



**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.**

**Wednesday, July 11, 2018  
1:30 p.m.**

<b>LOCATION</b>	<b>COMMITTEE MEMBERS</b>	
<b>ACERA C.G. "BUD" QUIST BOARD ROOM 475 14<sup>TH</sup> STREET, 10<sup>TH</sup> FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574</b>	<b>LIZ KOPPENHAVER, CHAIR</b>	<b>ELECTED RETIRED</b>
	<b>GEORGE WOOD, VICE CHAIR</b>	<b>ELECTED GENERAL</b>
	<b>JAIME GODFREY</b>	<b>APPOINTED</b>
	<b>KEITH CARSON</b>	<b>APPOINTED</b>
	<b>DALE AMARAL</b>	<b>ELECTED SAFETY</b>

Should a quorum of the Board attend this meeting, this meeting shall be deemed a joint meeting of the Board and Committee.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes are available online at [www.acer.org](http://www.acer.org).

*Note regarding public comments:* Public comments are limited to four (4) minutes per person in total.

*Note regarding accommodations:* The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

# ***RETIREES COMMITTEE/BOARD MEETING***

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**Call to Order:** 1:30 p.m.

## **Action Items: Matters for Discussion and Possible Motion by the Committee**

### **1. Adoption of 2019 Monthly Medical Allowance for Group Plans**

Motion to adopt the Monthly Medical Allowance (MMA) paid to eligible retirees in group plans for Plan Year 2019. The Group Plan MMA is stated as a monthly dollar amount which varies by years of service credit and can only be used to pay for ACERA-sponsored health plan premiums.

- Kathy Foster

#### Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2019 Group Plan Monthly Medical Allowance (MMA) 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 \$558.00 for the Plan Year 2019. 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.

### **2. Adoption of 2019 Monthly Medical Allowance for Early Retiree Individual Plans**

Motion to adopt a Monthly Medical Allowance (MMA), which will be provided to qualified early (non-Medicare eligible) retirees enrolled in Individual Plans through the Health Exchange for the 2019 Plan Year. The MMA is a suggested dollar limit used for specific medical cost reimbursement through Health Reimbursement Accounts. The MMA is set as a monthly amount which varies by years of service credit.

- Kathy Foster

#### Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2019 Individual Plan Monthly Medical Allowance (MMA) 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 \$558.00 for Plan Year 2019. 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.

# **RETIREES COMMITTEE/BOARD MEETING**

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### **3. Adoption of 2019 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans**

Motion to adopt a Monthly Medical Allowance (MMA), which will be provided to qualified Medicare eligible retirees enrolled in Individual Plans through the Medicare Exchange for the 2019 Plan Year. The MMA is a suggested dollar limit used for specific medical cost reimbursement through Health Reimbursement Accounts. The MMA is set as a monthly amount which varies by years of service credit.

- Kathy Foster

#### Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2019 Individual Plan Monthly Medical Allowance (MMA) 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 \$427.46 for Plan Year 2019. 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.

### **Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports**

#### **1. Report on Dental and Vision Plans Experience**

Staff will report on claims experience and plan utilization for ACERA retirees enrolled in ACERA-sponsored Dental and Vision Plans.

- Kathy Foster

- Keenan & Associates

#### **2. Miscellaneous Updates**

Staff will update the Committee on any recent benefit issues affecting ACERA retirees.

- Ismael Piña

### **Trustee Remarks**

### **Public Input (Time Limit: 4 minutes per speaker)**

### **Future Discussion Items**

- Adoption of Dental Plan Contributions for 2019
- Adoption of Vision Plan Contributions for 2019

***RETIRES COMMITTEE/BOARD MEETING***

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**Establishment of Next Meeting Date**

August 1, 2018, at 10:30 a.m.

**Adjournment**