



December 5, 2012

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the December 5, 2012 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the December 5, 2012 meeting to order at 11:00 a.m. Committee members present were Liz Koppenhaver, Annette Cain-Darnes, Dale Amaral, Elizabeth Rogers, and George Wood. Also present was George Dewey; and alternate members David Safer and Darryl Walker. Staff present were Robert Gaumer, Chief Counsel; Rose Kwong, Benefits Manager; Betty Tse, Chief Investment Officer; Latrena Walker, Projects and Information Services Manager; and Harsh Jadhav, Internal Audit Manager.

ACTION ITEMS

1. Adoption of Medicare Part B Reimbursement Plan Benefit for 2013

Rose Kwong, Benefits Manager, provided information on ACERA's Medicare Part B Reimbursement Plan (MBRP) benefit, and information regarding the 2013 Medicare Part B premiums provided by Keenan & Associates, ACERA's Benefits Consultant. The MBRP benefit is a non-vested benefit funded by contributions from ACERA Employers to the 401(h) account.

It was moved by Elizabeth Rogers and seconded by Annette Cain-Darnes that the Committee recommends to the Board of Retirement to continue to provide the Medicare Part B Reimbursement Plan (MBRP) benefit to eligible retirees, and approve an increase to the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$104.90; subject to further review and action to possibly reduce or eliminate this benefit in 2013. The motion passed unanimously.

2. Adoption of Active Death Equity Benefit (ADEB) Continuation for 2013

Rose Kwong, Benefits Manager, provided information on the eligibility and current practice of how the Active Death Equity Benefit (ADEB) is paid to a member's qualified beneficiary. This benefit is funded by the Supplemental Retiree Benefit Reserve (SRBR) and is subject to future reduction or elimination if funds are unavailable; however, the benefit shall be pre-funded for the lifetime of each beneficiary at the time each supplemental benefit is established.

It was moved by Annette Cain-Darnes and seconded by Elizabeth Rogers that the Committee recommends to the Board of Retirement to discontinue the Active Death Equity Benefit (ADEB) as a benefit provided by the Supplemental Retiree Benefit Reserve (SRBR). The motion passed.

3. Adoption of Retired Member (Lump Sum) Death Benefit Continuation for 2013

Rose Kwong, Benefits Manager, provided information on the eligibility and amount of the Retired Member (Lump Sum) Death Benefit. This benefit is funded by the Supplemental Retiree Benefit Reserve (SRBR) and is a non-vested benefit subject to future reduction or elimination if funds are unavailable. The Trustees directed Staff to provide additional information regarding reciprocity and years of service to the Committee for further discussion at the January 2013 meeting.

It was moved by Elizabeth Rogers and seconded by Dale Amaral that the Committee recommends to the Board of Retirement to adopt the continuation and payment of the Retired Member (Lump Sum) Death Benefit on a month to month basis for 2013, subject to further review. The motion passed.

4. Adoption of Updates to Appendix A of 401(h) Account Resolutions

Robert Gaumer, Chief Counsel, stated that in order for Resolution No. 07-29 to remain current for the upcoming Plan Year, Appendix A must be amended to reflect the decisions regarding the Monthly Medical Allowance (MMA) amounts for Group and Individual plans; and medical, dental, and vision premium amounts as adopted by the Board of Retirement.

It was moved by George Wood and seconded by Annette Cain-Darnes that the Committee recommends to the Board of Retirement to approve the revised Appendix A of the 401(h) Resolution No. 07-29, which reflects the updated changes approved by the Board of Retirement to the Monthly Medical Allowance (MMA) amounts for Group and Individual plans; and Retiree Health Benefit premiums for Plan Year 2013. The motion passed unanimously.

INFORMATION ITEMS

1. Discussion and Review of Follow-up Information on the Active Death Equity Benefit (ADEB)

Based on the discussion and motion made during the prior Active Death Equity Benefit (ADEB) agenda topic, this item was not discussed.

2. Retiree Health Fair Results and Open Enrollment Activity

Sharen Stanek-Lowe, Assistant Benefits Manager, provided detailed results of the Retiree Health Fair and Wellness Center. There were a total of 506 attendees compared to 355 attendees last year. In addition, she provided information on the Open Enrollment activity for Plan Year 2013.

3. Miscellaneous Updates

Sharen Stanek-Lowe, Assistant Benefits Manager, provided an update regarding the transition to Extend Health, Inc., ACERA's Medicare Exchange service provider and an update on the enrollment activity. In addition, she reported that there was an issue with UnitedHealthcare's system that impacted 183 Medicare Advantage Plan members causing them to be denied their prescription drug coverage. This problem should be resolved within a day or two.

TRUSTEE/PUBLIC INPUT

Trustees and Pete Albert, President of Alameda County Retired Employees (ACRE) association expressed their appreciation to Sharen Stanek-Lowe, Assistant Benefits Manager, for presenting information at the ACRE annual luncheon.

RECOMMENDATIONS

1. Adoption of Medicare Part B Reimbursement Plan Benefit for 2013

The Committee recommends, and I move that the Board of Retirement continues to provide the Medicare Part B Reimbursement Plan (MBRP) benefit to eligible retirees, and approve an increase to the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$104.90; subject to further review and action to possibly reduce or eliminate this benefit in 2013. The MBRP benefit is a non-vested benefit funded by contributions from ACERA Employers to the 401(h) account. After contributions are made, in accordance with the County Employee Retirement Law (CERL), ACERA treats an equal amount of Supplemental Retiree Benefit Reserve (SRBR) assets as employer contributions for pensions.

2. Adoption of Active Death Equity Benefit (ADEB) Continuation for 2013

The Committee recommends, and I move that the Board of Retirement discontinues the Active Death Equity Benefit (ADEB) as a benefit provided by the Supplemental Retiree Benefit Reserve (SRBR).

3. Adoption of Retired Member Lump Sum Death Benefit Continuation for 2013

The Committee recommends, and I move that the Board of Retirement adopts the continuation and payment of the Retired Member (Lump Sum) Death Benefit on a month-to-month basis for 2013, subject to further review. This benefit is funded by the Supplemental Retiree Benefit Reserve (SRBR) and is a non-vested benefit subject to future reduction or elimination if funds are unavailable.

4. Adoption of Updates to Appendix A of 401(h) Account Resolutions

The Committee recommends, and I move that the Board of Retirement approves the revised Appendix A of the 401(h) Resolution No. 07-29, which reflects the updated changes approved by the Board of Retirement to the Monthly Medical Allowance (MMA) amounts for Group and Individual plans; and Retiree Health Benefit premiums for Plan Year 2013.

FUTURE DISCUSSION ITEMS

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for January 17, 2012 at 11:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 12:45 p.m.