



## MINUTES OF APRIL 1, 2026, RETIREES COMMITTEE MEETING

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

Subject: **Summary of April 1, 2026, Retirees Committee Meeting**

Committee Chair Elizabeth Rogers called April 1, 2026, Committee meeting to order at 9:30 a.m.

### **ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE**

Committee members present were Elizabeth Rogers, Kellie Simon, Ophelia Basgal and Keith Carson. Also, present was Ross Clippinger, Scott Ford, Henry Levy and alternate member Kathy Foster. Committee member Steven Wilkinson and Board member Tarrell Gamble joined the meeting after roll call.

Staff present were Carlos Barrios, Assistant Chief Executive Officer; Sandra Duenas-Cuevas, Benefits 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.

### **ACTION ITEMS**

#### **1. Proposal to Offer Individual Plans for Early Retirees Living in the Service Area**

Staff provided information regarding the possible motion to recommend that the Board of Retirement allow early retirees living in the service area to be eligible for reimbursement through the HRA as an alternative option to the Group Plans. Timothy King and Christian Goodman, with Via Benefits, also provided a presentation with additional information. The MMA for early retirees in the Individual Plans is the same as the Group Plans, \$687.21 for retirees with 20 years of service. Currently, there are retirees who do not live in the service area who are enrolled in the HRA area who choose to use the tax credits instead of the MMA. The MMA funds that are not used remain in the SRBR. The proposal was for the Board of Retirement to adopt early retiree enrollment into the HRA for retirees living in the group service area starting on August 1, 2028, and allow enrollment through the Open Enrollment period ending on December 15, 2026. Thereafter, early retirees would be eligible to select the Group Plan or the HRA during the normal open enrollment period.

Ava Lavender, Benefits Division Manager for Alameda County, read a letter on behalf of Margarita Zamora, Alameda County Benefits Director. The letter requested that ACERA defer the implementation and consideration of the proposal until the 2027 plan year.

The letter explained that a mid-year implementation would create significant operational and potential financial challenges for the County. Implementing a transition outside the standard plan year would require the County to reassess and potentially renegotiate medical plan rates, as well as conduct additional actuarial analysis to fully evaluate the cost impacts. A mid-year transition would also introduce administrative inefficiencies and increase the risk of disrupting both plan administration and the member experience. The County respectfully requested that ACERA retirees consider this deferral to allow for a more deliberate and effective implementation aligned with the regular enrollment cycle.

After discussion, Trustee Rogers withdrew the action item and tabled it for a later date this year to allow the County time to conduct its analysis. The County and ACERA will maintain communication regarding updates to this action item.

## **2. Proposal to Increase MMA for Medicare Eligible Retiree Individual Plans to Coincide with Group Plans**

Staff and ACERA's actuary Mehdi Riazi, Segal, provided information on the possibility of increasing the Monthly Medical Allowance (MMA) for retirees enrolled in the Medicare Exchange so their benefit matches the higher MMA amount provided to retirees in the Group Plan. Currently, the maximum MMA for Medicare Exchange retirees is \$526.46 per month compared to \$687.21 for Group Plan retirees. Segal presented multiple scenarios evaluating how an MMA increase would affect the Supplemental Retiree Benefit Reserve (SRBR), with estimated reductions in the sufficiency period ranging from 5 to 13 months under realistic assumptions, depending on retiree spending patterns and potential migration from Group Plans to Individual Plans. Segal emphasized that an extreme scenario with mass migration would reduce the SRBR by 35 months but deemed it very unlikely. Additional considerations included differences in how unused MMA funds function in each plan type and the broader selection of plan options available through the Medicare Exchange.

It was moved by Henry Levy and seconded by Keith Carson that the Retirees Committee recommend to the Board of Retirement that it adopt an increase to the MMA for retirees enrolled in the Medicare Exchange to coincide with MMA of retirees enrolled in the Group Plans effective with the 2027 Healthcare plan year.

The motion carried 8 yes (*Basgal, Carson, Clippinger, Ford, Levy, Rogers, Simon Wilkinson*), 0 no, 1 abstention (*Gamble*).

## **INFORMATION ITEMS**

### **1. Via Benefits 2025 Year in Review**

Timothy King and Christian Goodman with Via Benefits provided information on legislative and carrier updates and impacts; the 2025 open enrollment results; Via Benefits service updates and Enhancements; and additional health care solutions and discussions.

### **2. 2027 Medical Plans Update/Renewal Requests of ACERA/County of Alameda**

Staff reported that the 2027 annual medical plan renewal request letter was provided to the County of Alameda, and a summary of the information provided is included in the meeting materials.

### **3. Report on Annual Health Care Planning Meeting with Retiree Groups**

Staff provided a report on the participants and topics discussed at the virtual Annual Health Care Planning meeting, which was held on March 18, 2026.

### **4. Supplemental Retiree Benefit Reserve Financial Status**

Staff presented a 10-year history of the Supplemental Retiree Benefit Reserve (SRBR) activity through December 31, 2025. The total interest credited to the SRBR for 2025 was approximately \$85.7 million of regular earnings, using the assumed rate of return of 3.5000%, and \$30.4 million of excess earnings, at the assumed rate of return. Net deductions were approximately \$55.8 million. The December 31, 2025, ending balance was approximately \$1.2 billion.

## **TRUSTEE REMARKS**

None.

## **FUTURE DISCUSSION ITEMS**

- Approval of Payment for Implicit Subsidy Cost for 2025
- Possible Declaration of Intent to Fund Implicit Subsidy Program for 2027

## **ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for June 3, 2026, at 9:30 a.m.

## **MEETING ADJOURNED**

The meeting adjourned at 10:35 a.m.