



**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 4, 2010
10:30 a.m.**

LOCATION	COMMITTEE MEMBERS	
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	LIZ KOPPENHAVER, CHAIR	ELECTED RETIRED
	GEORGE DEWEY, VICE CHAIR	APPOINTED
	DALE AMARAL	ELECTED SAFETY
	ANNETTE CAIN-DARNES	APPOINTED
	ELIZABETH ROGERS	ELECTED GENERAL

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

The order of agenda items is subject to change without notice. Board and committee agendas and minutes are available online at www.acera.org.

The Retirement Board will provide reasonable accommodations for persons with disabilities and other issues of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

All writings that are distributed to a majority of members of the ACERA Board of Trustees in connection with a matter subject to discussion at an open meeting of the Board or one of its Committees are public records within the meaning of the California Public Records Act and are available for inspection upon request, unless the writings are privileged or otherwise exempt from disclosure under the provisions of the California Public Records Act. Please contact (510) 628-3000 to request to inspect documents. Documents will be made available at ACERA, 475 14th Street, Oakland, California.

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Call to Order: 10:30 a.m.

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

1. Adoption of Monthly Medical Allowance for 2011

Discussion and possible motion to adopt the Monthly Medical Allowance paid to eligible retirees for Plan Year 2011. The Monthly Medical Allowance (MMA) is the suggested dollar amount to be contributed towards retiree medical care costs. The MMA is stated as a monthly dollar amount which varies by years of service credit and can only be used to pay for ACERA-sponsored health plans.

- Kathy Foster

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to adopt a 2011 Monthly Medical Allowance (MMA) equal to the 2010 MMA, thereby maintaining the current MMA maximum of \$522.16 for plan year 2011. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This is a non-vested benefit funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the CERL, ACERA treats an equal amount of Supplemental Retiree Benefits Reserve (SRBR) assets as employer contributions for pensions.

2. Adoption of Dental Plan Contract/Premiums for 2011

Discussion and possible motion to adopt ACERA-sponsored dental plan contract provisions and premiums for plan year 2011. ACERA is currently in a three year contract with Delta Dental for retiree dental coverage, with 2011 being the third plan year of the contract. Under the current contract, premium increases on ACERA's billed rate will be capped for plan year 2011 and offset by the balance in the Rate Stabilization Account. Woodruff-Sawyer & Co., ACERA's Benefits Consultant, and Staff will present the premiums for 2011 for discussion and possible motion for approval. The dental contracts are managed by ACERA and therefore are separate from the County.

- Kathy Foster

- Woodruff-Sawyer & Co.

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to adopt the new twelve month premium renewal under the current three-year Delta Dental Plan Contract for retirees effective February 1, 2011 through January 31, 2012 with a single-party DPO coverage premium of \$43.72 per month (total rate), \$41.52 (billed rate) and a single-party DMO coverage premium of \$22.49 per month.

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3. Adoption of Dental Plan Contributions for 2011

Discussion and possible motion to continue Dental Plan Contributions for plan year 2011. Dental plan enrollment is mandatory for ACERA retirees. ACERA currently provides a contribution to cover the single retiree premium. This is a non-vested benefit.

- Kathy Foster

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to continue the dental plan contribution for plan year 2011, which provides a monthly subsidy equal to the single-party dental coverage premium of \$41.52 (Delta Dental DPO billed rate) and \$22.49 (DeltaCare USA DMO) for the retiree only to cover all retirees' Delta Dental Plan premiums. This is a non-vested benefit funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the CERL, ACERA treats an equal amount of Supplemental Retiree Benefits Reserve (SRBR) assets as employer contributions for pensions.

4. Adoption of Vision Plan Contract/Premiums for 2011

Discussion and possible motion to adopt ACERA-sponsored vision plan contract provisions and premiums for plan year 2011. ACERA's Benefits Consultant has negotiated the renewal of ACERA's vision plan contract for retiree vision coverage. The February 1, 2011 renewal proposed by the contracted carrier, Vision Service Plan, will be a new four year contract. The vision contracts are managed by ACERA and therefore are separate from the County.

- Kathy Foster

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to adopt the new Vision Service Plan Contract for retirees effective February 1, 2011 through January 31, 2013 with a single-party coverage premium of \$5.52 per month and a rate cap of 3% on the 2013 renewal guaranteed through January 31, 2015.

5. Adoption of Vision Plan Contributions for 2011

Discussion and possible motion to continue Vision Plan Contribution for plan year 2011. Vision plan enrollment is mandatory for ACERA retirees. ACERA currently provides a contribution to cover the single retiree premium. This is a non-vested benefit funded by contributions from ACERA employers to the 401(h) account.

- Kathy Foster

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Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to continue the vision plan contribution for plan year 2011, which provides a monthly subsidy equal to the single-party vision coverage premium of \$5.52 for the retiree only to cover all retirees' Vision Service Plan premiums. This is a non-vested benefit funded by contributions from ACERA employers to the 401(h) account. After contributions are made, in accordance with the CERL, ACERA treats an equal amount of Supplemental Retiree Benefits Reserve (SRBR) assets as employer contributions for pensions.

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

1. Report on Dental and Vision Plan Experience

Report on claims experience and plan utilization for ACERA retirees enrolled in ACERA-sponsored Dental and Vision Plans. This report is provided to the Committee annually by ACERA's Benefits Consultant. The report details which benefits are being utilized by retirees and the claims cost of services received. The report also indicates if the carrier met its contracted service requirements during the reporting period.

- Woodruff-Sawyer & Co.,
ACERA Benefits Consultant

2. Report on County Medical Plan Contracts for Plan Year 2011

Status report on renewal of County medical plan contracts for the 2011 plan year. Staff will provide any available data from the County regarding renewal rates and carriers for the plan year February 1, 2011 through January 31, 2012.

- Kathy Foster

3. Report of Medical Benefit Plan Issues (ACERA-sponsored plans)

Update on any recent medical plan benefit issues affecting ACERA retirees. Each month, Staff advises the Committee of any issues or changes related to administration of the ACERA-sponsored medical, dental, and vision plans, and how these affect ACERA retirees. The report also announces any written communications that have been sent to retirees by the carriers.

- Sharen Stanek-Lowe

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Trustee/Public Input

Future Discussion Items

- Presentation and Adoption of SRBR Funding Report/Study
- Report on Open Enrollment Preparations
- Healthcare Reform Update (as requested by the Committee)

Establishment of Next Meeting Date

September 1, 2010 at 10:30 a.m.