



MINUTES OF FEBRUARY 3, 2021 RETIREES COMMITTEE MEETING

THIS MEETING WAS CONDUCTED VIA TELECONFERENCE WITH VIDEO

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the February 3, 2021 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the February 3, 2021 Committee meeting to order at 10:30 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Liz Koppenhaver, Elizabeth Rogers and George Wood. Also present were Dale Amaral, Ophelia Basgal, Tarrell Gamble, and Jamie Godfrey, and alternate members Nancy Reilly and Darryl Walker. Committee member Henry Levy joined the meeting after roll call.

Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Jeff Rieger, Chief Counsel; Sandra Dueñas-Cuevas, Benefits Manager; Jessica Huffman, Benefits Manager; Ismael Piña, Assistant Benefits Manager; Vijay Jagar, Chief Technology Officer; and Harsh Jadhav, Chief of Internal Audit.

INFORMATION ITEMS

Chair Koppenhaver moved the following information item to the top of the agenda at the request of Staff to provide for more complete background before considering the action item:

1. Annual Cost of Living Adjustment for 2021

Staff reported that based on information provided by the Segal Group, ACERA's actuaries, the Cost of Living Adjustment effective April 1, 2021 results in an increase of 3.0% for Tier 1 and Tier 3 retirees/payees who retired on or before April 1, 2019, due to carry-over banked from prior years. Tier 1 and Tier 3 retirees/payees who retired on or after April 2, 2019 will receive 2.0%, and all Tier 2 and Tier 4 retirees/payees will receive 2.0%. The Consumer Price Index (CPI) calculation resulted in a change of 2.00%. According to Government Code Sections 31870 and 31870.1, the percentage change should be rounded to the nearest one-half percent, which is 2.0%.

ACTION ITEMS

1. Annual Supplemental Cost of Living Adjustment

Staff provided information regarding the Supplemental Cost of Living Adjustment (COLA) benefit. The Supplemental COLA is provided to retirees who have an accumulated loss of purchasing power of 15% due to inflation. For 2020, there were approximately 591 retirees/payees receiving this benefit at a cost of \$1,114,025.65. Based on the accumulated loss of purchasing power as of December 31, 2020, those Tier 1 members who retired on or before April 1, 1981, and those Tier 2 members who retired on or before April 1, 2000, will receive the Supplemental COLA increase effective with their April 1, 2021 monthly allowance.

It was moved by Ophelia Basgal and seconded by Elizabeth Rogers 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, 2000, effective with the April 1, 2021 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

The motion carried 8 yes (*Amaral, Basgal, Gamble, Godfrey, Koppenhaver, Levy, Rogers, Wood*), 0 no, 0 abstentions.

INFORMATION ITEMS

2. 2021 Annual Retirees Committee Work Plan Review

Staff provided a proposed 2021 Retirees Committee Work Plan stating that there are no major changes from last year's Work Plan.

3. Annual Health Care Planning Meeting with Retiree Representative/Date Announcement

Staff presented information regarding the purpose and plans for ACERA's annual health care planning meeting with Trustees, retiree representatives, Benefits Consultants, and the County of Alameda, which will be held virtually and is tentatively scheduled for April 7, 2021.

4. Report on 1099-R Processing

Staff reported that the 2020 1099-R forms were mailed to retirees/payees the week of January 18th prior to the IRS deadline of January 31st.

5. Report on Open Enrollment Activity

Staff provided information on the Plan Year 2021 Open Enrollment activity for ACERA and Via Benefits.

6. Miscellaneous Updates

Segal, ACERA's Benefits Consultant, provided information regarding the COVID-19 vaccine distribution and the amended allocation guidelines, stating that the production and distribution of the vaccine is limited and does not meet the current need. Trustee Reilly directed Staff to move the latest information on the COVID-19 vaccine to a more prominent place on the COVID-19 update section of ACERA's website.

TRUSTEE INPUT AND DIRECTION TO STAFF

Trustee Levy stated that the financial retirement planning section of ACERA's website is excellent and is very thorough. He directed Staff to look into providing metrics on the number of people who access this section of the website, and whether they experience any issues navigating through the site. He also directed Staff to add information on the website regarding the ability to schedule an appointment with a financial educator if they are enrolled in the 457(b) Deferred Compensation plan.

PUBLIC INPUT

None.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for April 7, 2021 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:58 a.m.