



August 2, 2017

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the August 2, 2017 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the August 2, 2017 meeting to order at 10:32 a.m. Committee members present were Liz Koppenhaver, George Wood, Annette Cain-Darns, Tarrell Gamble, and Elizabeth Rogers. Also present were Ophelia Basgal, and Keith Carson, and alternate members Nancy Reilly and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Harsh Jadhav, Chief of Internal Audit; and Marguerite Malloy, Associate Counsel.

ACTION ITEMS

1. Adoption of Dental Plan Contributions for 2018

Staff reported that based on the premium rates for Plan Year 2018, the current projected annual cost to provide this non-vested benefit for 2018 is \$3,978,024.

It was moved by Tarrell Gamble and seconded by Ophelia Basgal that the Committee recommend to the Board of Retirement a motion to continue the dental plan contributions for Plan Year 2018, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$43.67 for the PPO plan and \$22.18 for the DeltaCare USA plan for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014.

The motion carried 7 yes (*Basgal, Carson, Gamble, Koppenhaver, Reilly, Rogers, Walker*), 0 no, 0 abstentions.

2. Adoption of Vision Plan Contributions for 2018

Staff reported that based on the premium rates for Plan Year 2018, which is the same as that for 2017, the current projected annual cost to provide this non-vested benefit for 2018 is \$350,156.

It was moved by Tarrell Gamble and seconded by Ophelia Basgal that the Committee recommend to the Board of Retirement a motion to continue the vision plan contributions for Plan Year 2018, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.24 for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014.

The motion carried 7 yes (*Basgal, Carson, Gamble, Koppenhaver, Rogers, Walker, Wood*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Review of Dental and Vision Plan Premiums for 2018 and Report on Dental and Vision Plan Experience and Utilization

Keenan & Associates, ACERA's Benefits Consultant, and Staff provided information on ACERA-sponsored dental and vision plan renewal summaries including premiums for Plan Year 2018, claims experience, and plan utilization. There was discussion that to modify the plan design so that the dental Premier benefit levels match those of the PPO benefit levels would increase the plan costs. Trustees directed Staff to provide information to retirees describing the benefits of regular preventative dental visits, which will result in improved health and cost savings to both the retirees and the plan. Trustees also directed Staff to provide information in the Retiree Enrollment Guide and other communication pieces explaining the differences in cost and dental plan benefit coverages between active members and retirees.

2. Report on Health Reimbursement Arrangement Account Balances as of June 2017

Staff provided information on retirees' Health Reimbursement Arrangement (HRA) account balances as of June 30, 2017 categorized by years of service, along with the balances for the same time period for 2014, 2015, and 2016.

3. Miscellaneous Updates

Keenan & Associates, ACERA's Benefits Consultant, provided an update on the current anticipated changes in medical plans offered through Covered California.

RECOMMENDATIONS

1. Adoption of Dental Plan Contributions for 2018

The Committee recommends, and I move that the Board of Retirement continue the dental plan contributions for Plan Year 2018, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$43.67 for the PPO plan and \$22.18 for the DeltaCare USA plan for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the ACERA employers to the 401(h) account. After contributions are made in accordance with the County Employee Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

2. Adoption of Vision Plan Contributions for 2018

The Committee recommends, and I move that the Board of Retirement continue the vision plan contributions for Plan Year 2018, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.24 for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the ACERA employers to the 401(h) account. After contributions are made in accordance with the County Employee Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

TRUSTEE REMARKS

None.

PUBLIC INPUT

None.

FUTURE DISCUSSION ITEMS

None.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for September 6, 2017 at 10:30 a.m.

ADJOURNMENT

The meeting adjourned at 11:11 a.m.