



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, August 2, 2023
10:30 a.m.**

LOCATION AND TELECONFERENCE	COMMITTEE MEMBERS	
<p>ACERA C.G. "BUD" QUIST BOARD ROOM 475 14TH STREET, 10TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574</p> <p>The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number.</p> <p>Link: https://zoom.us/join Call-In: 1 (669) 900-6833 US Webinar ID: 879 6337 8479 Passcode: 699406 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193</p>	ELIZABETH ROGERS, CHAIR	ELECTED RETIRED
	HENRY LEVY, VICE CHAIR	TREASURER
	OPHELIA BASGAL	APPOINTED
	KEITH CARSON	APPOINTED
	KELLIE SIMON	ELECTED GENERAL

The Alternate Retired Member votes in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General members, or the Safety Member and an Elected General member, are absent.

The Alternate Safety Member votes in the absence of the Elected Safety Member, either of the two Elected General Members, or both the Retired and Alternate Retired members.

This is a meeting of the Retirees Committee if a quorum of the Retirees Committee attends, and it is a meeting of the Board if a quorum of the Board attends. This is a joint meeting of the Retirees Committee and the Board if a quorum of each attends.

Note regarding accommodations: If you require a reasonable modification or accommodation for a disability, please contact ACERA between 9:00 a.m. and 5:00 p.m. at least 72 hours before the meeting at accommodation@acera.org or at 510-628-3000.

Public comments are limited to four (4) minutes per person in total. The order of items on the agenda is subject to change without notice. Board and Committee agendas and minutes and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure) are posted online at www.acera.org and also may be inspected at 475 14th Street, 10th Floor, Oakland, CA 94612-1900.

RETIREES COMMITTEE/BOARD MEETING

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Call to Order: 10:30 a.m.

Roll Call

Public Input (Time Limit: 4 minutes per speaker)

Action Items: Matters for discussion and possible motion by the Committee

1. Approval of Enhancement to Dental PPO Plan for 2024

Discussion and possible motion to recommend that the Board of Retirement approve an enhancement to the PPO dental plan for Plan Year 2024.

- Carlos Barrios

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to approve increasing the annual benefit maximum from \$1,300 to \$1,900.

2. Adoption of Dental Plan Contributions for 2024

Discussion and possible motion to recommend that the Board of Retirement continue dental plan contributions for Plan Year 2024. ACERA currently provides a contribution to cover the single retiree premium for retirees with ten or more years of ACERA service, service connected disability recipients, or grandfathered as of January 31, 2014 non-service connected disability recipients.

- Carlos Barrios

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to continue the dental plan contributions for Plan Year 2024, which provides a monthly subsidy equal to the single-party dental plan coverage premium of no more than \$54.22 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.

3. Adoption of Vision Plan Contributions for 2024

Discussion and possible motion to recommend that the Board of Retirement continue vision plan contributions for Plan Year 2024. ACERA currently provides a contribution to cover the single retiree premium for retirees with ten or more years

RETIREES COMMITTEE/BOARD MEETING

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of ACERA service, service connected disability recipients, or grandfathered as of January 31, 2014 non-service connected disability recipients.

- Carlos Barrios

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to continue the vision plan contributions for Plan Year 2024, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.63 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.

4. Review of Possible Procedures to Help Members Maximize the Death Benefits Paid to Their Designated Beneficiaries

Discussion and possible motion regarding whether the Board of Retirement should make available contingent applications for disability retirement with selection of optional settlement 2 or optional settlement 4, so that members can maximize death benefits for their designated beneficiaries.

- Jeff Rieger

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 Renewal Information and Dental Plan Enhancements for 2024

Segal, ACERA's Benefits Consultant, will report on Dental and Vision Plans premiums, and provide estimated cost information for enhancements to the Dental Plan benefits in consideration for Plan Year 2024 renewals.

- Carlos Barrios

- Richard Ward, Segal

- Michael Szeto, Segal

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

Staff will provide the semi-annual report on ACERA's Wellness Program.

- Mike Fara

- Ismael Piña

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Trustee Remarks

Future Discussion Items

- Presentation and Acceptance of SRBR Funding Report/Valuation
- SRBR Policy Update

Establishment of Next Meeting Date

October 4, 2023, at 9:30 a.m.

Adjournment



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: August 2, 2023
TO: Members of the Retirees Committee
FROM: Carlos Barrios, Assistant Chief Executive Officer

SUBJECT: Approval of Enhancement and Adoption of Dental Plan Contributions for 2024

Currently, there are two dental plan options available for retiree enrollment: Delta Dental PPO and DeltaCare USA. The dental contracts are managed by ACERA; and therefore, are separate from the County of Alameda. In order to keep premium amounts at a minimal cost, dental plan enrollment is mandatory for retirees with ten or more years of ACERA service credit, retirees receiving a service connected disability, or retirees receiving a non-service connected disability effective January 31, 2014. A contribution is provided to cover the single retiree premium for this group. Contracts are reviewed by Staff and ACERA's Benefits Consultant, Segal, as contract terms end or rates need to be negotiated. Presentations are made annually to the Retirees Committee for review and possible recommendation for approval by the Board of Retirement. Retirees with less than 10 years of service may enroll themselves and their dependents as long as the premium cost can be deducted from their monthly retirement allowance.

Segal will review the attached presentation and discuss enhancement options and cost information.

Provided below are the current 2023 and 2024 rates for the Delta Dental PPO and DeltaCare USA plans based on the current contract, and the 2024 premiums without any coverage changes. Delta Dental has proposed an 11.2% decrease for the PPO contract rates, and an 11.8% decrease for the billed rates. There is no change for the DeltaCare USA premiums.

CURRENT PREMIUMS – 2023

February 1, 2023 through January 31, 2024:

Table with 4 columns: Contract Rates/Billed Rates, Delta Dental (PPO) Single (Less than Ten Years, Ten or More Years), and DeltaCare USA Single (Less than Ten Years, Ten or More Years). Values include N/A, \$74.78, \$54.35, \$51.24, \$31.05, and \$22.18.

RENEWAL PREMIUMS – 2024

February 1, 2024 through January 31, 2025:

	<u>Delta Dental (PPO)</u>		<u>DeltaCare USA</u>	
	<u>Single</u>		<u>Single</u>	
	<u>Less than Ten Years</u>	<u>Ten or More Years</u>	<u>Less than Ten Years</u>	<u>Ten or More Years</u>
Contract Rates	N/A	\$48.24	N/A	N/A
Billed Rates	\$74.78	\$45.18	\$31.05	\$22.18

Staff recommends increasing the annual benefit maximum for the Delta Dental PPO plan from \$1,300 to \$1,900. This enhancement will result in an estimated 0.2% premium decrease over the current contract rate.

The monthly 2024 rates for the PPO plan based on the estimated contract rates and coverage enhancement option Staff is recommending is \$54.22. The billed rates with the enhancement option is currently not available. The final contract and billed rates will be provided at the meeting.

Based on the July 12, 2023 enrollment numbers (9,003), the estimated annual cost to provide the dental benefit with this enhancement, based on the estimated contract rate, for retirees enrolled in the PPO plan (8,693) is approximately \$5,656,014. The annual cost to provide the subsidized dental benefit for retirees enrolled in the DeltaCare USA plan (310) is approximately \$82,510, resulting in a total estimated cost for both plans of approximately \$5,738,524. This enhancement to the PPO plan will result in an estimated annual increase of \$623,810 over the 2024 Plan Year.

Recommendation Number One

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to approve increasing the annual benefit maximum from \$1,300 to \$1,900.

Recommendation Number Two

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to continue the dental plan contributions for Plan Year 2024, which provides a monthly subsidy equal to the single-party dental plan coverage premium of no more than \$54.22 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.



Alameda County Employees'
Retirement Association (ACERA)

Delta Dental Renewal Effective February 1, 2024

ACERA Retirees Committee Meeting

Presented on August 2, 2023
Presented by Richard Ward and Michael Szeto

| Agenda

Premium Stabilization Reserve

DPPO Funding Arrangement

Renewal Monthly Premiums

Annualized 2024 Premiums

DPPO Proposed Plan Enhancements

Premium Stabilization Reserve

- ACERA's Premium Stabilization Reserve (PSR) increased from \$2.1M to \$2.6M for the plan year ending January 31, 2023.
- As of May 31, 2023, the PSR decreased to \$2.4M due to the resumption of routine and urgent dental care.

DPPO Funding Arrangement

Subscriber Only Premium (10+ Years of Service)

Renewal Monthly Premium 2/1/2024-1/31/2025

Contract Rate

\$48.24

Subsidy from Premium Stabilization Reserve

(\$3.06)

Billed Rate

\$45.18

- Premium Stabilization Reserves (PSR) are designed to minimize fluctuation in renewal premiums when plans experience higher than projected claims
 - Subsidy from the PSR varies by coverage tier
- Subsidy from the PSR is applied towards premiums for Retirees with 10+ Years of Service
- ACERA contributes towards the Subscriber Only Premium for the DPPO and DHMO plans for Retirees with 10+ Years of Service

Renewal Monthly Premiums DPPO and DHMO Plans

Dental PPO Rates	Subscriber Enrollment ⁽¹⁾	Current 2/1/2023-1/31/2024	Renewal ⁽²⁾ 2/1/2024-1/31/2025	% Change from Current
<10 Years of Service - Unsubsidized				
Subscriber Only	251	\$74.78	\$66.37	-11.2%
Subscriber + 1	123	\$122.10	\$108.38	-11.2%
Subscriber and 1 or more dependents	7	\$196.39	\$174.32	-11.2%
10+ Years of Service - Subsidized				
Contract Rates				
Subscriber Only	5,769	\$54.35	\$48.24	-11.2%
Subscriber + 1	2,647	\$102.43	\$90.92	-11.2%
Subscriber and 1 or more dependents	277	\$178.02	\$158.01	-11.2%
Billed Rates ^{(3), (4)}				
Subscriber Only	5,769	\$51.24	\$45.18	-11.8%
Subscriber + 1	2,647	\$99.32	\$87.58	-11.8%
Subscriber and 1 or more dependents	277	\$174.91	\$154.24	-11.8%

DHMO Rates	Subscriber Enrollment ⁽¹⁾	Current 2/1/2023-1/31/2024	Renewal ⁽²⁾ 2/1/2024-1/31/2025	% Change from Current
<10 Years of Service				
Subscriber Only	14	\$31.05	\$31.05	0.0%
Subscriber + 1	4	\$45.51	\$45.51	0.0%
Subscriber and 1 or more dependents	0	\$63.00	\$63.00	0.0%
10+ Years of Service				
Contact Rates ⁽³⁾				
Subscriber Only	218	\$22.18	\$22.18	0.0%
Subscriber + 1	71	\$36.64	\$36.64	0.0%
Subscriber and 1 or more dependents	21	\$54.13	\$54.13	0.0%

(1) Subscriber enrollment was provided by ACERA for the month of July 2023.

(2) Rates are in the first year of a 2-year rate guarantee from February 1, 2024 through January 31, 2026.

(3) ACERA contributes towards the Subscriber Only premium for the DPPO and DHMO plans for Retirees with 10+ Years of Service.

(4) Premiums for all coverage tiers receives a monthly subsidy ranging from \$3.06 to \$3.77, from the Premium Stabilization Reserve.

Annualized 2024 Premiums DPPO and DHMO Plans

DPPO Plan	Current 2/1/2023-1/31/2024	Renewal ⁽¹⁾ 2/1/2024-1/31/2025	% Change from Current
<10 Years of Service - Unsubsidized			
Retiree Contribution	\$422,000	\$375,000	-11.1%
ACERA Contribution ⁽²⁾	\$0	\$0	N/A
Total Annualized Premium	\$422,000	\$375,000	-11.1%
10+ Years of Service - Subsidized			
Retiree Contribution	\$1,938,000	\$1,709,000	-11.8%
ACERA Contribution ⁽²⁾	\$5,345,000	\$4,713,000	-11.8%
Total Annualized Premium	\$7,283,000	\$6,422,000	-11.8%
All Retirees			
Retiree Contribution	\$2,360,000	\$2,084,000	-11.7%
ACERA Contribution ⁽²⁾	\$5,345,000	\$4,713,000	-11.8%
Total Annualized Premium	\$7,705,000	\$6,797,000	-11.8%

DHMO Plan	Current 2/1/2023-1/31/2024	Renewal ⁽¹⁾ 2/1/2024-1/31/2025	% Change from Current
<10 Years of Service - Unsubsidized			
Retiree Contribution	\$7,000	\$7,000	0.0%
ACERA Contribution ⁽²⁾	\$0	\$0	N/A
Total Annualized Premium	\$7,000	\$7,000	0.0%
10+ Years of Service - Subsidized			
Retiree Contribution	\$20,000	\$20,000	0.0%
ACERA Contribution ⁽²⁾	\$83,000	\$83,000	0.0%
Total Annualized Premium	\$103,000	\$103,000	0.0%
All Retirees			
Retiree Contribution	\$27,000	\$27,000	0.0%
ACERA Contribution ⁽²⁾	\$83,000	\$83,000	0.0%
Total Annualized Premium	\$110,000	\$110,000	0.0%

(1) Rates are in the first year of a 2-year rate guarantee from February 1, 2024 through January 31, 2026.

(2) ACERA contributes towards the Subscriber Only premium for the DPPO and DHMO plans for Retirees with 10+ Years of Service.

The projections in this report are estimates of future costs and are based on unaudited information available to Segal Consulting at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases.

Annualized 2024 Premiums DPPO and DHMO Plans (Combined)

DPPO & DHMO Plans	Current 2/1/2023-1/31/2024	Renewal ⁽¹⁾ 2/1/2024-1/31/2025	% Change from Current
<10 Years of Service - Unsubsidized			
Retiree Contribution	\$429,000	\$382,000	-11.0%
ACERA Contribution ⁽²⁾	\$0	\$0	N/A
Total Annualized Premium	\$429,000	\$382,000	-11.0%
10+ Years of Service - Subsidized			
Retiree Contribution	\$1,958,000	\$1,729,000	-11.7%
ACERA Contribution ⁽²⁾	\$5,428,000	\$4,796,000	-11.6%
Total Annualized Premium	\$7,386,000	\$6,525,000	-11.7%
All Retirees			
Retiree Contribution	\$2,387,000	\$2,111,000	-11.6%
ACERA Contribution ⁽²⁾	\$5,428,000	\$4,796,000	-11.6%
Total Annualized Premium	\$7,815,000	\$6,907,000	-11.6%

(1) Rates are in the first year of a 2-year rate guarantee from February 1, 2024 through January 31, 2026.

(2) ACERA contributes towards the Subscriber Only premium for the DPPO and DHMO plans for Retirees with 10+ Years of Service.

The projections in this report are estimates of future costs and are based on unaudited information available to Segal Consulting at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases.

DPPO Proposed Plan Enhancements

Estimated Monthly Premiums

DPPO Plan	Current Plan - Benefit Maximum of \$1,300	Renewal Option 1 – Increase Benefit Maximum to \$1,500		Renewal Option 2 – Increase Benefit Maximum to \$1,750		Renewal Option 3 – Increase Benefit Maximum to \$1,900	
	Monthly Rates	Proposed Monthly Rates ⁽¹⁾	% Change from Current	Proposed Monthly Rates ⁽¹⁾	% Change from Current	Proposed Monthly Rates ⁽¹⁾	% Change from Current
<10 Years of Service - Unsubsidized							
Single	\$74.78	\$70.02	-6.4%	\$73.07	-2.3%	\$74.60	-0.2%
Two-Party	\$122.10	\$114.34	-6.4%	\$119.33	-2.3%	\$121.82	-0.2%
Family	\$196.39	\$183.91	-6.4%	\$191.93	-2.3%	\$195.94	-0.2%
10+ Years of Service - Subsidized							
Contract Rates							
Single	\$54.35	\$50.89	-6.4%	\$53.11	-2.3%	\$54.22	-0.2%
Two-Party	\$102.43	\$95.92	-6.4%	\$100.10	-2.3%	\$102.19	-0.2%
Family	\$178.02	\$166.70	-6.4%	\$173.97	-2.3%	\$177.60	-0.2%

⁽¹⁾ Contract Rates were estimated based on rate impact percent provided by Delta Dental. Final contract and billed rates are pending confirmation from Delta Dental.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: August 2, 2023
TO: Members of the Retirees Committee
FROM: Carlos Barrios, Assistant Chief Executive Officer
SUBJECT: Adoption of Vision Plan Contributions for 2024

ACERA currently provides vision coverage to retirees through the Vision Service Plan (VSP). The vision plan contract is managed by ACERA; and therefore, is separate from the County of Alameda. In order to keep premium amounts at a minimal cost, VSP enrollment is mandatory for retirees with ten or more years of ACERA service credit, retirees receiving a service connected disability, or retirees receiving a non-service connected disability effective January 31, 2014. A contribution is provided to cover the single retiree premium for this group. The contract is reviewed by Staff and ACERA's Benefits Consultant, Segal, as contract terms end or rates need to be negotiated. Presentations are made annually to the Retirees Committee for review and possible recommendation for approval by the Board of Retirement. Retirees with less than 10 years of service may enroll themselves and their dependents as long as the premium cost can be deducted from their monthly retirement allowance.

Segal will review the attached presentation and discuss renewal information and premiums.

Provided below are the current 2023 and 2024 rates for VSP based on the current contract, and the 2024 premiums without any coverage changes. Since VSP provided a three-year premium rate guarantee, there are no changes in the premiums. The rates are in the second year of a three-year rate guarantee from February 1, 2023 through January 31, 2026.

2023 and 2024 PREMIUMS

February 1, 2024 through January 31, 2025:

Table with 2 columns: Contract Rates, Single (Less than Ten Years, Ten or More Years). Values: \$6.69, \$4.63.

Based on the July 12, 2023 enrollment numbers (8,941), the annual cost to provide the subsidized vision benefit is approximately \$496,762.

VOLUNTARY BUY UP PLAN OPTION

In addition, ACERA offers a Voluntary Buy Up plan option in which retirees would pay the difference in premiums to enroll in a richer plan. The following is a breakdown of the premiums

for the current 2023 and 2024 Voluntary Buy Up plan. VSP also provided a three-year premium rate guarantee for the Voluntary Buy Up plan, so there are no changes in the premiums. Below are the total premiums for the Voluntary Buy Up plan. Those retirees with 10+ years of service will receive the vision plan subsidy towards their premiums.

2023 and 2024 VOLUNTARY BUY UP PLAN PREMIUMS

February 1, 2024 through January 31, 2025:

Retiree Groups	Total 2024 Renewal Rates
10 + Years	\$16.63 / \$24.15 / \$43.36
Under 10 Years	\$18.43 / \$26.77 / \$48.07

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to continue the vision plan contributions for Plan Year 2024, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.63 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.

Attachment



Alameda County Employees'
Retirement Association (ACERA)

VSP Renewal Effective February 1, 2024

ACERA Retirees Committee Meeting

August 2, 2023
Presented by Richard Ward and Michael Szeto

| Agenda

Renewal Monthly Premiums

Annualized 2024 Premiums

Renewal Monthly Premiums Standard and Buy-Up Plans

Standard Plan	Subscriber Enrollment ⁽¹⁾	Current 2/1/2023-1/31/2024	Renewal ⁽²⁾ 2/1/2024-1/31/2025	% Change from Current
<10 Years of Service - Unsubsidized				
Subscriber Only	224	\$6.69	\$6.69	0.0%
Subscriber + 1	99	\$9.70	\$9.70	0.0%
Subscriber + 2 or more dependents	5	\$17.42	\$17.42	0.0%
10+ Years of Service - Subsidized ⁽³⁾				
Subscriber Only	5,219	\$4.63	\$4.63	0.0%
Subscriber + 1	1,795	\$6.73	\$6.73	0.0%
Subscriber + 2 or more dependents	144	\$12.08	\$12.08	0.0%

Buy-Up Plan	Subscriber Enrollment ⁽¹⁾	Current 2/1/2021-1/31/2022	Renewal ⁽²⁾ 2/1/2022-1/31/2023	% Change from Current
<10 Years of Service - Unsubsidized				
Subscriber Only	49	\$18.43	\$18.43	0.0%
Subscriber + 1	49	\$26.77	\$26.77	0.0%
Subscriber + 2 or more dependents	1	\$48.07	\$48.07	0.0%
10+ Years of Service - Subsidized ⁽³⁾				
Subscriber Only	954	\$16.63	\$16.63	0.0%
Subscriber + 1	727	\$24.15	\$24.15	0.0%
Subscriber + 2 or more dependents	102	\$43.36	\$43.36	0.0%

(1) Subscriber enrollment was provided by ACERA for the month of July 2023.

(2) Rates are in the second year of a three-year rate guarantee from February 1, 2023 through January 31, 2026.

(3) ACERA contribute towards the Standard Plan's Subscriber Only premium for Retirees with 10+ Years of Service.

Annualized 2024 Premiums Standard and Buy-Up Plans

Standard Plan	Current 2/1/2023-1/31/2024	Renewal ⁽¹⁾ 2/1/2024-1/31/2025	% Change from Current
<10 Years of Service - Unsubsidized			
Retiree Contribution	\$31,000	\$31,000	0.0%
ACERA Contribution ⁽²⁾	\$0	\$0	N/A
Total Annualized Premium	\$31,000	\$31,000	0.0%
10+ Years of Service - Subsidized			
Retiree Contribution	\$58,000	\$58,000	0.0%
ACERA Contribution ⁽²⁾	\$398,000	\$398,000	0.0%
Total Annualized Premium	\$456,000	\$456,000	0.0%
All Retirees			
Retiree Contribution	\$89,000	\$89,000	0.0%
ACERA Contribution ⁽²⁾	\$398,000	\$398,000	0.0%
Total Annualized Premium	\$487,000	\$487,000	0.0%

Buy-Up Plan	Current 2/1/2023-1/31/2024	Renewal ⁽¹⁾ 2/1/2024-1/31/2025	% Change from Current
<10 Years of Service - Unsubsidized			
Retiree Contribution	\$27,000	\$27,000	0.0%
ACERA Contribution ⁽²⁾	\$0	\$0	N/A
Total Annualized Premium	\$27,000	\$27,000	0.0%
10+ Years of Service - Subsidized			
Retiree Contribution	\$355,000	\$355,000	0.0%
ACERA Contribution ⁽²⁾	\$99,000	\$99,000	0.0%
Total Annualized Premium	\$454,000	\$454,000	0.0%
All Retirees			
Retiree Contribution	\$382,000	\$382,000	0.0%
ACERA Contribution ⁽²⁾	\$99,000	\$99,000	0.0%
Total Annualized Premium	\$481,000	\$481,000	0.0%

(1) Rates are in the second year of a three-year rate guarantee from February 1, 2023 through January 31, 2026.

(2) ACERA contribute towards the Standard Plan's Subscriber Only premium for Retirees with 10+ Years of Service.

The projections in this report are estimates of future costs and are based on unaudited information available to Segal at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases.

Annualized 2024 Premiums Standard and Buy-Up Plans (Combined)

Standard & Buy-Up Plans	Current 2/1/2023- 1/31/2024	Renewal ⁽¹⁾ 2/1/2024-1/31/2025	% Change from Current
<10 Years of Service - Unsubsidized			
Retiree Contribution	\$58,000	\$58,000	0.0%
ACERA Contribution ⁽²⁾	\$0	\$0	N/A
Total Annualized Premium	\$58,000	\$58,000	0.0%
10+ Years of Service - Subsidized			
Retiree Contribution	\$413,000	\$413,000	0.0%
ACERA Contribution ⁽²⁾	\$497,000	\$497,000	0.0%
Total Annualized Premium	\$910,000	\$910,000	0.0%
All Retirees			
Retiree Contribution	\$471,000	\$471,000	0.0%
ACERA Contribution ⁽²⁾	\$497,000	\$497,000	0.0%
Total Annualized Premium	\$968,000	\$968,000	0.0%

(1) Rates are in the second year of a three-year rate guarantee from February 1, 2023 through January 31, 2026.

(2) ACERA contribute towards the Standard Plan's Subscriber Only premium for Retirees with 10+ Years of Service.

The projections in this report are estimates of future costs and are based on unaudited information available to Segal at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases.



To: Retirees Committee
From: Jeff Rieger, Chief Counsel
Meeting: August 2, 2023
Subject: **Preauthorization of Disability Application and Optional Settlement**



In October 2022, when the Committee was considering whether to reauthorize the Active Death Equity Benefit "ADEB," the Committee directed staff to investigate alternative ways to help "active"¹ members maximize the benefits owed to their beneficiaries in a similar fashion as the ADEB. At this meeting, staff is presenting an alternative method that has been employed by the Contra Costa County Employees' Retirement Association (CCCERA) for years. Attached hereto are (1) a memorandum from outside counsel Maytak Chin (Reed Smith LLP) describing the CCCERA program and the legal bases for the program, (2) a cost study by Segal that estimates the annual costs if ACERA were to implement a similar program, and (3) a copy of *Gorman v. Cranston* (1966) 64 Cal.2d 441.

Please read Maytak Chin's attached memorandum before continuing. This memorandum will be hard to follow if you have not read that memorandum.

I am providing this separate memorandum for the following reasons:

First, I agree with Reed Smith that the CCCERA program is authorized under California law—in particular, the California Supreme Court case *Gorman v. Cranston* (1966) 64 Cal.2d 441. While there are some differences between the individual circumstance addressed in *Gorman* and CCCERA's system-wide program,² I agree with Reed Smith that the principles of *Gorman* are broad enough to authorize the CCCERA program.

¹ The program would be offered to those who qualify for the Section 31781 "death benefit" under Section 31780: "... death before retirement of a member while in service or while physically or mentally incapacitated for the performance of his duty, if such incapacity has been continuous from discontinuance of service, or within one month after discontinuance of service ..." Most such members are in active status at the time of death, but some may be in deferred status.

² There are statements on page 445-46 of *Gorman* that may suggest the specific facts of that case (the member knew he was going into surgery) were important to the Court and the Court may have ruled differently on a system-wide program that allowed all members to fill out preauthorization forms. While that language poses some risk to the CCCERA program if it were challenged, I do not believe the language is fatal to the program. In *Gorman*, the Court was stating that *Gorman's* election was not a system-wide program in response to arguments about the implications of a system-wide program. The Court was not stating that a system-wide program was necessarily problematic. A system-wide program was not before the Court, so we cannot know whether the Court would have analyzed such a program differently. I do not believe the Court would have rejected a system-wide program like CCCERA's, because a retirement system should not be

Second, if the Board implements a program like CCCERA's, I recommend that the Board adopt a written policy that outlines how the program would work at ACERA and explains the legal bases for the program. I expect such a policy will include some terms that are not included in the CCCERA program. For example, I recommend that such a policy would explain what will happen when there is a relevant marriage, divorce, death or beneficiary change after the member submits active death form.³

Third, I want to highlight that the CCCERA program may result in less benefits for some beneficiaries if members die quickly after an injury or disease. Like the ADEB, the CCCERA program grew out of the arbitrarily different outcomes that turned on whether the member lived long enough to apply for disability and elect an optional settlement. The CCCERA program eliminates that difference for most "active" member deaths, but still allows for a different outcome for members who live for a "real and measurable" amount of time after the injury or disease that resulted in death and those who do not. If the Board adopted the CCCERA program, there may come a time when ACERA will have to deny benefits because a member died "too quickly." For example, if a member is hit by a car and, based on the medical records, the member died "immediately on impact," ACERA may have to deny benefits that would have been payable if the member had lived another minute after being hit (if a minute is a "real and measurable" period of time of the member being medically alive). If the Board would like benefits to be available to those members who might not be covered under the CCCERA program, we can analyze the Board's options in collaboration with MMRO⁴ and/or prepare a proposed hybrid program similar to CCCERA's, but with a scaled-back version of the ADEB to cover just those members.

Based on the above, there are three choices before the Committee: (1) continue the status quo; (2) implement a plan like CCCERA's with some minor changes; or (3) implement a plan like CCCERA's, with some minor changes, but set up in a way that covers those members who die "too quickly" to qualify under the CCCERA plan.

If the Committee wishes to proceed with a change to the status quo, I recommend that the Committee direct staff as to the kind of program the Committee prefers and then staff can come back to the next feasible Retirees Committee meeting with a proposed policy.

put in the position determining whether a member's fear of disability followed by death is "specific enough" to allow the member to file a preauthorization. I believe members either have a right to file a preauthorization or they do not and *Gorman* held that they have that right. Would the Court have ruled differently if Gorman had a history of heart attacks and feared the next one might disable and kill him? What if he just had a family history of heart attacks? What if he was about to climb a mountain and feared an incapacitating injury followed by death? How can CCCERA (or ACERA) possible draw a line to determine which members would and would not be entitled to make a preauthorization based on whether a member has a specific situation in mind when filing the form?

³ The form should be automatically invalidated if: (1) the member marries after submitting the form and did not designate the spouse as the beneficiary; (2) a member names a spouse as the beneficiary and later divorces that spouse; (3) a named beneficiary dies after the member files the form; or (4) after filing the form, the member files another beneficiary designation that is inconsistent with the form.

⁴ For example, ACERA might obtain input from MMRO to support the proposition that nobody dies instantaneously and therefore everyone is incapacitated for duty for some amount of time in every case (if that proposition is medically supportable).

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To: Retiree Committee of the Board of Retirement
Alameda County Employees Retirement Association (“ACERA”)

Date: August 2, 2023

Subject: **Preauthorization Approach for Benefits in Death of Active Members**

At its October 5, 2022 meeting, this Retiree Committee considered recommending to the Board the reauthorization of ACERA’s prior Active Death Equity Benefit (“ADEB”) approach, which the Board terminated in 2012. At that meeting, the Committee directed staff to explore other options to address the benefits available in the instance of a death of an active member.

This memorandum provides information regarding an alternative approach that another county retirement system uses. In this memorandum, you will find: (1) a summary of survivor benefits under the County Employees’ Retirement Law of 1937 (“CERL”), and (2) a summary of the pre-authorization approach for death of active members that Contra Costa County Employees’ Retirement Association (“CCCERA”) uses.

1. CERL Provisions for Survivor Benefits

The CERL provides for three statutorily defined survivor benefits, which are mutually exclusive:

A. Member Election of Optional Settlement Allowances Before Retirement (Option A). Under CERL §§ 31760 and 31762, a member may elect one of a series of “optional settlement allowances” by filing a written election with the retirement board before the first retirement check is received. In essence, these options actuarially value the expected total benefits payable to the member and their survivors over their covered lives and apportion the total benefit between the member’s and survivor’s lives in different ways. The various choices must be “actuarially equivalent” in value to the present value of the “unmodified benefit” to which the member would be entitled if no other election is made.

It is important to note that, in order for a surviving beneficiary to receive an Optional Settlement allowance, the active member must have on file their Optional Settlement election and retirement application at the time of death.

B. Default Death Benefits Payable After a Member’s Death, Before or After Retirement (Option B). In the absence of an elected Optional Settlement on file at the time of a member’s death, the CERL provides a statutorily defined death benefit. For the beneficiary to receive this statutorily defined death benefit, the member must have died “before retirement and while in active service, or while physically or mentally incapacitated for the performance of their duty, if such incapacity has been

continuous from discontinuance of service, or within one month after discontinuance of service,” and the member’s accumulated contributions must still be on deposit with the Plan. CERL § 31780. In general, the death benefit paid to the surviving beneficiary consists of the member’s accumulated contributions plus a lump-sum payment based on years of service, up to 50% of annual compensation. *Id.* § 31781. This option only applies if there is no Optional Settlement election on file (Option A above) at the time of death.

- C. Spousal Election in Lieu of Death Benefits (Option C). The CERL provides an alternative to the default death benefit for a surviving spouse or domestic partner (or minor children if there is no spouse or domestic partner). If the active member “would have been entitled to retirement in the event of a non-service-connected disability, but dies as the result of an injury or illness prior to retirement,” then “the surviving spouse [or minor children] of the member shall have the right to elect, by written notice filed with the board, to receive and be paid in lieu of the [default] death benefit” the alternative death benefit provided under CERL § 31781.1. That alternative death benefit available to a surviving spouse or domestic partner (or minor children) grants a “monthly payment equal to 60 percent of the monthly retirement allowance to which the deceased member would have been entitled if he or she had retired by reason of non-service-connected disability as of the date of his or her death.” *Id.* This option is available only if there is no Optional Settlement election on file (Option A above).

It appears from this statutory structure that the Legislature intended for the member to have the ability to make an election among various actuarially equivalent streams of payment for the retirement allowance they and their survivors would receive. This allows consideration of marital, parental, health and economic conditions up to the time of retirement, whether the retirement is for service or by reason of disability. Where *no* Optional Settlement election is made for a surviving spouse and/or minor children (the “unmodified allowance”), the Legislature provided that a surviving spouse or minor children could supersede that default option (i.e. Option C above), which otherwise would provide nothing more than the statutory death benefit to survivors (i.e. Option B above).

2. The Active Death Circumstance and CCCERA’s Preauthorization Approach

The CERL provides members a choice of several options for receiving their retirement allowances and splitting the benefit stream among the member and their surviving beneficiaries, as discussed above. Members are required to elect their option prior to retirement (whether service retirement or disability retirement) or death.

In rare circumstances, however, an active member will be incapacitated for service only moments or hours before death, without time to file for a disability retirement allowance or to make their choice of Optional Settlement payments to be split between the member and their surviving beneficiaries. Failing the ability to file before death, the member’s survivors are left to receive only the limited death benefits provided under the CERL, which could be substantially less than one or more of the Optional Settlement allowances that might have been chosen had a timely filing been made. This results in an inequity between the

survivors of the few members who die before being able to make the filings, and the survivors of other members who had time to file the necessary applications and declarations before death.

To ameliorate this inequity, one CERL system (CCCERA) has created a policy that allows survivors of “active death” members to receive the maximum benefit payments that would otherwise be due to them had the member been physically able to apply for a disability retirement and make the requisite Optional Settlement election before death. The intent of this policy is not to let the relative shortness of time between incapacity and death create arbitrary differences in benefits payable to similarly situated members.

A. Key Components of CCCERA's Preauthorization Approach

- **Paperwork for Pre-Authorized Filing:** The active member files a written authorization with the Plan during service that: (1) authorizes the Plan to file an application for a non-service connected disability retirement on the member's behalf in the event that the member is permanently incapacitated by reason of injury or other disability leading to death while the member is an active member of the Plan, and (2) allows the member to pre-elect an Optional Settlement 2 (CERL § 31762) or an Optional Settlement 4 (CERL § 31764) prior to retirement.¹ The application and election “spring” into being the instant the member is incapacitated before death. Thus, with this springing authorization, a member can conditionally pre-file their non-service connected disability application and Optional Settlement election. In essence, the pre-authorization approach is like an advanced directive for public pension benefits for circumstances involving the death of an active member.

A copy of CCCERA's Form 104 (Member Election Form for Optional Allowance in the Event of Death During Active Membership) is attached to this memorandum as Exhibit A.

- **Beneficiary Designation:** Under this pre-authorization approach, an active member can name any individual with an “insurable interest” in the member's life for an Optional Settlement 2 or Optional Settlement 4 election.²

¹ Optional Settlement 2 under CERL § 31762 reduces the member's monthly retirement benefit, but after the member's death, requires the Plan to pay the same reduced benefit to the named beneficiary for the rest of their lifetime. Under Optional Settlement 2, the amount of the member's monthly benefit that is reduced depends on the member's age at retirement, the age of the beneficiary at the member's retirement date, and the life expectancy of both parties.

Optional Settlement 4 under CERL § 31764 is similar to Optional Settlement 2, but allows more than one beneficiary. The benefits paid under Optional Settlement 4 must not place any additional burden upon the retirement system and requires consultation with the Plan's actuary.

Both Optional Settlement 2 and 4 are irrevocable once the member retires, and do not allow the member to re-designate a new beneficiary if the named beneficiary predeceases the member.

² CCCERA's Form 104 does not address what to do in the case where the member designates a surviving spouse/domestic partner in the pre-authorized election but later divorces the surviving spouse/domestic partner and then dies. It may be wise to

- Timing of Filing: The pre-filed non-service connected disability retirement application and Optional Settlement election can be filed at any time while the member is in service, within four months after discontinuing service, or from discontinuance of service to the date of the application if continuously incapacitated during that time. CERL § 31722. The pre-filed application and election “spring” into effect when there is reason to believe that the member is permanently incapacitated for the performance of their duties. Once the application is deemed filed, the Board has the responsibility of “determin[ing] the existence of the disability.” CERL §§ 31723, 31725.
- Who Can File for the Member: The member, an employer, retirement board/staff, or anyone else can file a non-service connected disability retirement application with the Board (CERL § 31721), and a member may elect one of the Optional Settlements at any time “until the first payment of the retirement allowance is made” (CERL § 31760). Therefore, the retirement board and staff can be “deputized” by the active member to file a non-service connected disability retirement application on their behalf if the member becomes incapacitated and is physically unable to file the application after the event causing their incapacity.
- Board Determination: However, once the conditional authorization is triggered by the active member’s incapacity and the Plan files the non-service connected disability application, the member is not granted an automatic right to a disability retirement benefit. Rather, the Board must adjudicate and determine whether the member was indeed incapacitated for the performance of duty prior to death at the time the disability retirement application was filed based on competent medical evidence. This determination based on competent medical evidence must be made before any disability retirement benefit entitlement is granted, just as it would with any disability retirement application. CERL §§ 31723, 31725. In making this determination, the Board considers the following:
 - *First*, whether the member prepared the pre-filed paperwork with a set purpose and provided clear instructions for executing the non-service connected disability application and Optional Settlement election in the instance where the member becomes permanent incapacitated for performance of the member’s duties;
 - *Second*, whether there was a time interval that was “real and measurable” where the member was alive and incapacitated prior to death as determined by the Board’s medical advisor and supported by medical records, or whether there was a sudden and instantaneous death with no room for a period of disability for determination; and
 - *Third*, whether the finding of disability is supported by competent medical evidence.

consider and include language on any pre-authorization paperwork to provide clear directions to the Plan on what to do in this circumstance.

Note, however, that CCCERA's second requirement stated above for medical evidence of a "real and measurable" period of life between injury and death is a best practice and not a legal requirement. The "real and measurable" requirement comes from proof of service-connection in disability retirement cases, and CERL § 31724 allows the Board to grant a disability retirement upon satisfactory proof that the member is permanently incapacitated (physically or mentally) for the performance of their duties in service (i.e. it does not require medical proof). The reason why CCCERA requires medical proof of a "real and measurable" period between disability and death is because the member must be considered medically alive for a period of time prior to death to qualify for a disability benefit. Without sufficient proof that the member was medically alive between the period of injury and death, CCCERA instead would grant qualified surviving beneficiaries the default death benefits statutorily provided under the CERL.

- Effective Date and Benefits Granted: The Board's determination of permanent incapacity for the performance of duty, and therefore the entitlement to a non-service connected disability retirement benefit, is effective as of the date the application is filed, but not earlier than the date following the last day of regular compensation. CERL § 31724. The benefit granted based on this determination provides a disability allowance with an elected 100% continuance to the surviving beneficiary.
- Funding: CCCERA pays out benefits that are granted through this pre-authorization approach from its general Retiree Reserve, not a supplemental reserve funded only by excess earnings, because these benefits are not deemed supplemental non-vested benefits, but rather vested benefits under the CERL. As a result, the cost of non-service connected disability retirement benefits and the Optional Settlements provided through the pre-authorization approach are paid for by employer and employee contributions as well as investment earnings of the system, similar to all other retirement benefits.

B. Legal Authority for Pre-Authorization Approach

This "pre-authorization" approach that CCCERA uses is supported by *Gorman v. Cranston* (1966) 64 Cal. 2d 441. In *Gorman v. Cranston* (1966) 64 Cal.2d 441, the California Supreme Court approved a member's pre-authorization and advanced consent for the filing of a disability retirement application. There, the Court analyzed whether, under Government Code § 75060 (the disability retirement provision in the Judges Retirement Law administered by CalPERS), an active judge could execute an advance consent form for retirement and other post-employment benefits based on disability. *Id.* at 442. The member in *Gorman* signed a standard form for a disability retirement prior to undergoing surgery but left it undated, and showed this document to his son. *Id.* The member requested that if he suffered complications with surgery that prevented him from filing his disability retirement application himself, that his son file it for him on his behalf. *Id.* After surgery, the member suddenly lapsed into a coma and then died. *Id.* The member's request for disability retirement was submitted thereafter. *Id.*

The Court held in *Gorman* that the member's pre-authorized filing of his disability retirement application was valid and enforceable. *Id.* at 446. The Court reasoned that the fact that the member "was not

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Page 6

conscious during his last hours while he was disabled after giving explicit instructions, which, if carried out, would have qualified [his spouse] for benefits, should not itself operate to deprive [his spouse] of such benefits." *Id.* at 447. Because the member pre-authorized the filing of his retirement application to allow him to retire if he became unable to do so himself after surgery, and because the member provided explicit instructions to elect a disability benefit if that event occurred, he provided the needed irrevocable consent to apply for disability retirement if he became incapacitated.

In sum, the *Gorman* Court unanimously held the pre-authorized election was valid, the election sprang into being when the member became incapacitated, and the member's surviving spouse should receive benefits based on the member's disability retirement. *Id.* at 445–47.

We would be pleased to address any questions you may have on this pre-authorization approach.

EXHIBIT A



DEATH DURING ACTIVE MEMBERSHIP
MEMBER ELECTION FORM
FOR OPTIONAL ALLOWANCE IN THE EVENT OF
DEATH DURING ACTIVE MEMBERSHIP

FORM
104
 (Rev. 2020)

Purpose of the form: This form authorizes CCCERA to file an application for non-service connected disability on your behalf, in the event that you are permanently incapacitated by reason of injury or other disability leading to death while you are an active member of CCCERA. This form allows you to preselect an Optional Settlement, pursuant to CERL Section 31762 or 31764 or the successor section.

NOTE: The original document must be submitted. Fax/copies are not accepted.

Section 1: MEMBER INFORMATION		
Full Name	Employee #	Social Security #

	<p>STOP – Your choice must match the beneficiaries chosen in your <i>Beneficiary Designation Form (Form 102)</i> and a SIGNATURE(s) and adult witness is required below in order for this form to be valid.</p> <p align="center">Section 2: ELECTION OF OPTIONAL SETTLEMENT</p>
--	--

To the Board of Retirement:

I choose Optional Settlement 2 (up to 100% continuance to one beneficiary) I only have 1 primary beneficiary listed on Form 102 – Beneficiary Designation Form.

I choose Optional Settlement 4 (up to 100% continuance divided among more than one beneficiary) I have 2 or more primary beneficiaries listed on Form 102 – Beneficiary Designation Form.

Section 3: AUTHORIZATION TO FILE NON-SERVICE CONNECTED DISABILITY RETIREMENT APPLICATION
--

I understand that the beneficiary(ies) of the allowance that continues after my death is (are) the beneficiary(ies), having an insurable interest in my life, on file at CCCERA at the time of my death as were designated by me on a *Beneficiary Designation Form (Form 102)*, a separate form.

I understand that by signing this form I elect a monthly allowance for my beneficiary(ies) in lieu of any other death benefit including the return of accumulated contributions under CERL Section 31781.

I understand that this election is binding on me unless I withdraw this election before the first payment of any retirement allowance is made to me, and that at retirement I may make another election of an Optional Settlement, or choose to receive the unmodified allowance, under CERL.

In accordance with the provisions of CERL, I hereby authorize CCCERA to file an application for a non-service connected disability retirement on my behalf in the event that I am permanently incapacitated by reason of injury or other disability leading to death while I am an active member of CCCERA. I understand that, if granted, this will entitle my survivor(s) to receive a non-service connected disability retirement survivor continuance under Optional Settlement 2 or 4.

In accordance with the provisions of the County Employees Retirement Law of 1937 (CERL), and the by-laws and regulations governing the Contra Costa County Employees’ Retirement Association (CCCERA), I hereby elect an Optional Settlement, pursuant to CERL Section 31762 or 31764 or successor section.

Member Signature <i>(Required)</i>	Date (mm/dd/yyyy)
Adult Witness Signature <i>(Required)</i>	Date (mm/dd/yyyy)
Adult Witness Name <i>(Print)</i>	



DEATH DURING ACTIVE MEMBERSHIP
 MEMBER ELECTION FORM
 FOR OPTIONAL ALLOWANCE IN THE EVENT OF
 DEATH DURING ACTIVE MEMBERSHIP

FORM
104
 (Rev. 2020)

Survivor Benefits: Active Member Death (Pre-Retirement)

Death and continuing benefits depend on several factors. If a member dies prior to retirement, death benefits are determined based on:

- Member status (active or deferred)
- Category of death (service-connected or non-service connected)
- Retirement Service Credit
- Relationship of recipient to member (eligible survivor or named beneficiary)

To qualify as an eligible survivor in cases involving the death of an active member, a spouse or domestic partner must have been married to or in a duly registered California domestic partnership with the member prior to the member's death. No minimum length of marriage or domestic partnership requirement applies.

Type of Death	Basic Death Benefit	Optional Death Allowance
Service-Connected	Lump-sum payment of member's accumulated contributions Salary Death Benefit: one month of member's compensation earnable for each full year of Service Credit (not to exceed six months of compensation)	Full amount (100%) of disability retirement allowance deceased member would have received had he or she been retired on an Service-connected Disability at the time of death
Non-Service Connected	Lump-sum payment of member's accumulated contributions Salary Death Benefit: one month of member's compensation earnable for each full year of Service Credit (not to exceed six months of compensation)	60% of disability retirement allowance deceased member would have received had he or she been retired on an Non-service Connected Disability* at the time of death
Deferred Member	Lump-sum payment of member's accumulated contributions	
<i>*In order for the survivor to be eligible for the Optional Death Allowance following a non-service connected death, the member must have been eligible for a retirement in the event of a non-service connected disability.</i>		

NON-SERVICE CONNECTED DISABILITY

A non-service connected disability means a member's permanent illness or injury did not arise from his or her employment. Members who qualify for a non-service connected disability retirement will receive the service retirement allowance to which the member is entitled, or one-third of your annual Final Average Salary, whichever is greater.



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July 19, 2023

Mr. Dave Nelsen
Chief Executive Officer
Alameda County Employees' Retirement Association
475 14th Street, Suite 1000
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Re: Pre-retirement Death Optional Settlement 2 Election

Dear Dave:

As requested by ACERA, we have provided in this letter the cost impact of allowing active members¹ to elect an Optional Settlement 2 allowance that leaves a 100% continuance to a beneficiary upon the member's pre-retirement death.² Under current practice, vested active members who die while in active employment would only be allowed to leave a 60% automatic continuance (unless the death is service connected, in which case a 100% automatic continuance would be paid without any service requirement).

Background

We are aware of one other California public retirement system that allows active members to file an election form for optional allowance in the event of death during active employment. At that retirement system, a member may elect during employment an Optional Settlement 2 to provide a 100% continuance (with actuarial adjustment) to their spouse (including domestic partner) or beneficiary having an insurable interest in their life. In the event the member dies while in active employment under non-service connected death, this election would allow the beneficiary of the member to receive a 100% continuance under Optional Settlement 2.

Currently, if a member has 5 or more years of service and has a spouse at the time of the member's death during active employment, the spouse would be entitled to the 60% automatic continuance of the allowance the member would have received if the member had retired for non-service connected disability on the date of death. If the member has no surviving spouse but has a minor child(ren), the child(ren) will collectively be entitled to the 60% automatic continuance of the member's non-service connected disability retirement benefit until they reach age 18 (or age 22 if a full-time student). If the member has no eligible spouse or child(ren), the member's estate may receive the lump sum death benefits that include a return of employee

¹ We have assumed as part of this study that deferred vested members will not be eligible to make this election.

² See discussion starting on page 2 regarding pre-retirement death election of Optional Settlement 4 (in lieu of Optional Settlement 2).

contributions with interest and one month of salary for each year of service up to a maximum of 6 months of salary.

If the member is allowed to make an Optional Settlement 2 election during active employment, the member's spouse or beneficiaries would be eligible for an allowance of up to 100%³ of the member's non-service connected disability benefit payable for their lifetime. Even after we apply the current actuarial assumptions in determining the 100% continuance benefit, the amount of benefit for the beneficiary would generally be greater than what they would have received without this election. For example, for a member with a spouse who dies while in active employment, the spouse would have received 60% of the member's non-service connected disability benefit without this election and that amount would generally be less than the actuarially reduced Optional Settlement 2 continuance. For a member with a minor child(ren), the 60% automatic continuance would only be paid for a period of time without this election. For a member without a spouse or minor child(ren), the member's estate would only have been entitled to a refund of the member's contributions and a lump sum of up to 6 months of pay without this election.

Alternative Election of Optional Settlement 4

If the pre-retirement death election of an optional settlement is adopted by the Board, we understand members may alternatively make an Optional Settlement 4 election (in lieu of Optional Settlement 2) during active employment, such that the member's spouse or beneficiaries would be eligible for an allowance of no greater than 100% of the member's non-service connected disability benefit payable for their lifetime.³ With that said, the costs prepared herein only include assumed Optional Settlement 2 elections, although the results in this cost study would still be applicable if some members should actually elect Optional Settlement 4 (assuming they choose the maximum 100% continuance) in lieu of Optional Settlement 2.

Methodology and Assumptions

We assumed this election would only apply to future active deaths and there would be no change to the existing benefits for any current beneficiaries. The additional liability is determined based on the active population and actuarial assumptions used in the December 31, 2022 valuation. Moreover, we made additional election assumptions for members who are expected to die during active employment.

ACERA provided us a file with the relationship information for the beneficiaries of about 70 members who died while in active employment from calendar year 2018 to calendar year 2021 (including some death in calendar year 2022). Out of the 70 members, 31 members (somewhat less than 50%) were reported to have a spouse eligible to receive a lump sum or continuance

³ The maximum continuance percentage for a non-spouse beneficiary could be limited based on § 1.401(a)(9)-6 of the Internal Revenue Code and would be less than 100% if the adjusted age difference between the member and the beneficiary is 10 years or more.

benefit. Our current assumptions in the valuation are that 70% of all male members and 50% of all female members would be expected to be married at retirement or active death. For the purposes of this study, we have applied the same assumptions to anticipate the proportion of vested members who would be married and expected to elect an Optional Settlement 2 to cover their spouses at pre-retirement death.

For the remaining 39 members provided, 19 (about 50%) had listed a child, 10 (about 25%) had listed a sibling, and 10 had listed a parent/ex-spouse/other (about 25%) to receive primarily a lump sum death benefit. For the purposes of this study, we have grouped and treated an ex-spouse/other as if they were a parent of the deceased member. We have applied the above percentages to approximate the proportion of vested single active members who would be expected to elect an Optional Settlement 2 to cover their child, sibling and parent. Furthermore, we assumed that on the average, a child is 30 years younger than the member, a sibling is at the same age of the member and a parent is 30 years older than the member.

In summary, we have assumed that 70% of male members and 50% of female members have a spouse at pre-retirement death, and male members are assumed to have a female spouse who is 3 years younger than the member and female members are assumed to have a male spouse who is 2 years older than the member. The assumptions for the remaining beneficiaries covered under the Optional Settlement 2 elections are as follows:

Beneficiary type*	Percentage	Age Difference with Active Member
Child	50%	30 years younger
Sibling	25%	Same age
Parent	25%	30 years older

* We made the simplifying assumption that the beneficiary is of the opposite sex of the member.

Results

The increase in Actuarial Accrued Liability for the pre-retirement death Optional Settlement 2 election is \$12,134,000 for the total Plan. The increase in average employer contribution rates is summarized below:

Employer Contribution Rate Impact (as % of Payroll)			
	General	Safety	Total
Normal Cost	0.07%	0.09%	0.07%
UAAL	<u>0.06%</u>	<u>0.07%</u>	<u>0.06%</u>
Total	0.13%	0.16%	0.13%
Projected Payroll	\$1,052,930,000	\$205,096,000	\$1,258,026,000
\$ Annual Contribution	\$1,369,000	\$328,000	\$1,697,000

There will also be an increase in the average member normal cost rates of 0.03% for General members and 0.03% for Safety members. For PEPRA tier members, the increase is due to 50/50 sharing of the increase in normal cost rate for their respective tier. For the legacy members, there is no change in the member's basic contribution rate. However, the member's COLA contribution rate is increased due to the increase in the normal cost for the COLA benefits which is shared 50/50 by the legacy members.

Other Considerations

Effective Date of Implementing Employer and Member Contribution Rates in this Study

If the change to elect Optional Settlement 2 is implemented, we would need guidance from ACERA regarding the timing of implementation of the revised contribution rates to the employers and members. According to the Board's Actuarial Funding Policy, any change in contribution rate requirements that results from a plan amendment is generally implemented as of the effective date of the plan amendment or as soon as administratively feasible. As a result, we understand that ACERA has generally implemented new employer and member contribution rates upon the effective date of a benefit enhancement. However, in the case of this change, implementing the higher rate for the employers would have the impact of changing the contribution rates that had already been approved by the Board in the December 31, 2022 valuation for FY 23-24. We would be available to provide the more detailed employer and employee contribution rates resulting from this change.

Rather than changing the contribution rates starting in FY 23-24, the Board could consider putting off revising the contribution rates until after the next actuarial valuation (i.e., as of December 31, 2023). However, under that scenario, there would be some actuarial losses for the Plan as the higher employer and member contribution rates would not be paid immediately.

All results shown in this letter are based on the data and actuarial assumptions used in the December 31, 2022 actuarial valuation, except for the additional assumptions as detailed above. That valuation and these calculations were completed under the supervision of Eva

Mr. Dave Nelsen
July 19, 2023
Page 5

Yum, FSA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of actuaries to render the actuarial opinion herein.

Please let us know if you need any additional information and we look forward to discussing this letter with you.

Sincerely,



Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary



Eva Yum, FSA, MAAA, EA
Vice President & Actuary

EZY/bbf

cc: Carlos Barrios
Lisa Johnson
Jeff Rieger



Gorman v. Cranston

Supreme Court of California

April 21, 1966

Sac. No. 7693

Reporter

64 Cal. 2d 441 *; 413 P.2d 133 **; 50 Cal. Rptr. 533 ***; 1966 Cal. LEXIS 271 ****

GENEVIEVE C. GORMAN, Petitioner, v. ALAN CRANSTON, as State Controller, etc., Respondent

Prior History: [****1] PROCEEDING in mandamus to compel the Controller of the State of California to approve an application for benefits to the widow of a retired judge.

Disposition: Writ granted.

Counsel: Beardsley, Hufstedler & Kemble, Charles E. Beardsley, Seth M. Hufstedler, John Sobieski and Harry L. Hupp for Petitioner.

Thomas C. Lynch, Attorney General, and William J. Power, Deputy Attorney General, for Respondent.

Judges: In Bank. Peek, J. Mosk, Acting C. J., McComb, J., Peters, J., Tobriner, J., White, J., * and Roth, J. pro tem., ** concurred.

Opinion by: PEEK

Opinion

[*442] [**134] [***534] Petitioner, the widow of the late Judge Joseph G. Gorman, former Judge of the Superior Court in and for the County of Los Angeles, seeks to compel the respondent Controller of the State of California to approve her application for benefits as the widow of a retired judge pursuant to the provisions of the Judges' Retirement Law. (Gov. Code, §§ 75000-75108.) The Controller opposes the application, at least in part, in reliance on an opinion [****2] of the Attorney General (45 Ops.Cal.Atty.Gen. 85) that prior to his

death Judge Gorman had not executed a consent to retirement within the meaning of the statute (Gov. Code, § 75060), so as to qualify petitioner for the benefits she seeks.

The facts are not in dispute. On or before November 7, 1964, Judge Gorman, planning to undergo surgery, signed a standard form letter of request for a disability retirement, addressed to the Governor and the Chief Justice, the latter as Chairman of the Judicial Council. The judge showed this letter, at that time undated and with a blank space for the name of a [**135] [***535] doctor who would attest to any disability, to his son. He requested that if he were to become disabled and unable to post the letter, his son should mail copies to the Governor and Chief Justice. Following surgery, Judge Gorman appeared to be making satisfactory progress when suddenly he lapsed into a coma resulting from a cerebral hemorrhage, and expired early on November 10 without having regained consciousness.

Thereafter a letter of request for disability retirement, signed by Judge Gorman and dated November 10, 1964, was received by the Governor. The name [****3] of a doctor was in the proper place, attesting to the judge's disability. Since there was some doubt as to whether the letter constituted a valid request and consent to disability retirement, the opinion of the Attorney General was requested. It was his view that the consent was not executed as required by section 75060, and that the judge had not made a proper application for retirement for reasons of disability. (45 Ops.Cal.Atty.Gen. 85.)

The Governor and the Chief Justice certified to the Secretary [*443] of State the facts as stated above and withheld approval of the application solely on the determination of the Attorney General that Judge Gorman had not validly consented to retirement. Their certificate further states: "We agree with the Attorney General that this issue of law should be determined by a court of competent jurisdiction. If there is a final

* Retired Associate Justice of the Supreme Court sitting under assignment by the Chairman of the Judicial Council.

** Assigned by the Chairman of the Judicial Council.

judgment of a court of competent jurisdiction that such application and consent of Judge Gorman is legally sufficient, we approve his retirement. . . ."

Petitioner alleges that she has filed a formal claim for benefits with the Controller and, on information and belief, that the Controller has not acted on her application [****4] because he desires to have a court pass upon the validity of the application before he acts. She argues that her late husband's consent was validly executed subject to a condition subsequent, namely, his disability; that this condition subsequently occurred, thus completely effectuating his request for retirement.

Government Code section 75060 authorizes in subdivision (a) that a judge may retire for reasons of disability if he has met three requirements: (1) the judge must be, in fact, disabled; (2) the judge must consent to his retirement; and (3) the Governor and the Chief Justice must approve the retirement. There is no provision for determining whether the judge is or is not disabled save, perhaps, for the requirement that the Governor and the Chief Justice approve the retirement. In the instant case, of course, there is little question that Judge Gorman was disabled, and the Governor and the Chief Justice so certified. The more difficult question is whether Judge Gorman "consented" to his retirement within the meaning of the statute.

Subdivision (b) of section 75060 states: "Any judge who dies after executing an application evidencing his consent and before the approval [****5] of both of the designated officers has been obtained shall be deemed to have retired on the date of his death if the designated officers prior to the filling of the vacancy created by such judge's death, file with the Secretary of State their certificate of approval."

Subdivision (b) was added to section 75060 in 1962 following the deaths of disabled judges before the necessary approval was obtained. It authorizes a judge to be placed on a retired status and his spouse to receive benefits accordingly even though he may die before the Governor and the Chief Justice actually execute the requisite certificate. Concurrently with the enactment of subdivision (b) the Legislature adopted [*444] an urgency clause in the following language: "In many instances, a judge is stricken with a serious illness on a weekend or a holiday when it is not possible to secure the written approval of the Governor and the Chief Justice of the Supreme Court to the application of the judge for disability retirement. If such approval is obtained before the judge dies, the benefits [**136]

[***536] provided by law for his spouse are preserved; if the approval is not obtained prior to his death, [****6] all such benefits are lost. In order to cure this inequity and thus avoid the recurrence of a situation which has arisen twice within the last 60 days, it is necessary that this act take effect immediately." (Stats. 1963, First Ex. Sess. 1962, ch. 61, p. 353, § 2.)

(1) It has long been settled in this state that pension legislation is to be liberally construed. In *Jorgenson v. Cranston*, 211 Cal.App.2d 292, 296 [27 Cal.Rptr. 297], the rule is stated thus: ". . . [Pension] legislation must be liberally construed and applied to the end that the beneficent results of such legislation may be achieved. Pension provisions in our law are founded upon sound public policy and with the objects of protecting, in a proper case, the pensioner and his dependents against economic insecurity. In order to confer the benefits intended, such legislation should be applied fairly and broadly."

Section 75104.4 of the Government Code relating to judges retirement supports the foregoing view: "The Legislature hereby finds and declares that the payment of allowances to the surviving spouse of a judge pursuant to this section, as amended at the 1959 Regular Session of the Legislature, serves [****7] a public purpose in that it promotes the public welfare by encouraging experienced jurists to continue their service in the expectation that the Legislature will fairly provide for their surviving spouses under changing circumstances, as the Legislature is now doing for spouses of judges who have heretofore died. Continued service by, and increased efficiency of, judges secure in this knowledge will more than compensate the State for any increased expense for allowances to surviving spouses provided by the amendment enacted at the 1959 session of the Legislature."

(2) The Controller raises the question whether the preparation of a letter of retirement in advance of a disability does not, in fact, delegate the power of retiring a judge who has prepared such a letter to the Chief Justice and the Governor. There is, however, no real question of delegation of authority presented herein. The consent given by the judge was *his* consent, [*445] expressed over his signature. The fact that it was to take effect on the happening of an objective condition to which the Governor and Chief Justice were to certify does not make it any the less *his*. To argue, as the Controller does, [****8] that the Chief Justice and the Governor may retire any judge who has

executed such a consent "if they feel he is incapacitated" appears to imply that such action might be taken at whim or bias on the part of those officials. We cannot presume that they would act in flagrant disregard of their statutory duty in such cases. Disability is an objective condition, and while its limits are perhaps subject to disagreement it is nevertheless sufficiently certain to condition the happening of an operative event.

(3) It is also contended by the Controller that a judge who wishes to retire for disability must evidence his intention to so retire *after* the onset of the disability. In this connection it is argued that even though it be conceded that Judge Gorman intended to retire if he became disabled, and in fact formalized this intention by signing a letter of resignation to take effect upon his becoming disabled, still the equities of the situation are no greater than had Judge Gorman regained consciousness for a few moments and directed that the request to retire be forwarded to the Governor and then lapsed into unconsciousness and expired. In such a situation, the Controller contends, [****9] the Legislature, in enacting subdivision (b) of section 75060, intended to exact still a further formality, that is, the execution of a consent. But subdivision (a) requires only that a judge "consent" to his retirement, and in subdivision (b) it is stated only that his death occur "after executing an application evidencing his consent." There is no language in section 75060 which requires the consent to be executed before or after the operative fact which brings an anticipated disability [**137] [***537] into being. Nor is there anything in the language or in the authorities to which we are referred which precludes a conditional consent. (See *People v. Porter*, 6 Cal. 26.)

(4) It is further argued that to construe section 75060 in the manner urged by petitioner would be to authorize a disability benefit in almost every instance, since by the mere signing of an advance consent a judge will have been deemed to have retired for disability at such time as he becomes disabled, even if minutes before death. But the Controller overlooks the full commitment which Judge Gorman made in the instant case. The situation is not one in which an all purpose consent [*446] was [****10] signed and made ready for any eventuality. It appears that the judge, with a specific situation in mind, irrevocably committed himself to a position based on eventualities over which he had no further control. The consent was not only executed by him, but he had authorized and directed that it be completed and forwarded, if certain conditions were fulfilled. When these conditions developed the letter was completed and forwarded as he had directed. Since these acts

were done pursuant to his direction and in the manner which he had directed, it must follow that he consented thereto.

We distinguish this case from that in which a judge does not, by his own act, irrevocably place himself in a position where he must be retired upon the occurrence of a condition or conditions without reliance on the exercise of a subsequent and intervening act of discretion to effectuate his consent to such retirement. In the instant case only the administrative acts of completing and forwarding the letter pursuant to instructions, were left to be done. The fact that the person charged with this responsibility failed to carry it out until after the judge's death should not detract from what otherwise [****11] appears to be his firm commitment to retirement upon first becoming disabled. (See *Watenpaugh v. State Teachers' Retirement System*, 51 Cal.2d 675 [336 P.2d 165].)

We are thus persuaded to the conclusion that Judge Gorman's consent committed him to a retired status while he survived although he may thereafter have made a complete recovery. The fact that his death occurred before rather than after necessary administrative action preliminary to presenting the consent to the Chief Justice and Governor for their approval does not alter our conclusion that he was in a retired status immediately upon the happening of the event which conditioned his consent, for purposes of subdivision (b) of section 75060.

Arguments which go to discrepancies in benefits which surviving spouses of judges may receive, depending upon whether particular judges had retired for disability prior to death and their lengths of service, do not meet the instant issues. Such matters are for the Legislature and our concern is with compliance with the statutes as now provided. In construing those enactments we are mindful that the Legislature has attempted to provide for a better qualified and more efficient [****12] judiciary. It has made clear that it intends to secure, equally with the purpose of encouraging retirement of those judges who are not able to perform their duties, the further purpose of providing an incentive to qualified members of the bar to accept judicial [*447] responsibilities by ensuring that the families of those judges who become incapacitated are not left in financial need. Section 75060 is intended to provide for the surviving spouse of any judge who retires due to disability. Petitioner herein fairly comes within this class, and the fact that her late husband was not conscious during his last hours while he was disabled after giving explicit instructions which, if

64 Cal. 2d 441, *447; 413 P.2d 133, **137; 50 Cal. Rptr. 533, ***537; 1966 Cal. LEXIS 271, ****12

carried out, would have qualified her for benefits, should not in itself operate to deprive her of such benefits.

Let a peremptory writ of mandate issue directing the Controller to act upon petitioner's application in consideration of the [**138] [***538] valid consent to a disability retirement on the part of Judge Gorman.

End of Document



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: August 2, 2023

TO: Members of the Retirees Committee

FROM: Mike Fara, Communications Manager *MF*
 Ish Piña, Assistant Benefits Manager *IP*

SUBJECT: **Semi-Annual Report on ACERA's Wellness Program**

As reported in February 2023, this year we are emphasizing virtual resources, allowing us to reach retirees regardless of their location, eliminate the Covid-19 risk of live events, and minimize the time-intensiveness on ACERA Staff. We have expanded our virtual wellness offerings by leveraging an assortment of timed wellness messages and content provided by our insurance carriers. We continue to promote Silver&Fit and the Kaiser Permanente Virtual Health Talks in addition to the expanded calendar of wellness messages.

2023 Wellness Website Posts and Email Campaign Calendar

Email blasts that are highlighted in gray have already been emailed to members and posted at www.acera.org/well.

Month	Kaiser Permanente	Delta Dental	VSP	Other
Feb	Health Talk: Mental Health/Anxiety Across the Lifespan	Gum Disease Awareness Month	Heart Health	
Mar	Health Talk: Snoring and Sleep Apnea	Autoimmune Disease Awareness Month	Save Your Vision Month	
Apr	Health Talk: Gender Affirming Care	<ul style="list-style-type: none"> • National Anxiety Month / Stress Awareness Month • Cleanings Don't Count Against Annual Maximum 	Seasonal Allergies and Your Eyes	
May	Health Talk: Headaches and Migraines	Mental Health Awareness Month	Healthy Vision Month	
Jun	<ul style="list-style-type: none"> • Silver&Fit: Stay Active This Summer • Health Talk: Back Pain 	Alzheimer's & Brain Awareness Month	UV Awareness Month	

Semi-Annual Report on ACERA’s Wellness Program

August 2, 2023

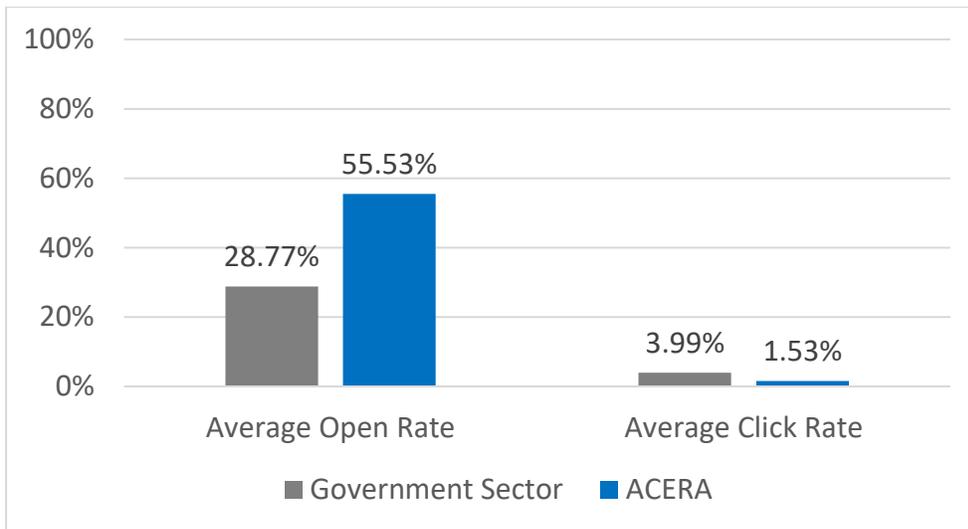
Page 2 of 4

Month	Kaiser Permanente	Delta Dental	VSP	Other
Jul	Health Talk: Autism	4 Reasons to Get an Oral Cancer Screening	Summer Eye Health	
Aug	<ul style="list-style-type: none"> • Health Talk: Managing High Blood Pressure • Silver&Fit: It’s Never Too Late to Get Started 	<ul style="list-style-type: none"> • Dental Implant Month • Reminder: Cleanings Don't Count Against Annual Maximum 		
Sep	Health Talk: Emergency Preparedness: Smoke, Fires, Floods, Shootings	Healthy Aging Month	Healthy Aging Month	ACERA Virtual Health Fair
Oct	Health Talk: Eye Health	National Dental Hygiene Month	Eye Safety	ACERA Virtual Health Fair
Nov	Silver&Fit: Holiday Prep	American Diabetes Month	American Diabetes Month	
Dec	Silver&Fit: Great Start to a New Year	Healthy Holidays	Preparing Your Eyes for Winter	

All emails were distributed utilizing the online marketing automation tool Mailchimp. Beginning with our Silver&Fit email on March 27, we loaded all of our retiree emails from PensionGold into Mailchimp, so emails were sent to about 7,700 retirees, representing roughly 72% of retirees.

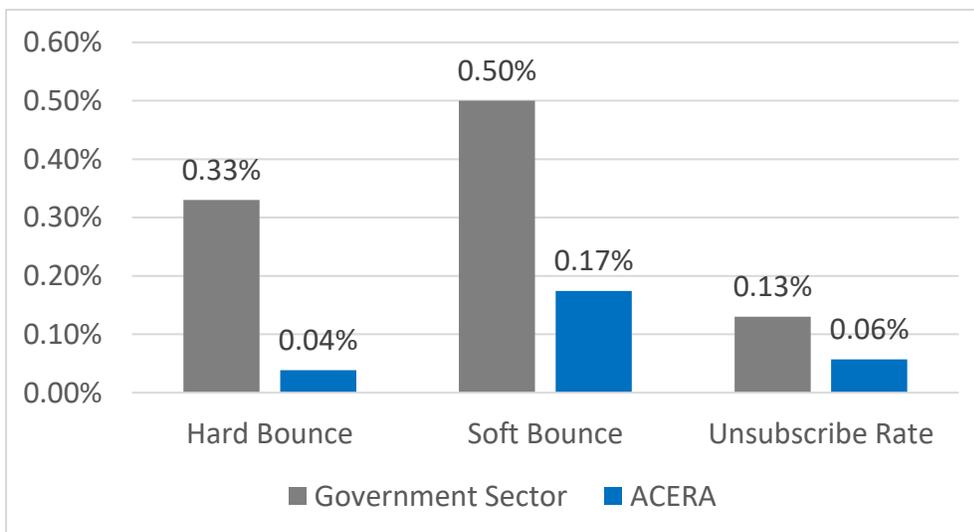
Wellness Email Campaign Performance

In analyzing the performance of our wellness email campaign, we found that 4 out of 5 metrics beat industry benchmarks:



Roughly double the percentage of ACERA retirees are opening the emails (**Average Open Rate**) in comparison to the Government Sector industry benchmark provided by Mailchimp. That means that over 4,200 ACERA retirees are opening each of our wellness emails on average.

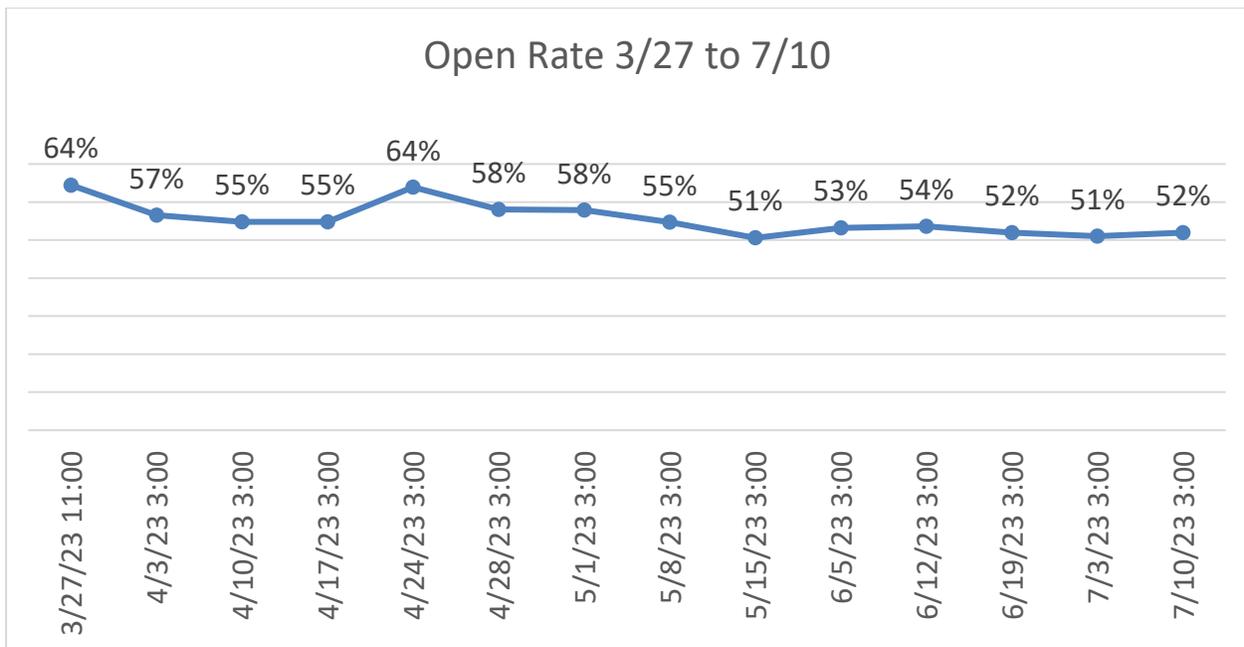
The **Average Click Rate** is lower than the benchmark, but that is okay for wellness emails—we do not necessarily need members to click on any links to be fully educated on the topic because all of the educational content is contained in the body of the email.



A **Hard Bounce** indicates a permanent reason an email cannot be delivered. In most cases, bounced email addresses are automatically cleaned from our audience list. **Soft Bounces** typically indicate a temporary delivery issue, and the address will be tried again in future emails. Not shown are abuse complaints, where the recipient clicks the spam button; we get between 0 and 2 of these per email blast, and while Mailchimp does not provide a benchmark for this number, our research indicates that our 0.02% average rate is remarkably minimal. The bottom line is that our email list is very clean, which we anticipated because the members provided their email addresses to us with the expectation that we would email them.

Initially we were concerned that emailing our retirees 3-4 times per month would result in a lot of members unsubscribing. But we found that our average **Unsubscribe Rate** of 0.06% is more than twice as low as the average for the Government Sector. And 62% of the unsubscribes occurred during the first month of wellness emails, so the majority of people who wanted to unsubscribe did it fairly early. For example, our average Unsubscribe Rate for just June is .03%.

So the bottom line is that with an **Average Open Rate** of 55.53%, which is roughly double the industry benchmark, and a low **Unsubscribe Rate**, it looks like the wellness email frequency and content is being enjoyed by the majority of recipients.



After an initial exuberant period, the **Open Rate** for each email remained fairly steady over that period, and it of course depends on how interested people are in the subject matter of each email.

Wellness Section of Retirement Enrollment Guide

In addition to the wellness message campaign, we will include a 3-page section in our annual enrollment guide (sent to 10,700 retirees) with links to dozens of wellness tools and resources provided by ACERA's insurance carriers.

Virtual Health and Wellness Fair

We are making initial plans for our 2023 Virtual Health and Wellness Fair, which will be held on Thursday, October 26. Like previous years, we will continue to offer a live virtual event with presentations, plus the virtual expo hall website with flyers and links.