



April 3, 2019

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the April 3, 2019 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the April 3, 2019 meeting to order at 10:30 a.m. Committee members present were Dale Amaral, Jamie Godfrey and Elizabeth Rogers. Also present were Ophelia Basgal, and Henry Levy, and alternate members Nancy Reilly and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Kathy Mount, Chief Counsel; Betty Tse, Chief Investment Officer; Sandra Dueñas-Cuevas, Benefits Manager; Jessica Huffman, Benefits Manager; and Harsh Jadhav, Chief of Internal Audit.

PUBLIC INPUT

None.

ACTION ITEMS

There were no action items for the discussion.

INFORMATION ITEMS

Chair Koppenhaver moved the following item to the top of the agenda at the request of Trustee Rogers:

3. Discussion Regarding Active Death Equity Benefit

Staff reported that based on the Supplemental Retiree Benefit Reserve (SRBR) Policy, the Active Death Equity Benefit (ADEB) was discontinued effective December 31, 2012, at the discretion of the Board of Retirement due to decreasing SRBR sufficiency. This benefit was to be reviewed for consideration at a future date when the SRBR was believed to be sufficiently funded. Therefore, the Trustees requested this benefit be brought to the Retirees Committee for discussion. After much discussion, the Committee decided not to bring the ADEB benefit back for further consideration at this time.

1. Review of Revised 2019 Annual Retirees Committee Work Plan

Staff provided a revised proposed 2019 Retirees Committee Work Plan, which reflects the same meeting days as the Operations Committee. The only exception is that there is a need to schedule a July Retirees Committee meeting to take action on recommendations for the Monthly Medical Allowance, and review dental and vision plans renewal options.

2. Supplemental Retiree Benefit Reserve Financial Status

Staff presented a 10-year history of the Supplemental Retiree Benefit Reserve (SRBR) activity through December 31, 2018. The total interest credited to the SRBR for 2018 was approximately \$64.8 million of regular earnings, and \$10.6 million of excess earnings. Total deductions were approximately \$50.9 million. The December 31, 2018 ending balance was approximately \$919.5 million.

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

Staff reported that effective January 1, 2013, the Retired Member (lump sum) Death Benefit was reduced from \$5,000 to \$1,000, due to concerns about the sufficiency of the Supplemental Retiree Benefit Reserve (SRBR) projected payment period being close to 15 years. Staff provided information on the lump sum payment amounts paid by other '37 Act Systems, and estimated annual costs based on last year's total deaths at various benefit amounts. Trustees directed Staff to develop a survey to send to active members and retirees so they can indicate the priority of the benefits paid from the SRBR, to include the Retired Member (lump sum) Death Benefit and the Active Death Equity Benefit (ADEB) benefits. This draft survey will be brought back at the June Retirees Committee meeting for discussion and Trustee feedback.

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

Staff provided a presentation on ACERA's Wellness Program for 2019, which included information regarding ACERA retirees' chronic conditions and other lifestyle risks, plans for wellness walks and events, communications, and updates to the wellness website.

6. Via Benefits 2018 Year End Review

Via Benefits provided information on the current state of the marketplace related to Medicare and pre-65 retirees. In addition, Via Benefits provided 2018 call statistics for Medicare and pre-65 retirees, 2019 enrollment information, average premiums for Medicare plans, call metrics, carrier selections, customer satisfaction survey results, Health Reimbursement Arrangement (HRA) account activity; claims information; and service levels.

7. Miscellaneous Updates

Staff reported on the transition from the third party Health Reimbursement Arrangement/Account (HRA) administrator (PayFlex) to Via Benefits' in-house HRA administration, and the Via Benefits live informational seminars for participants who are aging into Medicare.

TRUSTEE REMARKS

None.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for June 5, 2019 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 12:24 p.m.