



August 1, 2018

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the August 1, 2018 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the August 1, 2018 meeting to order at 10:45 a.m. Committee members present were Liz Koppenhaver, George Wood, Dale Amaral, Keith Carson, and Jamie Godfrey. Also present were Ophelia Basgal, Tarrell Gamble, and Elizabeth Rogers, 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; and Harsh Jadhav, Chief of Internal Audit.

INFORMATION ITEMS

Chair Koppenhaver moved the following information item to the top of the agenda at the request of Staff to provide for more complete background before considering the action items:

1. Review of Dental and Vision Plan Premiums for 2019 and Report on Dental and Vision Plan Utilization

Keenan & Associates, ACERA's Benefits Consultant, and Staff provided information on ACERA-sponsored dental and vision plan renewal summaries including premiums for Plan Year 2019, and plan utilization. Trustees directed Staff to provide information on the impact of members overall health related to good dental hygiene, in consideration of possible plan design options for the 2020 Plan Year renewal of ACERA's contract with Delta Dental. In addition, Trustees directed Staff to promote the diabetic eye care coverage currently available with ACERA's contract with Vision Service Plan (VSP).

ACTION ITEMS

1. Adoption of Dental Plan Contributions for 2019

Staff reported that for Plan Year 2019, based on the single retiree premium rates, which include a 1.10% increase for the PPO plan and no rate increase for the DeltaCare USA plan, the projected annual cost to provide this non-vested benefit for 2019 is \$4,148,913.

It was moved by Tarrell Gamble and seconded by Ophelia Basgal that the Committee recommend to the Board of Retirement a motion to continue the dental plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$44.15 for the PPO plan and \$22.18 for the DeltaCare USA plan for

retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014.

The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Rogers, Wood*), 0 no, 0 abstentions.

2. Adoption of Vision Plan Contributions for 2019

Staff reported that based on the single retiree premium rate for Plan Year 2019, which is the same as that for 2018, the projected annual cost to provide this non-vested benefit for 2019 is \$350,004.

It was moved by Tarrell Gamble and seconded by Ophelia Basgal that the Committee recommend to the Board of Retirement a motion to continue the vision plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.24 for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014.

The motion carried 8 yes (*Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Rogers, Wood*), 0 no, 0 abstentions.

INFORMATION ITEMS

2. Report on Health Reimbursement Arrangement Account Balances as of June 2018

Staff provided information on retirees' Health Reimbursement Arrangement (HRA) account balances as of June 30, 2018 categorized by years of service, along with the balances for the same time period for 2014, 2015, 2016, and 2017.

3. Miscellaneous Updates

Staff provided an update on the preparations and number of registered participants for ACERA's First Wellness Walk, which will be held at Lake Merritt on August 3, 2018. In addition, Staff launched its new Wellness section of ACERA's website, which provides information on wellness events, articles and resources.

RECOMMENDATIONS

1. Adoption of Dental Plan Contributions for 2019

The Committee recommends, and I move that the Board of Retirement continue the dental plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$44.15 for the PPO plan and \$22.18 for the DeltaCare USA plan for retirees who are receiving ACERA allowances with ten or more

years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the 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 Vision Plan Contributions for 2019

The Committee recommends, and I move that the Board of Retirement continue the vision plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.24 for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the 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.

TRUSTEE REMARKS

None.

PUBLIC INPUT

None.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for September 5, 2018 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:32 a.m.