

Employer Reimbursement Policy

I. Purpose

The Board of Retirement believes that the interests of the members and retirees of the Association are best served by attracting and retaining highly competent Board members who embrace the fiduciary responsibilities of ACERA Trustees and who are selected through a process that supports the statutory configuration of the Board.

II. Objectives

The objectives of this policy are as follows:

- A. To assist employers of active employee elected Board members (hereinafter “elected Board members”);
- B. To promote free and open participation of members in the democratic Board electoral process; and
- C. To maximize the opportunities for elected Board members to fulfill their fiduciary responsibilities to ACERA.

However, elected member employer reimbursement is not a statutorily mandated benefit to employers. Further, its authorization is subject to annual renewal at the discretion of the Board. Reimbursement is dependent upon ACERA budgetary considerations and Board approval.

III. Assumptions

In preparing this policy, the following assumptions were made:

- A. The 1937 County Employees Retirement Law specifies that the Board of Retirement of the Alameda County Employees’ Retirement Association shall consist of nine members, and up to two (2) alternate members.

While all qualified members of ACERA have the constitutional right to seek election to the Board of Retirement, the members' employer does not enjoy a statutory right to reimbursement.

- B. The Board recognizes that, in order to fulfill their fiduciary duties to ACERA, Board members will be required to expend a significant amount of time on ACERA business to the possible detriment of their other professional and personal activities. This may create conflicts with respect to the non-ACERA duties of these members and may, in the case of elected Board members, inhibit or deter Association members from seeking election to the Board of Retirement or satisfactorily discharging the duties of an elected Board member.
- C. The Board further recognizes that the precise amount of time an individual Board member may spend on ACERA activities will differ with the member's interests, committee assignments and general Association activity level. Elected Board members will, generally, incur additional responsibilities in conjunction with their duty to serve as an intermediary between their constituency and the Association.
- D. The Board acknowledges that it is not practical or useful to precisely quantify the amount of time spent on ACERA activities by each elected Board member over any given period of time and it is reasonable to limit reimbursement to 25% of the elected member's full time employment requirements which equates to 520 hours per year.

IV. Guidelines

In order to assist the employers of ACERA elected Board members, to promote free and open participation of ACERA active members in the democratic Board electoral process and to maximize the opportunities for elected Board members to fulfill their fiduciary responsibilities to ACERA, the Board hereby approves:

- A. Reimbursement to the employers of ACERA elected Board members;
- B. Not to Exceed 25% of the cost of the salary (excluding overtime and any lump-sum sell back) and benefits of such members, however under no circumstance will the total paid to the employers exceed \$300,000 for the calendar year with an annual cost of living

adjustment based upon the consumer price index. The \$300,000 is calculated based upon a pro rata share of each trustee's salary;

- C. The promulgation of guidelines to help illustrate how an elected Board member may reasonably spend at least 520 hours per year on ACERA business (See Appendix A);
- D. A process by which, at the end of the calendar year, each elected Board member will review Appendix A and certify in writing that he/she spent at least 520 hours that year on ACERA business;
- E. A proportional adjustment of the reimbursement if the elected Board member determines that he/she has spent less than 520 hours that year on ACERA business;
- F. Reimbursement of the elected Board member's employer in the appropriate amount at the end of the calendar year.

V. Policy Modifications

This document shall be reviewed by the Operations Committee annually during the budgetary process. The Committee shall make recommendations to the Board concerning any improvements or modifications it deems necessary.

VI. Policy History

- A. The Board adopted this policy on April 20, 2000.
- B. The Board reviewed and affirmed this policy, with no revisions, on December 15, 2022¹.

¹ The Board adopted the Policy on April 20, 2000. It was reviewed and affirmed with revisions November 9, 2006; February 18, 2010; November 21, 2013; and October 19, 2017. It was reviewed and affirmed without revisions December 15, 2011; November 8, 2012; December 18, 2014; December 17, 2015; November 17, 2016; and January 19, 2017.



Detailed Breakdown of Elected Trustee ACERA Activities

Meetings – Attendance:

12 Board Meetings (2 hours each)	24 hours total
12 Operations Committee Meetings (1½ hours each)	18 hours total
12 Retirees Meetings (2 hours each)	24 hours total
12 Investment Committee Meetings (3 hours each)	36 hours total
3 Governance Committee Meetings (1½ hours each)	4.5 hours total
3 Audit Committee Meetings (1½ hours each)	4.5 hours total
4 Actuarial Committee Meetings (2 hours each)	8 hours total
3 Budget Committee Meeting (1½ hours each)	4.5 hours total
1 Board Offsite/Retreat (8 hours)	8 hours total
1 Joint BOS and ACERA Board Meeting (2 hours)	2 hours total

Meetings – Preparation Time:

12 Board Meetings (2 hours each)	24 hours total
12 Operations Committee Meetings (1½ hours each)	18 hours total
12 Retirees Meetings (2 hours each)	24 hours total
12 Investment Committee Meetings (2 hours each)	24 hours total
3 Governance Committee Meetings (1½ hours each)	4.5 hours total
3 Audit Committee Meetings (1½ hours each)	4.5 hours total
4 Actuarial Committee Meetings (2 hours each)	8 hours total
3 Budget Committee Meeting (1½ hours each)	4.5 hours total
1 Board Offsite/Retreat (6 hours)	6 hours total
1 Joint BOS/BOR Joint Meeting (2 hours)	2 hours total

Travel Time:

60 Board and Committee Meetings (1 hour travel to and from meeting)	60 hours total
Board Offsite and BOS/BOR Joint Meeting (1 hour travel to and from meeting)	2 hours total
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Meetings Subtotal	315 hours

SACRS – 2 Conferences per year

Attendance (3½ days at 8 hours per whole day)	56 hours total
Travel (½-day to and from each conference)	16 hours total

Out of Town Seminars/Education and Training – 2 per year

Attendance (3 days at 8 hours per day)	48 hours total
Travel (½-day to and from each conference)	16 hours total

Luncheons

Attendance (10 hours)	10 hours total
Travel (4 hours)	4 hours total

Constituent Representation – Liaison Activities

1½ hours per week	78 hours total
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Miscellaneous Activities

2 hours per month	24 hours total
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SACRS, Seminars, Luncheons, Liaison Activities Subtotal	252 hours

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Total for all Activities	567 hours