



MINUTES OF FEBRUARY 19, 2026, RETIREES COMMITTEE MEETING

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

Subject: Summary of the February 19, 2026, Retirees Committee Meeting

Committee Chair Elizabeth Rogers called the February 19, 2026, Committee meeting to order at 11:37 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Elizabeth Rogers, Kellie Simon and Ophelia Basgal. Also, present were Ross Clippinger, Scott Ford, Tarrell Gamble, Henry Levy and alternate member Kathy Foster. Committee member Keith Carson and Steven Wilkinson joined the meeting after roll call.

Staff present were Carlos Barrios, Assistant Chief Executive 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; and Jeff Rieger, Chief Counsel.

PUBLIC INPUT

Pete Albert, President of the Alameda County Retired Employees (ACRE) thanked Andy Yeung, Segal, for his services through the years.

INFORMATION ITEMS

Chair Rogers 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. Annual Cost of Living Adjustment (COLA)

Staff reported that based on information provided by Segal, ACERA's actuaries, the Cost of Living Adjustment effective April 1, 2026 results in the maximum increase of 3.0% for Tier 1 and Tier 3 retirees/payees who retired on or before April 1, 2026. Tiers 1 and 3 retirees/payees who retired on or after April 2, 2023 will receive a COLA increase of 3.0%. All Tier 2 and Tier 4 retirees/payees will receive a COLA increase of 2.0%. The Consumer Price Index (CPI) calculation resulted in a change of 3.04%. According to Government Code Sections 31870 and 31870.1, the percentage change should be rounded to the nearest one-half percent, which is 3.0%. The difference between the 3.0% and the maximum COLA adjustment allowed for Tier 2 and Tier 4 will be banked.

ACTION ITEMS

1. Annual Supplemental Cost of Living Adjustment (COLA)

Staff provided information regarding the Supplemental Cost of Living Adjustment (COLA) benefit. The Supplemental COLA is provided to retirees who have an accumulated loss of purchasing power of over 15% due to inflation. For 2025, there were approximately 1,683 retirees/payees receiving this benefit at a cost of \$1,312,590.80. Based on the accumulated loss of purchasing power as of December 31, 2025, those Tier 1 members who retired on or before April 1, 1981, and those Tier 2 members who retired on or before April 1, 2012, will receive the Supplemental COLA increase effective with their April 1, 2026, monthly allowance.

It was moved by Kellie Simon and seconded by Ross Clippinger that the Retirees Committee recommend to the Board of Retirement that it adopt the Supplemental Cost of Living Adjustment increase for Tier I members who retired on or before April 1, 1981, and Tier 2 members who retired on or before April 1, 2012, effective with the April 1, 2026 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

The motion carried 8 yes (*Basgal, Clippinger, Ford, Gamble, Levy, Rogers, Simon, Wilkinson*), 0 no, 0 abstention.

INFORMATION ITEMS

2. 2026 Annual Retirees Committee Work Plan Review

Staff provided a proposed 2025 Retirees Committee Work Plan highlighting four changes from last year's work plan: 1) discussion to offer individual plans for early retirees living in the service area; 2) discussion to increase MMA for Medicare Eligible Retiree Individual Plans to Coincide with Group Plans; 3) a proposal to offer individual plans for early retirees in the service area; and 4) a proposal to increase MMA for Medicare Eligible Retiree Plans to Coincide with Group Plans.

3. Discussion to Offer Individual Plans for Early Retirees Living in the Service Area

Staff informed the Committee of plans to bring an Action item to the April meeting that would propose to offer individual health plan options for early retirees living within the service area. Staff work with Via Benefits (Willis Towers Watson), ACERA's third party administrator of the Individual Plans, to provide information at a future meeting that compares plans available and the costs to administer the changes to our current plan. Staff will also research tax deductions that retirees can take if they do not participate in an HRA which can also lower the costs for ACERA. An additional request was made to research Health Savings plans for retirees with Dependents on our plan.

4. Discussion to Increase MMA for Medicare Eligible Retiree Individual Plans to Coincide with Group Plans

Segal, ACERA's actuary, provided a report that explored the effect on the SRBR sufficiency period if the Board were to increase the MMA for Medicare eligible retirees enrolled in the Individual Plan such that the MMA coincided with the Group Plans starting in 2027. The financial impact of the proposal would be dependent on the increase in the subsidy paid by ACERA. Under two alternative assumptions, one with 100% and the other with 50% assumption, the level of increase/change in the sufficiency period changes. For 100% assumption, the sufficiency period would be through 2044 or 19 years and 11.9 months, a decrease of 6 months. For the 50% assumption, the sufficiency period would be through 2045 or 20 years and 1.2 months, a decrease of 5 months.

5. Annual Health Care Planning Meeting with Retiree Representatives/Date Announcement

Staff presented information regarding the purpose and plans for ACERA's annual health care planning meeting with Trustees, retiree representatives, Benefits Consultants, and the County of Alameda. This meeting will be held virtually and has been tentatively set for March 18, 2026.

6. Report on 1099-R Processing

Staff provided a report that the 2025 1099-R forms were mailed to all retirees/payees on January 12th, prior to the IRS deadline of January 31st.

7. Report on Open Enrollment Activity

Staff provided information on the Plan Year 2026 Open Enrollment activity for ACERA and Via Benefits.

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

Staff provided a report on ACERA's 2025 wellness email campaign performance covering various key metrics, which indicate that the frequency and content of the wellness emails were well received and enjoyed by the majority of recipients. Staff also reviewed the 2026 wellness email campaign, which focuses on addressing chronic conditions through virtual resources provided by ACERA's insurance carriers.

The planning for the hybrid 2026 Retiree Health and Wellness Fair is underway and is scheduled to take place in the third or fourth week of October.

Trustee Basgal noted a modification to the number of One Pass visits permitted at her gym, a change that had not been communicated to retirees in advance. Yolanda Smith of Kaiser clarified that the adjustment was made between One Pass and the participating gyms, rather than by Kaiser. Kaiser will work with ACERA to ensure that any future changes are communicated to members.

TRUSTEE REMARKS

None.

FUTURE DISCUSSION ITEMS

- Proposal to Offer Individual Plans for Early Retirees Living in the Service Area
- Proposal to Increase MMA for Medicare Eligible Retiree Individual Plans to Coincide with Group Plans

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for April 1, 2026, at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 12:43 p.m.