



MINUTES OF JULY 2, 2025 RETIREES COMMITTEE MEETING

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

Subject: Summary of the July 2, 2025 Retirees Committee Meeting

Committee Chair Elizabeth Rogers called the July 2, 2025 Committee meeting to order at 9:30 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Elizabeth Rogers, George Wood and Kellie Simon (as Board Chair). Also present was alternate member Cynthia Baron. Committee members Keith Carson, Henry Levy, and Board members Ophelia Basgal and Tarrell Gamble joined the meeting after roll call.

Staff present were Carlos Barrios, Assistant Chief Executive Officer; Sandra Dueñas-Cuevas, Benefits Manager; Jessica Huffman, Benefits Manager; Harsh Jadhav, Chief of Internal Audit; 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) and Pete Albert, President of the Alameda County Retired Employees (ACRE) supported the recommendation for the MMA increase for Plan Year 2026.

ACTION ITEMS

1. Adoption of 2026 Monthly Medical Allowance for Group Plans

Staff presented group plans Monthly Medical Allowance (MMA) cost comparisons for the 2025 and 2026 Plan Years. Staff recommended increasing the 2026 Group Plan MMA in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in an MMA maximum of \$687.21 for the Plan Year 2026.

It was moved by George Wood and seconded by Kellie Simon that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2026 Group Plan Monthly Medical Allowance (MMA) by 3.75% for eligible retirees in the group plans, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's

actuary, which results in a MMA maximum of \$687.21 for the Plan Year 2026. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

The motion carried 6 yes (*Basgal, Carson, Gamble, Rogers, Simon, Wood*), 0 no, 0 abstentions.

2. Adoption of 2026 Monthly Medical Allowance for Early Retiree Individual Plans

Staff presented early (non-Medicare) retiree Individual Plans Monthly Medical Allowance (MMA) costs for the 2026 Plan Year based on the maximum MMA provided. Staff recommended increasing the 2026 Individual Plan MMA, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$687.21 for the Plan Year 2026.

It was moved by George Wood and seconded by Ophelia Basgal that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2026 Individual Plan Monthly Medical Allowance (MMA) by 3.75% for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$687.21 for Plan Year 2026. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

The motion carried 5 yes (*Basgal, Gamble, Rogers, Simon, Wood*), 0 no, 0 abstentions.

3. Adoption of 2026 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans

Staff presented Medicare eligible retiree Individual Plans Monthly Medical Allowance (MMA) costs for the 2026 Plan Year based on the maximum MMA provided. Staff recommended increasing the 2026 Individual Plan MMA, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$526.46 for the Plan Year 2026.

It was moved by George Wood and seconded by Ophelia Basgal that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2026

Individual Plan Monthly Medical Allowance (MMA) by 3.75% for qualified Medicare eligible retirees enrolled in individual plans through the Medicare Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$526.46 for Plan Year 2026. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

The motion carried 6 yes (*Basgal, Carson, Gamble, Rogers, Simon, Wood*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Report on Dental and Vision Plans Experience and Utilization

Segal, ACERA's Benefits Consultant, provided information on ACERA's dental and vision plans experience, utilization, dental annual maximums by network, and VSP's loss ratio by plan.

TRUSTEE REMARKS

Trustee Basgal emphasized the importance of ACERA's health carriers actively promoting the benefits included in ACERA plans so that members are fully informed about the benefits available to them.

FUTURE DISCUSSION ITEMS

- Adoption of Dental Plan Contributions for 2026
- Adoption of Vision Plan Contributions for 2026

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for August 21, 2025 at a time to be determined.

MEETING ADJOURNED

The meeting adjourned at 9:55 a.m.