



MINUTES OF AUGUST 3, 2022 RETIREES COMMITTEE MEETING

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair

Subject: Summary of the August 3, 2022 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the August 3, 2022 Committee meeting to order at 10:30 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Liz Koppenhaver, Henry Levy, Dale Amaral and Kellie Simon. Also present were Ophelia Basgal, Tarrell Gamble, Jaime Godfrey and George Wood.

Staff present were Sandra Dueñas-Cuevas, Benefits Manager; Kathy Foster, Assistant Chief Executive Officer; Erica Haywood, Fiscal Services Officer; Jessica Huffman, Benefits Manager; Harsh Jadhav, Chief of Internal Audit; Vijay Jagar, Chief Technology Officer; Lisa Johnson, Assistant Chief Executive Officer; David Nelsen, Chief Executive Officer; Ismael Piña, Assistant Benefits Manager; Jeff Rieger, Chief Counsel and Betty Tse, Chief Investment Officer.

PUBLIC INPUT

None.

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 Plans Enhancements and Premiums for 2023

Staff and Segal provided information on the ACERA-sponsored dental and vision plans enhancement options and renewal premiums for Plan Year 2023.

ACTION ITEMS

1. Approval of Enhancements to Dental PPO Plan for 2023

Staff and Segal provided information on various benefit enhancement options to the Delta Dental PPO Plan for 2023. Staff recommended including the diagnostic and preventive services waiver, and increasing the annual benefit maximum from \$1,000 to \$1,300 for the Premier and Non-Contracted providers, which will result in a 16.1% premium increase over the current rate. Trustee Koppenhaver stated that both the Alameda County Retired Employees (ACRE) and Retired Employees of Alameda County, Inc. (REAC) retiree associations support increasing the dental plan benefit.

It was moved by Ophelia Basgal and seconded by Kellie Simon that the Committee recommend to the Board of Retirement a motion to approve including the diagnostic and preventive services waiver, and increasing the annual benefit maximum from \$1,000 to \$1,300 for the Premier and Non-Contracted providers.

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

2. Adoption of Dental Plan Contributions for 2023

Staff and Segal reported that based on the single retiree premium rates, the projected annual cost to provide this non-vested benefit for Plan Year 2023, including the recommended benefit enhancements for the PPO plan, is approximately \$5,315,478; an estimated annual increase of \$725,477 over the 2023 plan year.

It was moved by Jaime Godfrey and seconded by Kellie Simon that the Committee recommend to the Board of Retirement a motion to continue the dental plan contributions for Plan Year 2023, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$51.24, an increase of 16.1% over the current rate, 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.

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

3. Approval of Enhancements to Vision Plans for 2023

Staff and Segal provided information on various benefit enhancement options to the vision plan for 2023. Staff recommended adding UV coating and polycarbonate lenses, and increasing the frame allowance, which will result in a 16.6% premium increase over the current rate.

It was moved by Kellie Simon and seconded by Ophelia Basgal that the Committee recommend to the Board of Retirement a motion to approve adding UV coating and polycarbonate lenses and increasing the frame allowance.

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

4. Adoption of Vision Plan Contributions for 2023

Staff and Segal reported that based on the single retiree premium rate, the projected annual cost to provide this non-vested benefit for Plan Year 2023, including the recommended benefit enhancements, is approximately \$485,205; an estimated annual increase of \$69,165 over the 2023 plan year.

It was moved by Jaime Godfrey 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 2023, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.63, an increase of 16.6 % over the current rate, 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.

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

INFORMATION ITEMS

2. Miscellaneous Updates

Staff reported that some retirees contacted ACERA with questions about a postcard they received from Empower with the County's logo requesting beneficiary information. Staff advised the retirees that the postcards were from Deferred Compensation, and to contact them to ensure the retiree's beneficiary information is up to date. Trustee Koppenhaver stated that she also received some calls from retirees regarding the postcards. The retirees thought it was a scam because it did not come from ACERA, so they did not reply to the postcard.

TRUSTEE REMARKS

Trustees Amaral and Koppenhaver expressed their heartfelt appreciation to Kathy Foster for all the assistance she has provided to them in dealing with members' benefit issues, in sometimes tragic situations, and for going far and beyond what was required in her role.

FUTURE DISCUSSION ITEMS

- Discussion Regarding Retired Member (Lump Sum) Death Benefit
- Discussion Regarding Active Death Equity Benefit (ADEB)

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for September 7, 2022 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:07 a.m.