



February 3, 2016

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

**Subject: Summary of the February 3, 2016 Retirees Committee Meeting**

Committee Chair Liz Koppenhaver called the February 3, 2016 meeting to order at 10:30 a.m. Committee members present were Liz Koppenhaver, Tarrell Gamble, Dale Amaral, and George Wood. Also present were Elizabeth Rogers, Keith Carson, and alternate members David Safer and Darryl Walker. Staff present were Kathy Foster, Interim Chief Executive Officer; Joseph Fletcher, Chief Counsel; Margo Allen, Fiscal Services Officer; Sandra Dueñas-Cuevas, Benefits Manager; Latrena Walker, Project and Information Services Manager; and Harsh Jadhav, Chief of Internal Audit.

### **ACTION ITEMS**

#### **1. Annual Supplemental Cost of Living Adjustment**

Staff provided information regarding the Supplemental Cost of Living Adjustment (COLA) benefit. For 2015, there were approximately 378 retirees/payees receiving this benefit at a cost of \$1,072,707.79. Trustees directed Staff to provide an annual historical matrix showing the Supplemental COLA benefit provided to payees and the cost of the benefit.

It was moved by Elizabeth Rogers and seconded by Dale Amaral that the Retirees Committee recommend to the Board of Retirement that it adopts the Supplemental Cost of Living Adjustment increase for Tier 1 members who retired on or before April 1, 1981, and Tier 2 members who retired on or before April 1, 1992, effective with the April 1, 2016 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

The motion carried 6 yes (*Amaral, Carson, Gamble, Koppenhaver, Rogers, Wood*), 0 no, 0 abstentions.

### **INFORMATION ITEMS**

#### **1. Annual Cost of Living Adjustment for 2016**

Staff reported that based on information provided by Segal Consulting, ACERA's actuaries, the Cost of Living Adjustment effective April 1, 2016 results in an increase of 3.0% for all Tier 1 and Tier 3 retirees/payees, and all Tier 2 and Tier 4 retirees/payees will receive 2.0%.

## **2. Annual Health Planning Meeting with Retiree Representative/Date Announcement**

Staff presented information regarding the purpose and plans for ACERA's annual health planning meeting with Trustees, retiree representatives, Benefits Consultants, and the County of Alameda, tentatively scheduled for March 2, 2016.

## **3. Semi-Annual Report on ACERA's Wellness Program**

Keenan & Associates, ACERA's Benefits Consultant, and Kaiser Permanente provided a presentation on ACERA's Wellness Program, which included the highlights of the Wellness Program Interest Survey results, and information regarding the healthy aging initiative strategies for 2016 and 2017.

## **4. Report on OneExchange 2016 Individual Plan Enrollments for Out-of-Service Area Eligible Retirees**

Staff provided a presentation on the OneExchange 2016 Individual Plan enrollments for out-of-service area eligible retirees, which included the implementation timeline and issues; the top five carriers selected and average premiums by plan type; and the number of enrollments by state.

## **5. Update on Direct Deposit Advice Statement Transition to Web Member Services (WMS) and "Opt in to Paper" Initiative**

Staff provided an update on the initiative to provide Direct Deposit Pay Advice Statements via Web Member Services, and the option for payees to select receiving a paper Statement.

## **6. Miscellaneous Updates**

There were no relevant benefit issues affecting ACERA retirees or ACERA Staff at this time.

## **TRUSTEE/PUBLIC/STAFF INPUT**

None.

## **RECOMMENDATIONS**

### **1. Annual Supplemental Cost of Living Adjustment**

The Committee recommends, and I move that the Board of Retirement adopts the Supplemental Cost of Living Adjustment increase for Tier 1 members who retired on or before April 1, 1981, and Tier 2 members who retired on or before April 1, 1992, effective with the April 1, 2016 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

**ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for March 2, 2016 at 10:30 a.m.

**MEETING ADJOURNED**

The meeting adjourned at 11:40 a.m.