$160.75 per month (\$687.21 - \$526.46).</p> <p>However, no immediate benefit increases were assumed for retirees with positive HRA balances.</p>
50% Assumption	<p>Retirees with zero HRA balance were assumed to utilize 50% of the MMA increase. For example, retirees with at least 20 years of service would receive and utilize an additional \$80.37 per month.</p> <p>However, no immediate benefit increases were assumed for retirees with positive HRA balances.</p>

This change is projected to decrease the sufficiency period in the most recent December 31, 2024 Supplemental Retiree Benefits Reserve (SRBR) actuarial valuation by approximately five to six months and lower the funded ratio by about two percentage points. The similar impact across both assumption scenarios is due to the MMA trend assumptions being half of the trend assumptions used for the underlying premiums. Consequently, the per-capita benefit levels gradually converge toward the higher maximum MMA in each scenario. Exhibits 1 and 2 at the end of the letter illustrate this effect:

- **Exhibit 1:** Uniform Medicare MMA – 100% Assumption
- **Exhibit 2:** Uniform Medicare MMA – 50% Assumption

The additional annual benefit costs in Exhibit 1 are initially roughly twice of those provided in Exhibit 2. However, both exhibits reflect similar long-term annual cost impacts as the proportion of retirees receiving the full enhanced MMA is expected to increase over time.

The same relationship between annual growth in the MMA (at one half of our anticipated medical trend assumptions) and premium increases was modeled in the December 31, 2024 valuation and in this study and is based on our understanding of the substantive plan.

Data and assumptions

The analysis was prepared using results from the December 31, 2024 SRBR actuarial valuation report dated September 19, 2025. Other than the Medicare Exchange benefit level assumptions discussed below, all assumptions, methods and data are the same as those used in the December 31, 2024 actuarial valuation, including the Medicare Via Benefits Individual Insurance Exchange election assumption of 28% for all current and future Medicare retirees. The 72% of current and future Medicare retirees who are assumed to elect coverage under the Group Plans would be unaffected by this change.

Of the 28% of Medicare retirees who receive benefits through the Medicare Exchange, only a subset are currently receiving the maximum available benefit. As of April 2025, 489 or 29% of

Medicare Exchange retirees had zero remaining HRA balance. These 489 retirees are assumed to be most directly affected by the MMA increase, as they are currently receiving the maximum available benefit.

Category	Count
Total Medicare Exchange retirees	1,710
Retirees with zero remaining HRA balance	489 (29%)

While there may be benefit increases among retirees with positive HRA balances, the short-term impact to the plan's annual benefit costs will likely be driven by the retirees who are currently receiving the maximum allowance. Because the available census data does not include underlying charges for members currently receiving the maximum benefit, the 100% and 50% assumption scenarios were used to model the potential impact on per capita Medicare Exchange benefits paid by the plan.

Using the 100% Assumption approach, where retirees with zero HRA balance receive the new maximum and no impact for those with positive HRA balance, the weighted average benefit payments for all Medicare Exchange retirees were determined to be approximately 10% higher than those assumed in the December 31, 2024 valuation. Similarly, recalculating the average Medicare Exchange benefits under the 50% Assumption approach resulted in an assumed 5% increase from the baseline Medicare Exchange per capita cost assumptions.

Medicare Exchange Monthly Benefit Assumption	10 – 14 Years of Service	15 – 19 Years of Service	20+ Years of Service
12/31/2024 Valuation	\$224.68	\$313.50	\$380.77
100% Assumption	\$247.15	\$344.85	\$418.85
50% Assumption	\$235.91	\$329.18	\$399.81

It is important to keep in mind that the 100% and 50% assumptions described above establish the immediate increase in average benefits for this group. Once the initial increase is determined, valuation trend assumptions will project underlying costs at the medical trend rate and MMA at half of that rate.

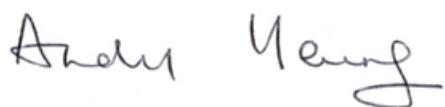
Other considerations

These projections are based on proprietary actuarial modeling software. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary. These calculations were prepared under the supervision of Mehdi Riazi, FSA, MAAA, FCA, EA. We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

This document has been prepared for the exclusive use and benefit of ACERA, based upon information provided by ACERA or otherwise made available to Segal at the time this document was created. Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee any particular outcome or result. This document should only be copied, reproduced or shared with other parties in its entirety as necessary for the proper administration of the Plan. This document does not constitute legal, tax or investment advice or create or imply a fiduciary relationship. You are encouraged to discuss any issues raised with your legal, tax and other advisors before taking, or refraining from taking, any action.

Please let us know if you have any questions.

Sincerely,



Andy Yeung, ASA, MAAA, EA
Vice President and Actuary



Mehdi Riazi, FSA, MAAA, FCA, EA
Vice President and Actuary



Daniel Siblik, ASA, MAAA, EA
Vice President and Actuary

DNA/jl

cc: Lisa Johnson
Dave Nelsen

Exhibit 1 – Projected SRBR Medical¹ Benefit Cash Flows as of December 31, 2024

Uniform Medicare MMA - 100% Assumption

Year Ending December 31	Baseline	100% Assumption	Increase
2025	\$53,442,990	\$53,442,990	\$0
2026	57,812,279	57,812,279	0
2027	62,656,915	63,540,136	883,221
2028	67,595,798	68,609,251	1,013,453
2029	72,582,454	73,757,293	1,174,839
2030	77,903,874	79,262,454	1,358,580
2031	83,438,268	85,004,970	1,566,702
2032	88,867,879	90,663,316	1,795,437
2033	94,582,114	96,580,567	1,998,453
2034	100,095,113	102,329,688	2,234,575
2035	105,597,325	108,077,005	2,479,680
2036	110,419,951	113,153,723	2,733,772
2037	115,100,345	118,082,758	2,982,413
2038	119,606,965	122,835,281	3,228,316
2039	124,070,692	127,574,444	3,503,752
2040	128,256,028	132,053,125	3,797,097
2041	132,432,966	136,499,753	4,066,787
2042	136,491,764	140,817,430	4,325,666
2043	140,563,906	145,134,248	4,570,342
2044	144,547,536	148,207,987 ²	3,660,451
2045	74,431,278 ²	0	(74,431,278)
2046	0	0	-
2047	0	0	-
2048	0	0	-
2049	0	0	-

¹ Includes Medicare Part B and Implicit Subsidy Reimbursement made to the County. Excludes dental and vision cash flows.

² Benefits will be paid through the year prior to the year shown in the table. Full benefits, including dental and vision, will be paid for part of the year indicated.

Exhibit 2 – Projected SRBR Medical¹ Benefit Cash Flows as of December 31, 2024

Uniform Medicare MMA - 50% Assumption

Year Ending December 31	Baseline	50% Assumption	Increase
2025	\$53,442,990	\$53,442,990	\$0
2026	57,812,279	57,812,279	0
2027	62,656,915	63,122,972	466,057
2028	67,595,798	68,156,206	560,408
2029	72,582,454	73,267,413	684,959
2030	77,903,874	78,740,683	836,809
2031	83,438,268	84,451,258	1,012,990
2032	88,867,879	90,076,710	1,208,831
2033	94,582,114	96,002,322	1,420,208
2034	100,095,113	101,763,797	1,668,684
2035	105,597,325	107,514,403	1,917,078
2036	110,419,951	112,592,023	2,172,072
2037	115,100,345	117,530,381	2,430,036
2038	119,606,965	122,290,463	2,683,498
2039	124,070,692	127,020,275	2,949,583
2040	128,256,028	131,489,385	3,233,357
2041	132,432,966	135,977,504	3,544,538
2042	136,491,764	140,364,130	3,872,366
2043	140,563,906	144,735,732	4,171,826
2044	144,547,536	148,992,399	4,444,863
2045	74,431,278 ²	15,938,532 ²	(58,492,745)
2046	0	0	-
2047	0	0	-
2048	0	0	-
2049	0	0	-

¹ Includes Medicare Part B and Implicit Subsidy Reimbursement made to the County. Excludes dental and vision cash flows.

² Benefits will be paid through the year prior to the year shown in the table. Full benefits, including dental and vision, will be paid for part of the year indicated.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 19, 2026

TO: Members of the Retirees Committee

FROM: Carlos Barrios, Assistant Chief Executive Officer *CB*

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 of Alameda (County) Benefits Management team. Last year this meeting was held virtually.

The Health Care Planning meeting is designed to discuss global issues, affecting multiple members, who are enrolled in 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, 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 has been tentatively set for March 18th. The meeting will be held virtually again this year. Agenda items will be requested during the February ACRE and REAC Board meetings where Staff will be in attendance.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 19, 2026

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Retirement Benefits Manager *JH*

SUBJECT: **Issuance of 2025 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 distributions paid to retirees, beneficiaries, and terminated members receiving refunds. For tax year 2025, there were no changes to the IRS 1099-R reporting requirements that affected ACERA.

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 and continued using the 4-Up 1099-R form. To enhance the security of member's data, Social Security Numbers were truncated on all 1099-Rs to display only the last 4 digits versus the entire number.

Since August 2025, 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 the week of January 5, 2026.

The printing of the 1099-R forms began the week of January 12, 2026. All forms were mailed by the third-party vendor in advance of the IRS issuance deadline of January 31st. A total of 12,677 1099-Rs were processed with no issues to report.

On January 1st, ACERA placed a news update on ACERA's website notifying members that their 1099-R would be mailed by January 31st. On January 8th, ACERA issued a reminder email to retirees and advised them that electronic copies were available for download and viewing in MemberDirect.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 19, 2026

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Retirement Benefits Manager *JH*

SUBJECT: **Open Enrollment Activity**

This memo details the volume of member enrollment changes during ACERA's Plan Year 2026 Open Enrollment.

ACERA Group Healthcare Plan Open Enrollment Changes

For the fifth year, members were able to submit group plan changes electronically using DocuSign forms, as well as the standard downloadable PDF forms. The chart below details the percentage of members taking advantage of the ease of DocuSign.

Form	Total Forms Submitted	Submitted Via DocuSign	% Submitted Via DocuSign
Affidavit of Dependent Eligibility	11	7	64%
Medical	203	172	85%
Dental	163	152	93%
Vision	156	153	98%
Total	533	484	91%

Confirmation of change letters were mailed out in waves in December 2025.

Via Benefits Individual Medicare Plan Open Enrollment Changes

Members who enrolled in individual plans through Via Benefits who want to change plans during Open Enrollment do so by contacting Via Benefits. The volume of Open Enrollment plan changes among ACERA's approximate 1,642 Via Benefits Medicare population is detailed below:

- 80 Medicare Advantage to Medicare Advantage
- 9 Medicare Advantage to Medicare Supplement
- 13 Medicare Supplement to Medicare Supplement
- 4 Medicare Supplement to Medicare Advantage
- 217 Prescription Drug Plan to Prescription Drug Plan

As in prior years, ACERA retirees made a significant number of changes to their Prescription Drug Plan coverage. Via Benefits' representatives assist our members by utilizing a Prescription Profiler Database Tool allowing members to compare estimated prescription costs among available plans to make a selection best suiting their needs.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 19, 2026

TO: Members of the Retirees Committee

FROM: Mike Fara, Communications Manager *MF*

Jessica Huffman, Retirement Benefits Manager *JH*

SUBJECT: **Semi-Annual Report on ACERA's Wellness Program**

Below, you will find an overview of ACERA's 2025 Wellness Email Campaign performance and insights into our plans for the new year.

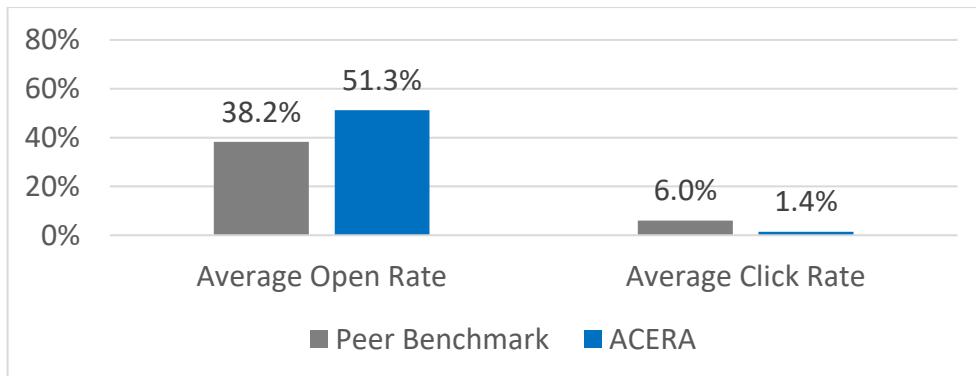
2025 Wellness Email Campaign Performance

Our wellness email campaign utilizes the online marketing automation tool Mailchimp to distribute timed wellness messages and content provided by our insurance carriers to approximately 7,600 retirees, representing 67% of our retiree population. Notably, ACERA's wellness campaign metrics surpassed 3 out of 4 peer benchmarks.

Key Metrics

Average Open Rate and Average Click Rate:

- ACERA retirees are actively engaging with the wellness emails, with a 13% greater Open Rate than the peer benchmark provided by Mailchimp.
- Approximately 3,900 retirees, on average, are opening each wellness email.
- Although our Average Click Rate is lower than the benchmark, it aligns with our wellness goals, as each email contains the full educational content and does not require members to click to be fully informed. In 2026, we will pilot call-to-action framing at the end of emails to encourage optional deeper engagement and assess its impact on click behavior. We will also pilot occasional Spotlight Emails that require members to click to access additional content, allowing us to gauge click response without reducing access to information.



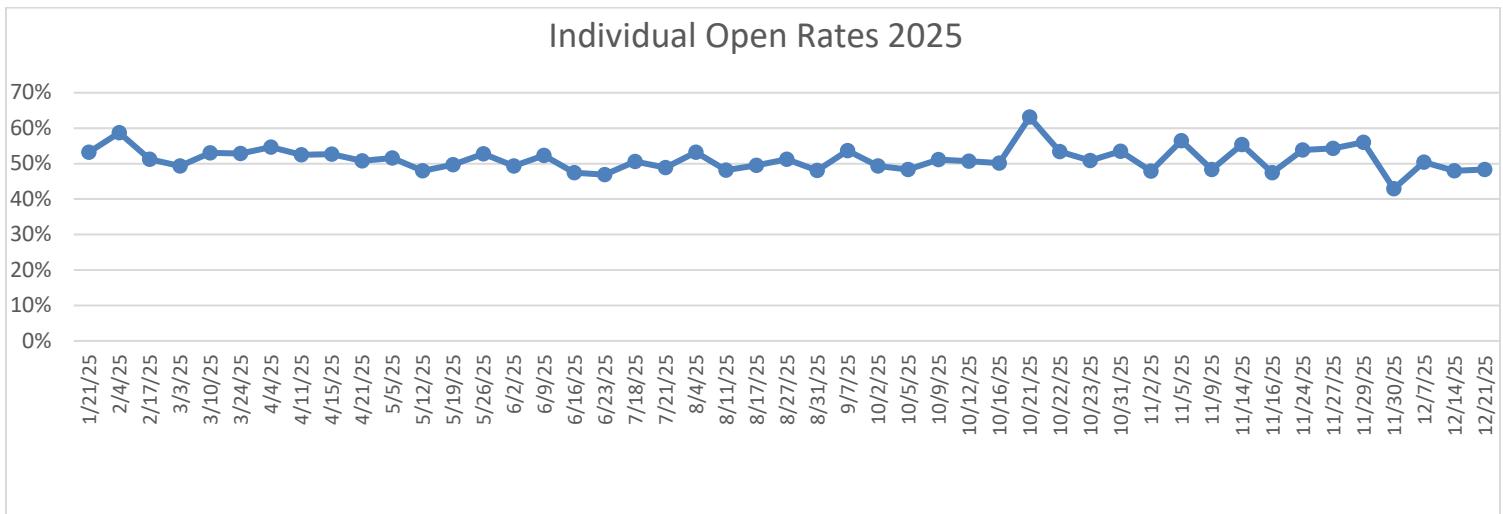
Semi-Annual Report on ACERA's Wellness Program

February 19, 2026

Page 2 of 4

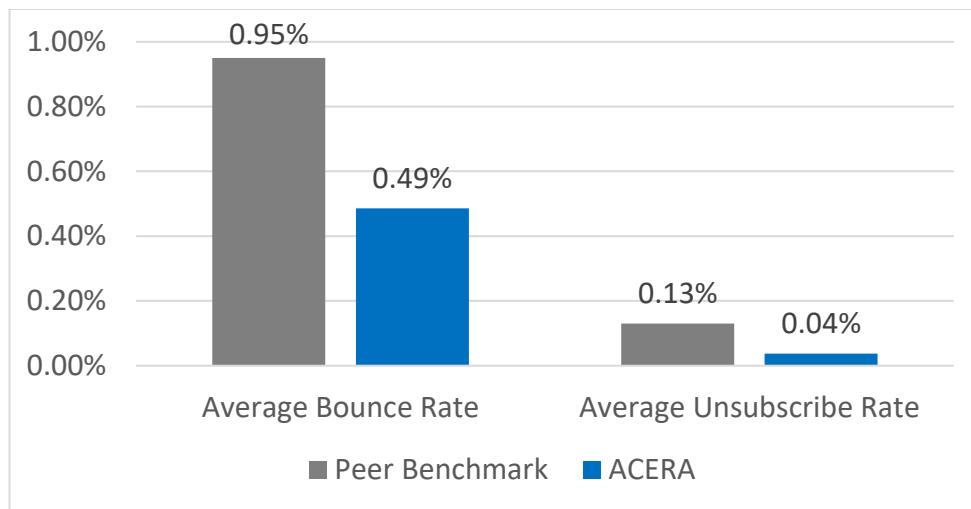
Email Engagement (Open Rate) Over Time:

- The Open Rate for each email remained consistent throughout the year, varying based on individual interest in the subject matter.



Average Bounce and Unsubscribe Rates:

- The minimal Average Bounce Rate for undeliverable emails reflects a well-maintained email list. This aligns with the fact that our retirees willingly shared their email addresses with us.
- Our remarkably low Average Unsubscribe Rate of 0.04%, which is less than one third of the peer benchmark, indicates a strong preference among our members to maintain their subscription and a willingness to stay connected with our resources.



In summary, the high average open rate that remained consistent through the year and the exceptionally low unsubscribe rate collectively suggest that the frequency and content of our wellness emails are well-received and enjoyed by the majority of recipients.

2026 Wellness Email Campaign

Our focus remains on addressing chronic conditions through virtual resources. This approach allows us to leverage wellness messages and content provided by our insurance carriers and reach retirees regardless of their location. We continue to promote One Pass and the Kaiser Permanente Virtual Health Talks.

Messages are emailed to retirees and posted at www.acera.org/well.

Month	Kaiser Permanente	Delta Dental	VSP and Other
Feb	Health Talk: Be Heart Smart: Millennials to Baby Boomers	Heart disease and your oral health	How the Common Cold Can Affect Your Eyes
Mar	One Pass: Free Gym Membership and Home Fitness Kits for Kaiser Senior Advantage Members	7 vitamins and minerals your mouth needs	Healthy Heart, Healthy Eyes
Apr	<ul style="list-style-type: none"> • Health Talk: Wellness Unfiltered. Hype or Health? • Stay Active for Free: One Pass for Kaiser Senior Advantage Members 	What you need to know about oral cancer	4 Health Conditions That Can Lead to Vision Loss
May	Health Talk: Glow Up: Secrets to Radiant Skin, Lush Hair & Cosmetic Confidence	What you need to know about root canals	Eye Safety at Home: How to Avoid Eye Injuries
Jun	Health Talk: Reproductive Health for Women	The link between migraines and oral bacteria	Everything You Need to Know to Protect Your Eyes from UV Rays
Jul	Health Talk: Self-Care Across Your Lifespan	5 Reasons to Floss Every Day PLUS How to Floss in 1 Minute	Retinal Screenings: What You Need to Know
Aug	Your Free Gym Membership Awaits: One Pass for Kaiser Senior Advantage Members	What causes bad breath	Eye Strain: What It Is and How to Find Relief
Sep	Health Talk: Power of Social Connections	The truth about adult cavities	<ul style="list-style-type: none"> • Eye Floaters: What Are They and What Causes Them? • Health Fair
Oct		Menopause and oral health	<ul style="list-style-type: none"> • Health Fair • Open Enrollment Packet
Nov	Balance Holiday Fun & Fitness—Enjoy Free Workouts with One Pass!		<ul style="list-style-type: none"> • How an Eye Exam Can Reveal Signs of Diabetes • Open Enrollment
Dec	170+ Local Gyms, Brain Training & More—All Free for Kaiser Senior Advantage Members	Holiday sweets can be tough on teeth	8 Signs You Might Need an Eye Exam

One Pass Premium Studio Class Allotment Changes (Effective January 1, 2026)

Beginning January 1, 2026, One Pass implemented revised monthly class allotments at certain high-demand brands. The purpose of these adjustments is to preserve member access to popular studios while maintaining program sustainability under renegotiated network contracts. These changes are system-wide decisions made by One Pass and are not unique to Kaiser Permanente Medicare health plan coverage. Members continue to have access to these brands under One Pass at no additional cost.

Updated Class Limits

- Club Pilates: 2 classes per month (previously 4)
- StretchLab: 1 one-on-one stretch per month (previously 2)
- Orangetheory: 4 classes per month (previously 8)
- Curves: 8 circuits per month (previously unlimited)
- Pure Barre and YogaSix: No changes (still 4 sessions per month)

One Pass and Kaiser Communication With Members

One Pass posts updated class maximums directly on its member-facing website (youronepass.com) so members can see current allotments when booking sessions. In addition, fitness studios with program changes may communicate these updates directly to members who use their facilities through One Pass memberships. When a facility leaves the network entirely, Kaiser Permanente and One Pass proactively mail letters to affected members.

ACERA Member Communication

ACERA has updated the One Pass webpage (www.acera.org/onepass) to include a “What’s New for 2026” section summarizing these class-limit adjustments and reiterating that the core One Pass benefits remain unchanged (no-cost standard gym memberships, extensive digital workouts, home fitness kits, and social/community features). We will also continue to advertise the program to members and direct them to verify class availability with participating studios.

2026 Hybrid Health and Wellness Fair

The 2025 Retiree Health and Wellness Fair, held as a hybrid event on October 23, was a success, with a total of 417 attendees—183 participating virtually and 234 attending in person. Based on the positive survey results and the success of last year’s event, we have decided to hold another hybrid health fair in 2026 to continue meeting the needs of both in-person and virtual attendees. Planning is already underway. As in previous years, the event is scheduled to take place in the third or fourth week of October.