



October 4, 2017

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

**Subject: Summary of the October 4, 2017 Retirees Committee Meeting**

Committee Chair Liz Koppenhaver called the October 4, 2017 meeting to order at 10:32 a.m. Committee members present were Liz Koppenhaver, George Wood, Tarrell Gamble, and Elizabeth Rogers. Also present were Dale Amaral, Keith Carson, Henry Levy, and alternate members Nancy Reilly and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Kathy Mount, Chief Counsel; Harsh Jadhav, Chief of Internal Audit; Betty Tse, Chief Investment Officer; and Sandra Dueñas-Cuevas, Benefits Manager.

### **ACTION ITEMS**

#### **1. Presentation and Acceptance of Supplemental Retiree Benefit Reserve Funding Report/Valuation**

Segal Consulting (Segal), ACERA's Actuary, presented the annual GASB Statement No. 43 (OPEB) and non-OPEB Actuarial Valuation of the Benefits Provided by the Supplemental Retiree Benefit Reserve, Including Sufficiency of Funds, as of December 31, 2016. Based on this valuation report, the terminal year of the "Other Post-Employment Benefits" (OPEB) is projected to be 2039, with full benefits paid through 2038 for a total of 22 full years and 1 partial year. The terminal year of non-OPEB benefits is projected to be 2034, with full benefits paid through 2033 for a total of 17 full years and 1 partial year. As Segal reported during its preliminary presentation in May, the one year increased projection for the OPEB's is mainly due to the smaller than expected Implicit Subsidy, and the Board of Retirement's decision to maintain the 2017 Monthly Medical Allowance (MMA) for 2018. This was offset somewhat by the rate of return on the SRBR assets of about 7.2%, which was less than the expected return of 7.6% assumed in the December 31, 2015 valuation for 2016, and a net decrease in the sufficiency period due to assumption changes (higher medical enrollment assumption for retirees attaining age 65, and higher first year Medicare Part B premium reimbursement trend).

It was moved by Tarrell Gamble and seconded by Elizabeth Rogers that the Committee recommends to the Board of Retirement that it accepts the December 31, 2016 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal Consulting.

The motion carried 7 yes (*Amaral, Carson, Gamble, Koppenhaver, Levy, Rogers, Wood*), 0 no, 0 abstentions

## **INFORMATION ITEMS**

### **1. Final Report on Open Enrollment Preparation and Communications Material and Health Fair Arrangements**

Staff provided information regarding the preparations being made for Open Enrollment for Plan Year 2018. Updates were also given on OneExchange's preparations for its Open Enrollment period and the Retiree Health Fair.

### **2. Miscellaneous Updates**

Staff reported on three benefit issues affecting ACERA retirees. First, ACERA will be sending out its annual Medicare Part D coverage certification by October 15<sup>th</sup>. Second, OneExchange is sending out notices to members that have unused balances in their Health Reimbursement Accounts. Last, Keenan & Associates, ACERA's Benefits Consultant, provided updates related to the marketplace average premiums, carriers exiting the marketplace, and nationwide counties providing individual medical coverage. Staff also provided information on OneExchange's current and planned enhancements to its IVR, website, customer service tools, and plan offerings.

## **RECOMMENDATIONS**

### **1. Presentation and Acceptance of Supplemental Retiree Benefit Reserve Funding Report/Valuation**

The Committee recommends, and I move that the Board of Retirement accept the December 31, 2016 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal Consulting.

## **TRUSTEE REMARKS**

None.

## **PUBLIC INPUT**

Jerry Jacobs, Retired Employees of Alameda County (REAC) Director, extended an invitation to two of REAC's upcoming events. First, REAC's fall luncheon to be held at the Redwood Canyon Golf Course in Castro Valley from 11:30 a.m. to 1:30 p.m. on October 9, 2017. Second, the CRCEA State Conference to be held at Hilton Garden Inn in Emeryville from October 23 – October 25, 2017.

## **FUTURE DISCUSSION ITEMS**

None.

**ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for November 1, 2017 at 10:30 a.m.

**ADJOURNMENT**

The meeting adjourned at 11:13 a.m.