



**MINUTES OF JULY 7, 2021 RETIREES COMMITTEE MEETING**

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

To: Members of the Retirees Committee  
From: Liz Koppenhaver, Chair, Retired Trustee  
**Subject: Summary of the July 7, 2021 Retirees Committee Meeting**

Committee Chair Liz Koppenhaver called the July 7, 2021 Committee meeting to order at 10:32 a.m.

**ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE**

Committee members present were Liz Koppenhaver, Henry Levy, Darryl Walker and George Wood. Also present were Dale Amaral and Jamie Godfrey. Ophelia Basgal, Committee member Keith Carson, Tarrell Gamble, and alternate member Nancy Reilly joined the meeting after roll call.

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

**PUBLIC INPUT**

Pete Albert, President of Alameda County Retired Employees (ACRE) retiree association, stated that the ACRE Board supports increasing the Monthly Medical Allowance (MMA) by the maximum allowable amount of 3.125%. Trustee Koppenhaver commented that she thinks the Retired Employees of Alameda County, Inc. (REAC) retiree association also supports increasing the MMA, but did not know if anyone from REAC had joined the meeting.

**ACTION ITEMS**

**1. Adoption of 2022 Monthly Medical Allowance for Group Plans**

Staff presented group plans Monthly Medical Allowance (MMA) cost comparisons for the 2021 and 2022 Plan Years. Staff recommended increasing the 2022 Group Plan MMA in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$596.73 for the Plan Year 2022.

It was moved by Keith Carson and seconded by George Wood that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2022 Group Plan Monthly Medical Allowance (MMA) by 3.125% for eligible retirees in the group plans, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$596.73 for the Plan Year 2022. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from 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, Carson, Gamble, Godfrey, Koppenhaver, Levy, Walker, Wood*), 0 no, 0 abstentions. Trustee Basgal was not present for the vote on the motion.

## **2. Adoption of 2022 Monthly Medical Allowance for Early Retiree Individual Plans**

Staff presented early (non-Medicare) retiree Individual Plans Monthly Medical Allowance (MMA) costs for the 2021 Plan Year based on the maximum MMA provided. Staff recommended increasing the 2022 Individual Plan MMA, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$596.73 for the Plan Year 2022.

It was moved by Keith Carson and seconded by George Wood that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2022 Individual Plan Monthly Medical Allowance (MMA) by 3.125% for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$596.73 for Plan Year 2022. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from 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, Carson, Gamble, Godfrey, Koppenhaver, Walker, Wood*), 0 no, 0 abstentions. Trustee Levy was not present for the vote on the motion.

## **3. Adoption of 2022 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans**

Staff presented Medicare eligible retiree Individual Plans Monthly Medical Allowance (MMA) costs for the 2021 Plan Year based on the maximum MMA provided. Staff recommended increasing the 2022 Individual Plan MMA, in accordance with the

substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$457.13 for the Plan Year 2022.

It was moved by Keith Carson and seconded by George Wood that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2022 Individual Plan Monthly Medical Allowance (MMA) by 3.125% for qualified Medicare eligible retirees enrolled in individual plans through the Medicare Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in a MMA maximum of \$457.13 for Plan Year 2022. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is funded by contributions from 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 9 yes (Amaral, Basgal, Carson, Gamble, Godfrey, Koppenhaver, Levy, Walker, Wood), 0 no, 0 abstentions.

## **INFORMATION ITEMS**

### **1. Report on Dental and Vision Plans Experience and Utilization**

Segal, ACERA's Benefits Consultant, provided information on ACERA's dental and vision plans experience, utilization, dental annual maximums by network, and VSP's loss ratio by plan.

### **2. Miscellaneous Updates**

Staff had no miscellaneous updates to report.

## **TRUSTEE INPUT AND DIRECTION TO STAFF**

None.

## **FUTURE DISCUSSION ITEMS**

- Adoption of Dental Plan Contributions for 2022
- Adoption of Vision Plan Contributions for 2022

## **ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for August 4, 2021 at 10:30 a.m.

## **MEETING ADJOURNED**

The meeting adjourned at 11:07 a.m.