



**Alameda County Employees' Retirement Association
BOARD OF RETIREMENT**

**RETIREES COMMITTEE/BOARD MEETING
NOTICE and AGENDA**

ACERA MISSION:

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

**Wednesday, February 5, 2020
10:30 a.m.**

LOCATION	COMMITTEE MEMBERS	
ACERA C.G. "BUD" QUIST BOARD ROOM 475 14TH STREET, 10TH FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574	LIZ KOPPENHAVER, CHAIR	ELECTED RETIRED
	DALE AMARAL, VICE CHAIR	ELECTED SAFETY
	KEITH CARSON	APPOINTED
	JAIME GODFREY	APPOINTED
	ELIZABETH ROGERS	ELECTED GENERAL

Should a quorum of the Board attend this meeting, this meeting shall be deemed a joint meeting of the Board and Committee.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes are available online at www.acer.org.

Note regarding public comments: Public comments are limited to four (4) minutes per person in total.

Note regarding accommodations: The Board of Retirement will provide reasonable accommodations for persons with special needs of accessibility who plan to attend Board meetings. Please contact ACERA at (510) 628-3000 to arrange for accommodation.

RETIREES COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 2 of 3 – February 5, 2020

Call to Order: 10:30 a.m.

Public Input (Time Limit: 4 minutes per speaker)

Action Items: Matters for Discussion and Possible Motion by the Committee

1. Annual Supplemental Cost of Living Adjustment (COLA)

Motion to adopt the annual Supplemental COLA benefit for 2020 paid to eligible retirees.

- Jessica Huffman

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement that it adopts the Supplemental Cost of Living Adjustment increase for Tier I 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, 2020 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

2. Health Reimbursement Arrangement (HRA) Overpayments Resolution

Motion to approve a recommendation to resolve the HRA overpayments for impacted active retirees.

- Kathy Foster

Recommendation

Staff recommends that the Retirees Committee consider the options provided to resolve the identified 14 Health Reimbursement Arrangement (HRA) overpayments for Plan Years 2013 through 2018 totaling \$5,424.72, and recommend one of the options to the Board of Retirement for approval.

Information Items: These items are not presented for Committee action but consist of status updates and cyclical reports

1. Annual Cost of Living Adjustment (COLA)

Report of ACERA's COLA for 2020.

- Jessica Huffman

2. 2020 Annual Retirees Committee Work Plan Review

Review of the proposed Retirees Committee Work Plan for 2020.

- Kathy Foster

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

Staff will present plans for ACERA's annual health care planning meeting with retiree representatives, Benefits Consultants, and the County of Alameda.

- Kathy Foster

RETIREES COMMITTEE/BOARD MEETING

NOTICE and AGENDA, Page 3 of 3 – February 5, 2020

4. Report on 1099-R Processing

Report on status of issuance process for 2019 Form 1099-R, which ACERA uses to report income paid to retirees, beneficiaries and members receiving refunds or contribution adjustments.

- Jessica Huffman

5. Report on Open Enrollment Activity

Staff will provide a report on the Open Enrollment activity for Plan Year 2020.

- Ismael Piña

6. Report on Results of the Supplemental Retiree Benefit Reserve (SRBR) Benefits Survey

Staff will update the Committee on the results of the recent SRBR survey provided to the ACERA retirees.

- Kathy Foster

- Mike Fara

7. Miscellaneous Updates

Staff will update the Committee on any recent benefit issues affecting ACERA retirees.

- Ismael Piña

Trustee Remarks

Establishment of Next Meeting Date

April 1, 2020, at 10:30 a.m.

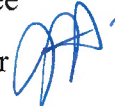
Adjournment



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 5, 2020

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Benefits Manager 

SUBJECT: **Annual Supplemental Cost of Living Adjustment**

In 1998, by the Board of Retirement action, the Supplemental Cost of Living Adjustment (COLA) benefit was restructured to provide a benefit that maintained retiree purchasing power at no less than 85% of the member's original benefit. Therefore, those retirees who have an accumulated loss of purchasing power of 15% due to inflation are eligible to receive this benefit. There is an average of 538 retirees/payees receiving the Supplemental COLA. The cost of this benefit for 2019 was \$1,183,357.43.

Annually, the actuary reviews the accumulated carry-over in conjunction with the annual cost of living calculation. Based on the accumulated loss of purchasing power as of December 31, 2019, 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, 2020 monthly allowance. Tier 2 members who will be eligible to receive the Supplemental COLA have been expanded by one year, resulting in an estimated additional 93 retirees/payees who will receive this benefit.

This benefit is provided in accordance with Government Code Section 31618 and is paid out of the Supplemental Retiree Benefit Reserve.

For your information, attached is the updated Supplemental COLA matrix.

Recommendation

Staff recommends 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, 2020 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

Attachment

Supplemental Cost of Living Adjustment (COLA) Matrix

Below is a matrix showing the number of recipients receiving the Supplemental Cost of Living Adjustment (COLA) and the annual costs for this benefit over the last five-year period. Included in the matrix is the annual regular COLA increases provided to Tiers 1 and 3 and Tiers 2 and 4, if applicable. Any banked amounts are not included, or added to the COLA increase percentages.

Year	Supplemental COLA		Regular COLA Increase	
	No. of Recipients	Annual Cost	Tiers 1 & 3	Tiers 2 & 4
2020	N/A	N/A	2.5%	2.0%
2019	537	\$1.2M	3.0%	2.0%
2018	458	\$1.1 M	3.0%	2.0%
2017	328	\$1.2 M	3.0%	2.0%
2016	358	\$1.3 M	3.0%	2.0%
2015	404*	\$1.6 M*	2.5%	2.0%

The median Supplemental COLA amount received in 2019 is \$74.61.


*Information corrected



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 5, 2019

TO: Members of the Retirees Committee

FROM: Kathy Foster, Assistant Chief Executive Officer 

SUBJECT: **Health Reimbursement Arrangement Overpayments Resolution**

At the December 4, 2019 Retirees Committee meeting, Staff provided a report that 23 Health Reimbursement Arrangement (HRA) overpayments were made by Via Benefits totaling \$8,366.38. After further research with Via Benefits, we discovered that if the medical plan is terminated, the Part D Plan could not be continued based on ACERA's current arrangement. Consequently, HRA reimbursement payments that were made while retirees remained in the Part D Plans after enrollment in the medical plans was terminated became overpayments. As long as a retiree is not concurrently enrolled in another Part D Plan, we believe this should not be an overpayment. Therefore, we changed our policy, and advised Via Benefits of our decision to allow continued Part D coverage and reimbursements in the situation where retirees terminate their individual medical plan coverage. As a result, out of the total 23 overpayments, we are reclassifying nine overpayments totaling \$2,941.66.

The remaining 14 overpayments totaling \$5,424.72, were determined to be actual overpayments due to reimbursements made after the retirees terminated their medical or Part D Plan coverage, or they were duplicate reimbursements.

As requested by the Committee, the following table shows the number of overpayments made each Plan Year:

Legitimate Overpayments	
Number of Overpayments	Plan Year of Overpayments
5	2013
1	2013 & 2015
1	2015
2	2014
1	2016
3	2017
1	2018

Information regarding the remaining 14 overpayments is as follows:

- The highest overpayment amount is \$1,539.67
- The range of the remaining 13 overpayments (excluding the highest overpayment) is \$111.00 to \$672.09
- The average of the remaining 13 overpayments is \$298.85

Health Reimbursement Arrangement Overpayments Resolution

February 5, 2020

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All of the 14 retirees, except for one, had more remaining in their HRA accounts than the overpayment amounts for the year in which the overpayments were made. It is possible that had the retirees known about the overpayments sooner, they may have submitted additional reimbursement claims to offset the overpayments. Last year, we directed Via Benefits to collect overpayments made beginning in 2019 from the following Plan Year's allotment which, with the change described above regarding the Part D Plans, will result in minimal overpayments going forward. Staff will also follow procedures to collect overpayments, uncollectible by Via Benefits, within the year following the Plan Year in which they were made.

Staff will also propose to change the threshold of HRA overpayment amounts to be collected to \$300 per Plan Year. The current threshold amount is \$100. This is based on the fact that a considerable amount of resources is required to: 1) determine the cause of the overpayment; 2) attempt to collect the overpayment; and 3) process the collection of the overpayment. In addition, the overpayment process is more time consuming because the supporting information is maintained by Via Benefits, our HRA recordkeeping service provider. This proposal will be presented as a change to the Error Correction Policy the next time it is set for review.

Options for consideration to resolve the prior years' 14 overpayments:

1. Direct Staff to proceed with collecting the prior years' 14 overpayments totaling \$5,424.72.
2. Discharge the 14 prior years' total overpayments of \$5,424.72.

Recommendation


Staff recommends that the Retirees Committee consider the options provided to resolve the identified 14 Health Reimbursement Arrangement (HRA) overpayments for Plan Years 2013 through 2018 totaling \$5,424.72, and recommend one of the options to the Board of Retirement for approval.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 5, 2020

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Benefits Manager 

SUBJECT: **Annual Cost of Living Adjustment for 2020**

Attached is a letter prepared by Segal Consulting, ACERA's actuary, providing the annual Consumer Price Index (CPI) change, and the resulting annual Cost of Living Adjustments (COLA) effective April 1, 2020, in accordance with Government Code Sections 31870 (Tiers 2 and 4, 2.0% maximum) and 31870.1 (Tiers 1 and 3, 3.0% maximum).

The CPI calculation results in a change of 2.45%. According to the above Government Code Sections, the percentage change should be rounded to the nearest one-half percent, which 2.50%. Tiers 1 and 3 retirees/payees who retired on or before April 1, 2019 will receive a COLA increase of 3.0%, due to carry-over banked from prior years. Tiers 1 and 3 retirees/payees who retired on or after April 2, 2019 will receive a COLA increase of 2.50%. Tiers 2 and 4 retirees/payees will receive a COLA increase of 2.0%. COLA increases will be processed with the April 2020 monthly payroll.

Retirement Dates	Tiers	COLA Adjustment
On or before April 1, 2019	1 and 3	3.0%
On or after April 2, 2019	1 and 3	2.5%
On or before April 1, 2019	2 and 4	2.0%

Tiers 1 and 3 will bank 0.0%, as the 2020 COLA does not exceed the 3.0% maximum for Tiers 1 and 3 retirees. Tiers 2 and 4 will bank 0.5% as the 2020 COLA exceeds the 2.0% maximum for Tiers 2 and 4 retirees.

Tier 3 retirees are employees who retired from Livermore Area Recreation and Parks District and fall under Government Code Section 31870.1. Tier 2 retirees consist of General Tier 2 employees, Safety Tier 2 employees, and Safety Tier 2 employees with a new benefit formula. Tier 4 retirees are employees who retired under the California Public Employees' Pension Reform Act of 2012 regulations (effective January 1, 2013).

Attachment



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San Francisco, CA 94105-6147
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eyum@segalco.com

VIA E-MAIL & USPS

January 21, 2020

Ms. Kathy Foster
Assistant Chief Executive Officer
Alameda County Employees' Retirement Association
475 14th Street, Suite 1000
Oakland, CA 94612-1900

**Re: Alameda County Employees' Retirement Association
Cost-of-Living Adjustments (COLA) as of April 1, 2020**

Dear Kathy:

We have determined the cost-of-living adjustments for the Association in accordance with Sections 31870.1 and 31870, as provided in the enclosed exhibits.

The cost-of-living factor to be used by the Association on April 1, 2020 is determined by comparing the December CPI for the San Francisco-Oakland-Hayward Area (with 1982-84 as the base period) in each of the past two years. The ratio of the past two December indices, 297.007 in 2019 and 289.896 in 2018, is 1.0245. The County Law sections cited above indicate that the resulting percentage change of 2.45% should be rounded to the nearest one-half percent, which is 2.5%.

Please note the above cost-of-living adjustments calculated using established procedures for ACERA may result in adjustments different from those calculated using alternative procedures by other systems.

The actual cost-of-living adjustment is dependent on tier and date of retirement. The CPI adjustment to be applied on April 1, 2020 is provided in Column (4) of the enclosed exhibits. The COLA banks before and after the SRBR supplemental COLA are provided in Columns (5) and (6), respectively.

Please give us a call if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Eva Yum".

Eva Yum, FSA, MAAA, EA
Senior Actuary

OH/bbf
Enclosures

cc: Margo Allen

Alameda County Employees' Retirement Association
 Cost-Of-Living Adjustment
 As of April 1, 2020

Retirement Date	(1) April 1, 2019 Accumulated Carry-over	(2) CPI Change*	(3) CPI Rounded**	(4) CPI Used***	(5) April 1, 2020 Accumulated Carry-over****	(6) Effective April 1, 2020 Accumulated Carry-over***** W/ Supp. COLA
Tiers 1 & 3						
Section 31870.1						
Maximum Annual COLA	3.0%					
On or Before 7/1/1967						
07/01/1967 to 06/30/1968	72.5%	2.45%	2.5%	3.0%	72.0%	15.0%
07/01/1968 to 04/01/1969	72.0%	2.45%	2.5%	3.0%	71.5%	15.0%
04/02/1969 to 04/01/1970	71.0%	2.45%	2.5%	3.0%	70.5%	15.0%
04/02/1970 to 04/01/1971	68.5%	2.45%	2.5%	3.0%	68.0%	15.0%
04/02/1971 to 04/01/1972	66.0%	2.45%	2.5%	3.0%	65.5%	15.0%
04/02/1972 to 04/01/1973	64.0%	2.45%	2.5%	3.0%	63.5%	15.0%
04/02/1973 to 04/01/1974	63.0%	2.45%	2.5%	3.0%	62.5%	15.0%
04/02/1974 to 04/01/1975	62.5%	2.45%	2.5%	3.0%	62.0%	15.0%
04/02/1975 to 04/01/1976	59.5%	2.45%	2.5%	3.0%	59.0%	15.0%
04/02/1976 to 04/01/1977	52.5%	2.45%	2.5%	3.0%	52.0%	15.0%
04/02/1977 to 04/01/1978	45.5%	2.45%	2.5%	3.0%	45.0%	15.0%
04/02/1978 to 04/01/1979	43.0%	2.45%	2.5%	3.0%	42.5%	15.0%
04/02/1979 to 04/01/1980	38.5%	2.45%	2.5%	3.0%	38.0%	15.0%
04/02/1980 to 04/01/1981	32.0%	2.45%	2.5%	3.0%	31.5%	15.0%
04/02/1981 to 04/01/1982	26.5%	2.45%	2.5%	3.0%	26.0%	15.0%
04/02/1982 to 04/01/1983	14.5%	2.45%	2.5%	3.0%	14.0%	14.0%
04/02/1983 to 04/01/2017	4.5%	2.45%	2.5%	3.0%	4.0%	4.0%
04/02/2017 to 04/01/2018	2.0%	2.45%	2.5%	3.0%	1.5%	1.5%
04/02/2018 to 04/01/2019	1.5%	2.45%	2.5%	3.0%	1.0%	1.0%
04/02/2019 to 04/01/2020	1.5%	2.45%	2.5%	3.0%	1.0%	1.0%
04/02/2019 to 04/01/2020		2.45%	2.5%	2.5%	0.0%	0.0%

* Based on ratio of December 2019 CPI to December 2018 CPI for the San Francisco - Oakland - Hayward Area.
 ** Based on CPI change rounded to nearest one-half percent.
 *** These are the cost-of-living adjustment factors to be applied on April 1, 2020.
 **** These are the carry-over of the cost-of-living adjustments that have not been used on April 1, 2020.
 ***** Assuming that the supplemental COLA providing 85% purchasing power is continued by the Board in 2020.

Alameda County Employees' Retirement Association
 Cost-Of-Living Adjustment
 As of April 1, 2020

Retirement Date	(1) April 1, 2019 Accumulated Carry-over	(2) CPI Change*	(3) CPI Rounded**	(4) CPI Used***	(5) April 1, 2020 Accumulated Carry-over****	(6) Effective April 1, 2020 Accumulated Carry-over***** W/ Supp. COLA
Tiers 2, 2C, 2D, & 4 Section 31870 Maximum Annual COLA	2.0%					
On or Before 4/1/1985	37.0%	2.45%	2.5%	2.0%	37.5%	15.0%
04/02/1985 to 04/01/1986	33.5%	2.45%	2.5%	2.0%	34.0%	15.0%
04/02/1986 to 04/01/1987	31.5%	2.45%	2.5%	2.0%	32.0%	15.0%
04/02/1987 to 04/01/1988	30.5%	2.45%	2.5%	2.0%	31.0%	15.0%
04/02/1988 to 04/01/1989	29.0%	2.45%	2.5%	2.0%	29.5%	15.0%
04/02/1989 to 04/01/1990	26.5%	2.45%	2.5%	2.0%	27.0%	15.0%
04/02/1990 to 04/01/1991	24.5%	2.45%	2.5%	2.0%	25.0%	15.0%
04/02/1991 to 04/01/1992	20.5%	2.45%	2.5%	2.0%	21.0%	15.0%
04/02/1992 to 04/01/1993	19.0%	2.45%	2.5%	2.0%	19.5%	15.0%
04/02/1993 to 04/01/1997	18.5%	2.45%	2.5%	2.0%	19.0%	15.0%
04/02/1997 to 04/01/1998	18.0%	2.45%	2.5%	2.0%	18.5%	15.0%
04/02/1998 to 04/01/1999	16.0%	2.45%	2.5%	2.0%	16.5%	15.0%
04/02/1999 to 04/01/2000	15.0%	2.45%	2.5%	2.0%	15.5%	15.0%
04/02/2000 to 04/01/2001	13.0%	2.45%	2.5%	2.0%	13.5%	13.5%
04/02/2001 to 04/01/2007	9.5%	2.45%	2.5%	2.0%	10.0%	10.0%
04/02/2007 to 04/01/2012	8.0%	2.45%	2.5%	2.0%	8.5%	8.5%
04/02/2012 to 04/01/2014	7.0%	2.45%	2.5%	2.0%	7.5%	7.5%
04/02/2014 to 04/01/2015	6.5%	2.45%	2.5%	2.0%	7.0%	7.0%
04/02/2015 to 04/01/2016	6.0%	2.45%	2.5%	2.0%	6.5%	6.5%
04/02/2016 to 04/01/2017	5.0%	2.45%	2.5%	2.0%	5.5%	5.5%
04/02/2017 to 04/01/2018	3.5%	2.45%	2.5%	2.0%	4.0%	4.0%
04/02/2018 to 04/01/2019	2.5%	2.45%	2.5%	2.0%	3.0%	3.0%
04/02/2019 to 04/01/2020		2.45%	2.5%	2.0%	0.5%	0.5%


- * Based on ratio of December 2019 CPI to December 2018 CPI for the San Francisco - Oakland - Hayward Area.
- ** Based on CPI change rounded to nearest one-half percent.
- *** These are the cost-of-living adjustment factors to be applied on April 1, 2020.
- **** These are the carry-over of the cost-of-living adjustments that have not been used on April 1, 2020.
- ***** Assuming that the supplemental COLA providing 85% purchasing power is continued by the Board in 2020.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 5, 2020

TO: Members of the Retirees Committee

FROM: Kathy Foster, Assistant Chief Executive Officer 

SUBJECT: **Retirees Committee Work Plan Review**

Attached is the proposed 2020 Retirees Committee Work Plan. The following changes have been made from last year's work plan:

- Items to be presented at the May and September Board of Retirement meetings have been listed, showing items for action or information to be discussed during the months in which no Committee meeting is scheduled
- Reports on the results and recommendations on the dental and vision request for proposals process will be presented at the June meeting

Attachment



Proposed 2020 Retirees Committee Work Plan

Action Items

Information Items

	Action Items	Information Items
February	<ul style="list-style-type: none"> • Annual Supplemental Cost of Living Adjustment (COLA) • Approval of Health Reimbursement Arrangement (HRA) Overpayments Resolution 	<ul style="list-style-type: none"> • Annual COLA Adjustment • 2020 Annual Retirees Committee Work Plan Review • Annual Health Care Planning Meeting with Retiree Representative/Date Announcement • Report on 1099-R Processing • Report on Open Enrollment Activity • Report on Results of the Supplemental Retiree Benefit Reserve (SRBR) Benefits Survey • Miscellaneous Updates
April		<ul style="list-style-type: none"> • SRBR Financial Status • Via Benefits 2019 Year End Review • Miscellaneous Updates
June	<ul style="list-style-type: none"> • Approval of Payment for Implicit Subsidy Cost for 2019 • Possible Declaration of Intent to Fund Implicit Subsidy Program for 2021 • Report and Possible Recommendation on Dental Care Provider Request for Proposal and Awarding Contract for Plan Year 2021 • Report and Possible Recommendation on Vision Care Provider Request for Proposal and Awarding Contract for Plan Year 2021 	<ul style="list-style-type: none"> • Presentation and Report on Health Care Inflation/Trends • Preliminary Report on Projected Benefit Costs Funded through SRBR • Discussion of Monthly Medical Allowance for 2021 • 2021 Medical Plans Update/Renewal Requests of ACERA/County • Report on Annual Health Care Planning Meeting with Retiree Groups • Semi-Annual Report on ACERA’s Wellness Program • Report on HRA Balances and Reimbursements • Plans for Open Enrollment and Retiree Health Fair • Miscellaneous Updates
July	<ul style="list-style-type: none"> • Adoption of 2021 Monthly Medical Allowance for Group Plans • Adoption of 2021 Monthly Medical Allowance for Early Retiree Individual Plans • Adoption of 2021 Monthly Medical Allowance for Medicare Eligible Retiree Individual Plans 	<ul style="list-style-type: none"> • Report on Dental and Vision Plans Experience, Utilization, and Proposed Delta Dental Renewal Information • Miscellaneous Updates
August	<ul style="list-style-type: none"> • Adoption of Dental Plan Contributions for 2021 • Adoption of Vision Plan Contributions for 2021 	<ul style="list-style-type: none"> • Review of Dental and Vision Plans Premiums for 2021 • Miscellaneous Updates



Proposed 2020 Retirees Committee Work Plan

Action Items		Information Items
October	<ul style="list-style-type: none"> • Presentation and Acceptance of SRBR Funding Report/Valuation • SRBR Policy Update (review 2021) 	<ul style="list-style-type: none"> • SRBR Financial Status • Final Report on Open Enrollment Preparation and Communications Material, and Health and Wellness Fair Arrangements • Miscellaneous Updates <ul style="list-style-type: none"> ○ Report on Medicare Part D Certificates of Creditable Coverage and Updates for 2021 ○ Via Benefits Balance Reminder Statement
December	<ul style="list-style-type: none"> • Adoption of Medicare Part B Reimbursement Plan Benefit for 2021 • Adoption of Updates to Appendix A of 401(h) Account Resolutions 	<ul style="list-style-type: none"> • Annual Retired Member (Lump Sum) Death Benefit Report • Semi Annual Report on ACERA’s Wellness Program • Retiree Health and Wellness Fair Results and Open Enrollment Activity • Miscellaneous Updates

Notes: 1) This work plan is subject to change without prior notice. Periodic rearrangements of agenda items will be made to the work plan to provide a reasonable length of time for each meeting.
 2) Meeting date is assumed to be the first Wednesday of the month.

The following items to be presented at the Board of Retirement meeting:

- May – action item to approve the 401(h) Account Resolution Request to ACERA Participating Employers
- September – information item regarding ACERA-Sponsored Medical Plans & Premiums for Plan Year 2021



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 5, 2020

TO: Members of the Retirees Committee

FROM: Kathy Foster, Assistant Chief Executive Officer 

SUBJECT: **Annual Health Care Planning Meeting with Retiree Representatives /
Date Announcement**

ACERA Staff hosts an annual Health Care Planning meeting with Trustees, ACRE and REAC Board Members, our Benefits Consultant, and the County Benefits Management team. The Health Care Planning meeting is designed to discuss global issues, affecting multiple members, who are enrolled in a medical, dental and vision plans offered through ACERA or Via Benefits™ (Willis Towers Watson). The Health Care Planning meeting is a precursor to the annual renewal letters Staff sends to the County of Alameda as well as ACERA's dental and vision carriers for the next plan year. Concerns raised by the retirement associations are often included into these renewal letters.

This venue allows for discussion of ACERA's health care communication pieces and events. It is also designed to review areas where possible improvements can be made to save resources and enhance efficiency regarding health care.

The meeting has been tentatively set at ACERA for April 1st, immediately following the Retirees Committee meeting. Agenda items will be requested during the March ACRE and REAC Board meetings where Staff will be in attendance.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 5, 2020
TO: Members of the Retirees Committee
FROM: Jessica Huffman, Retirement Benefits Manager *JH*
SUBJECT: **Issuance of 2019 1099-R Forms**

The 1099-R form is provided to all ACERA payees in January of each year. The 1099-R form is used by ACERA to report pension and annuity distributions paid to retirees, beneficiaries, and terminated members receiving refunds. For tax year 2019, there were no changes to the 1099-R reporting form that affected ACERA.

Since October 2019, ACERA staff worked on the accuracy and clean-up of the reporting data, as well as conducting PensionGold incremental testing. The final test run took place on January 7th.

The printing of the 1099-R forms began the week of January 13th. All forms were mailed the week of January 20th, which was prior to the IRS issuance deadline of January 31st. A total of 11,295 1099-Rs were processed with no issues to report.

In Mid-January, ACERA placed updates on the website as well as sending e-mail blasts to retirees, notifying them that their 1099-R would be mailed by January 31st. Retirees were also able to access their 1099-R form through ACERA Web Member Services as of January 19th.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 5, 2020
TO: Members of the Retirees Committee
FROM: Ismael Piña, Assistant Benefits Manager
SUBJECT: **Open Enrollment Activity**

A handwritten signature in black ink, appearing to read "Ismael Piña".

This is to provide an update on the results of the Open Enrollment activity for ACERA and Via Benefits.

ACERA Open Enrollment Changes

- 169 Enrollment Forms have been received consisting of:
 - 30 Medical
 - 61 Dental
 - 78 Vision
 - 17 members signed up for the VSP Premium Voluntary Buy Up Plan
 - 26 members switched back to the standard VSP
 - 35 added or dropped dependents

- Confirmation of change letter mailings were completed on December 17, 2019

Via Benefits Open Enrollment Changes

For Plan Year 2020, ACERA's Post-65 Medicare population mostly made changes to their prescription drug plans. Overall, the changes consisted of:

- 146 Prescription Drug Plan to Prescription Drug Plan
- 3 Medicare Advantage to Medicare Supplement
- 3 Medicare Supplement to Medicare Advantage
- 1 Medicare Advantage to Medicare Advantage
- 8 Medicare Supplement to Medicare Supplement

Late carrier changes resulted in application processing delays for some participants. Additional hours were offered to Via Benefits' representatives to mitigate the increased volume of calls with carriers, which helped to minimize the disruption of application processing delays. Via Benefits representatives handled over 1,200 phone calls from ACERA retirees.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 5, 2020

TO: Members of the Retirees Committee

FROM: Mike Fara, Communications Manager *mf*

SUBJECT: **Results of Supplemental Retiree Benefit Reserve Benefits Survey**

Attached for your review is a presentation on the results of the 2019 Supplemental Retiree Benefit Reserve (SRBR) Benefits Survey conducted during November of 2019.

Attachment

2019 SRBR Benefits Survey Results



Administration Method

- Conducted fully online using QuestionPro
- Participants were sent there via www.acera.org/survey
- Open during November 2019

Distribution Method

Active

- Email via employers
- Postcard to AHS members

Deferred

- Postcard

Retirees

- Postcard in OE Packet
- 4 Mailchimp email blasts to \approx 1,350 retirees

Web

- Homepage carousel ad

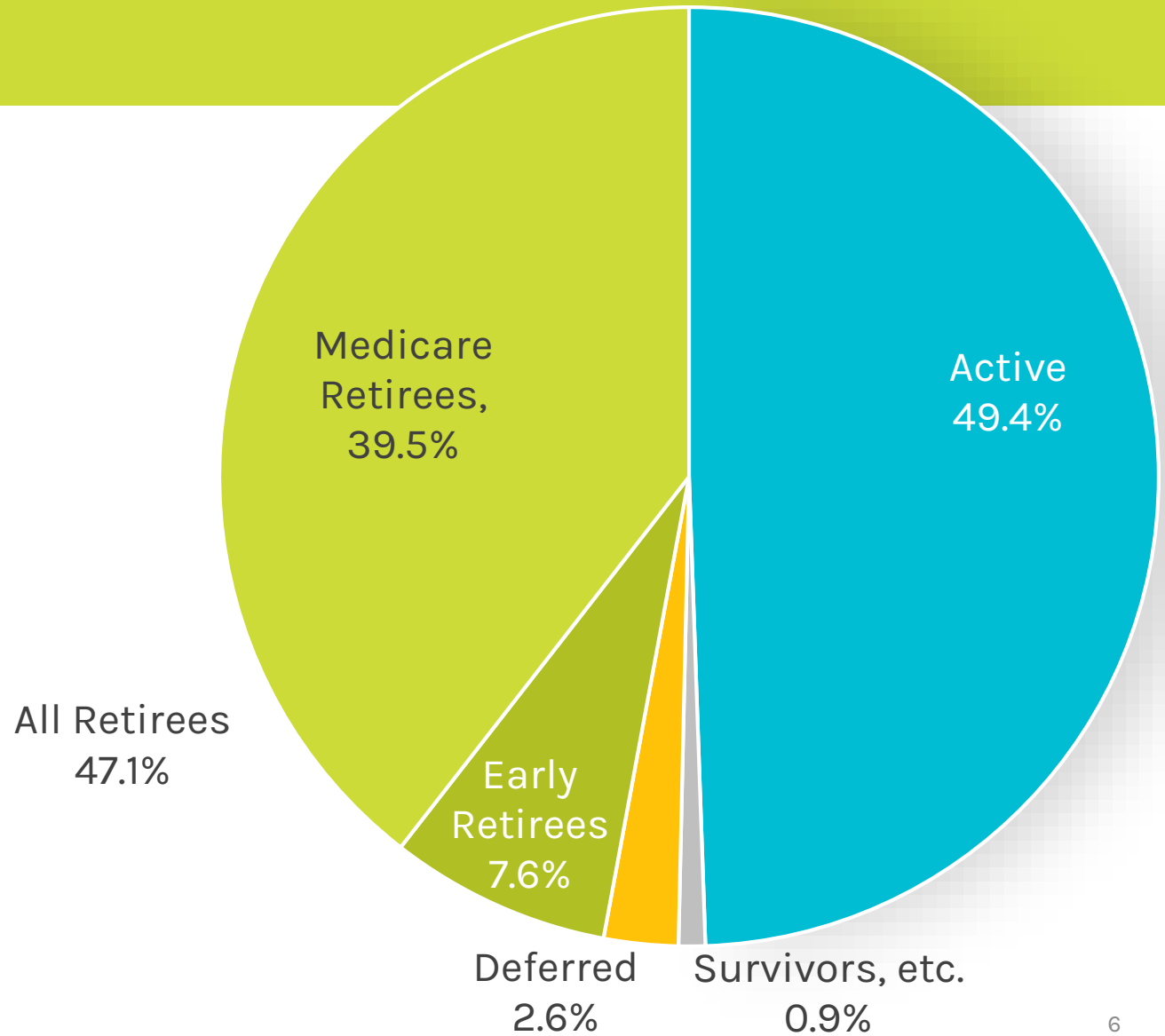
Response Rate

	Responses	Members	Rate
Active	754	11,368	6.6%
Deferred	39	2,592	1.5%
Retirees	718	8,549	8.4%
Survivors, etc.	14	1,230	1.1%
Overall	1,525	23,739	6.4%

Response Rate

- 35.2% of respondents who viewed the survey completed it, so 64.8% didn't continue upon viewing it.
- 0 respondents who started the survey dropped out.

Who Responded?



Retiree Click Rate - Mailchimp

	Opens	Clicks
3 Weeks Email	61%	32%
1 Week Email	50%	15%
3 Days Email	43%	11%
24 Hours Email	35%	7%

≈ 43% (309) of Retiree responses came through Mailchimp campaign

Preventing Duplicate Responses

- 11 retiree duplicate responses from duplicate IP addresses were removed from results.
- 8 active duplicate responses from duplicate IP addresses were not removed because of uncertainty due to actives taking survey from work.

Survey Content



The screenshot shows the top portion of a survey page. At the top left is the ACERA logo, which consists of a stylized triangle with horizontal lines and the letters 'ACERA' to its right. Below the logo is the survey title 'Your Opinion on ACERA's Non-Vested Benefits' in blue text. To the right of the title is a link that says 'Exit Survey'. Below the title is a note: 'Questions marked with a * are required'. The main body of the page begins with the text: 'ACERA's Board of Retirement would like your opinion on ACERA's non-vested benefit options. But first ...'. This is followed by a large heading: 'A Short Summary of the Current Benefits'. Below this heading are two sections: 'ACERA Vested Retirement Benefits' and 'ACERA Non-Vested Retirement Benefits'. The 'Vested' section states that as an ACERA retiree, one is guaranteed certain benefits upon eligibility, including a lifetime monthly service retirement allowance and an annual COLA adjustment. The 'Non-Vested' section states that ACERA also offers various non-guaranteed benefits based on annual approval by the Board of Retirement.

ACERA

Your Opinion on ACERA's Non-Vested Benefits

[Exit Survey](#)

Questions marked with a * are required

ACERA's Board of Retirement would like your opinion on ACERA's non-vested benefit options. But first ...

A Short Summary of the Current Benefits

ACERA Vested Retirement Benefits

As an Alameda County Employees' Retirement Association (ACERA) retiree, you are guaranteed the following vested benefits upon eligibility:

- A monthly service retirement allowance for your lifetime
- An annual Cost of Living Adjustment (COLA) to that allowance

ACERA Non-Vested Retirement Benefits

ACERA also currently offers retirees a variety of non-vested (non-guaranteed) benefits, based on annual approval by the Board of Retirement and eligibility requirements. These benefits currently are:

Healthcare Benefits

- Monthly Medical Allowance (MMA)

- A short summary of current benefits
- A table describing each benefit and showing cost to SRBR in 2018 and % of total cost to SRBR
- 2 constant sum questions
- 1 demographic question

Constant Sum Questions:

- Ask participant to allocate 100 points among the options
- Provide sliders and typable fields
- Give running total
- Force allocation of 100 points, no more, no less

Question I

Please allocate 100 points in a way that reflects how important each non-guaranteed benefit is to you, giving more points to the more important benefits. You must allocate all 100 points.

Monthly Medical Allowance (MMA)	<input type="range"/>	<input type="text"/>
Medicare Part B Reimbursement Plan	<input type="range"/>	<input type="text"/>
Dental Coverage Subsidy	<input type="range"/>	<input type="text"/>
Vision Coverage Subsidy	<input type="range"/>	<input type="text"/>
Supplemental Cost of Living Adjustment	<input type="range"/>	<input type="text"/>
Lump Sum Death Benefit	<input type="range"/>	<input type="text"/>
		<input type="text" value="0"/>

Question 2

- Began with description and ballpark costs for increase/reinstatement of Lump Sum Death Benefit and Active Death Equity Benefit

Question 2

Considering the possible increase of the Lump Sum Death Benefit and/or the possible reinstatement of the Active Death Equity Benefit, please again allocate 100 points in a way that reflects how important each non-guaranteed benefit is to you, giving more points to the more important benefits. You must allocate all 100 points.

Monthly Medical Allowance (MMA)	<input type="range"/>	<input type="text"/>
Medicare Part B Reimbursement Plan	<input type="range"/>	<input type="text"/>
Dental Coverage Subsidy	<input type="range"/>	<input type="text"/>
Vision Coverage Subsidy	<input type="range"/>	<input type="text"/>
Supplemental Cost of Living Adjustment	<input type="range"/>	<input type="text"/>
Lump Sum Death Benefit (With Possible Increase)	<input type="range"/>	<input type="text"/>
Active Death Equity Benefit (Reinstated)	<input type="range"/>	<input type="text"/>
		<input type="text" value="0"/>

Question 3

What type of ACERA member are you?

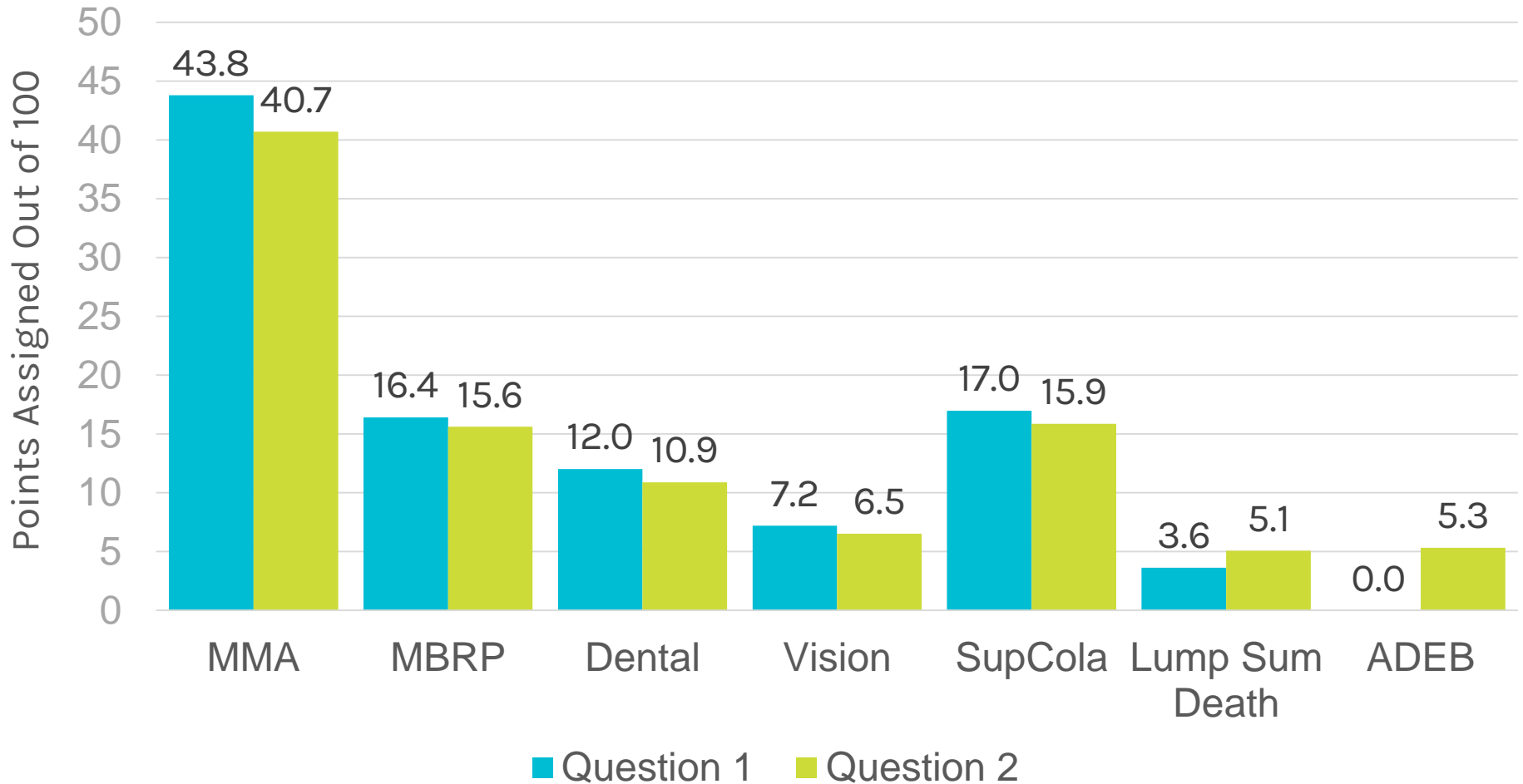
- Active member (actively working for an ACERA participating employer, and not retired yet)
- Deferred member (a former worker for an ACERA participating employer, and not yet retired)
- ACERA retiree, but not Medicare-eligible (under age 65 or not eligible for Medicare)
- Medicare-eligible ACERA retiree (typically age 65 and over)
- Survivor, beneficiary, former spouse/domestic-partner, or other payee of an ACERA member

Results

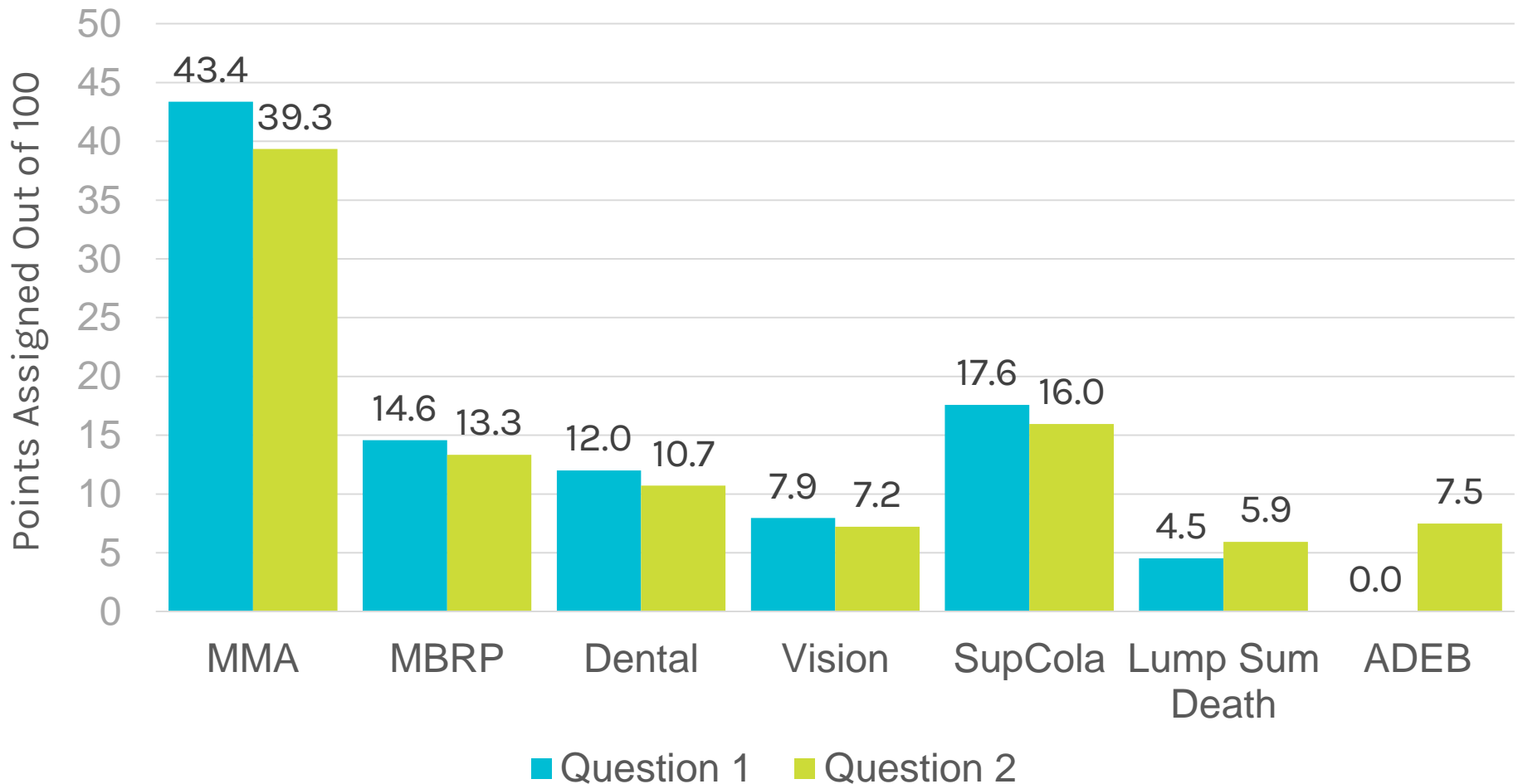
All results are expressed as means



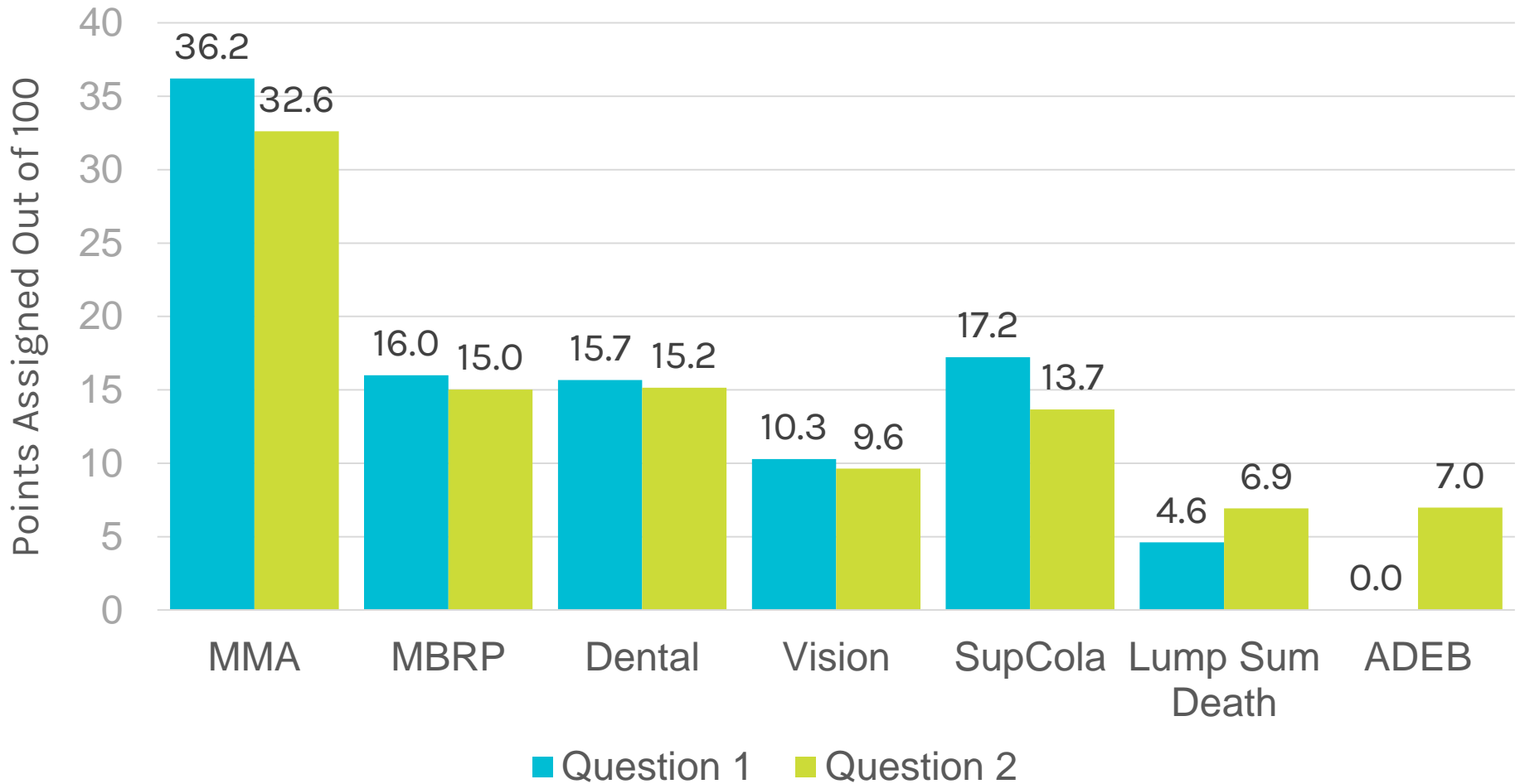
All Respondents



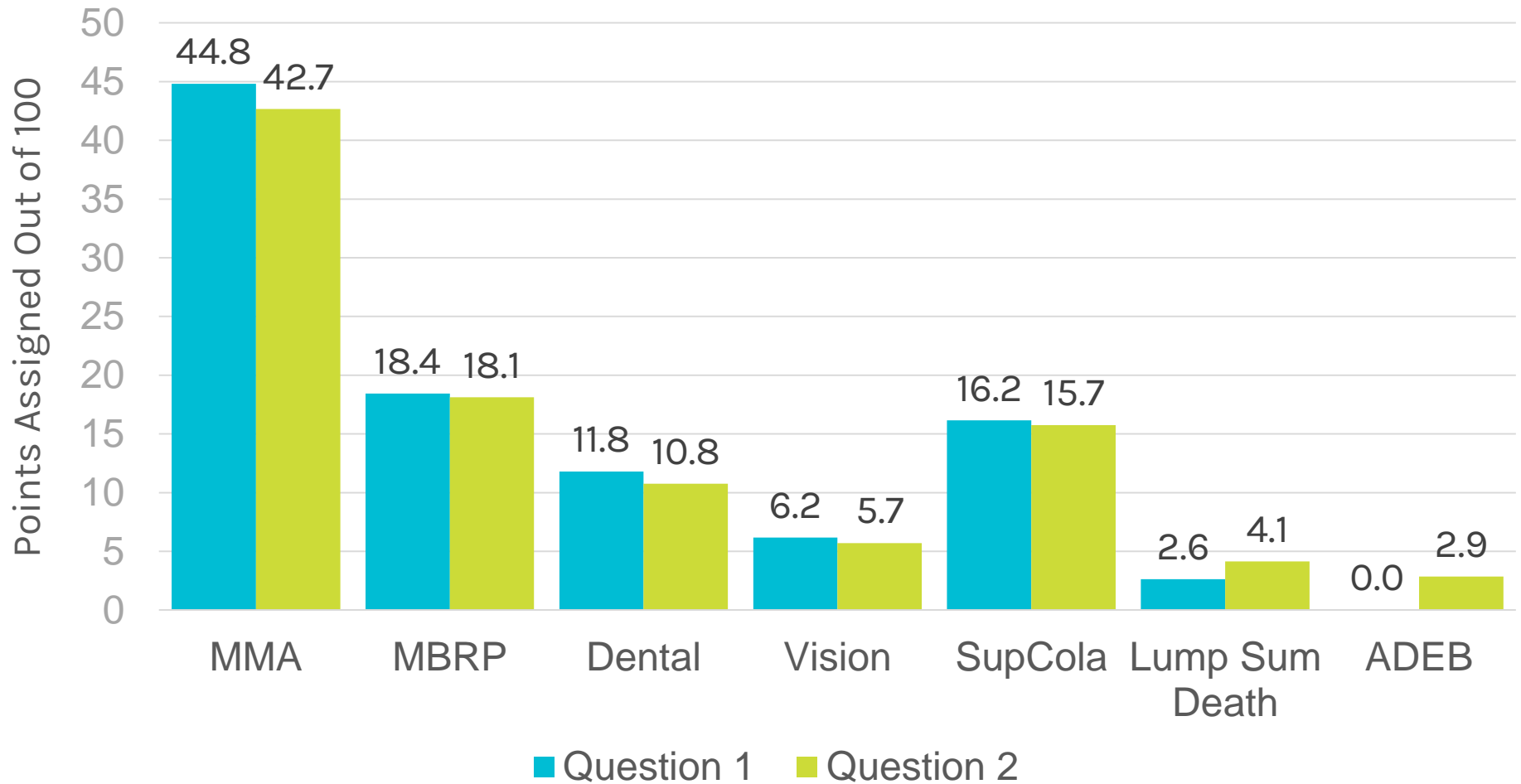
Active Members



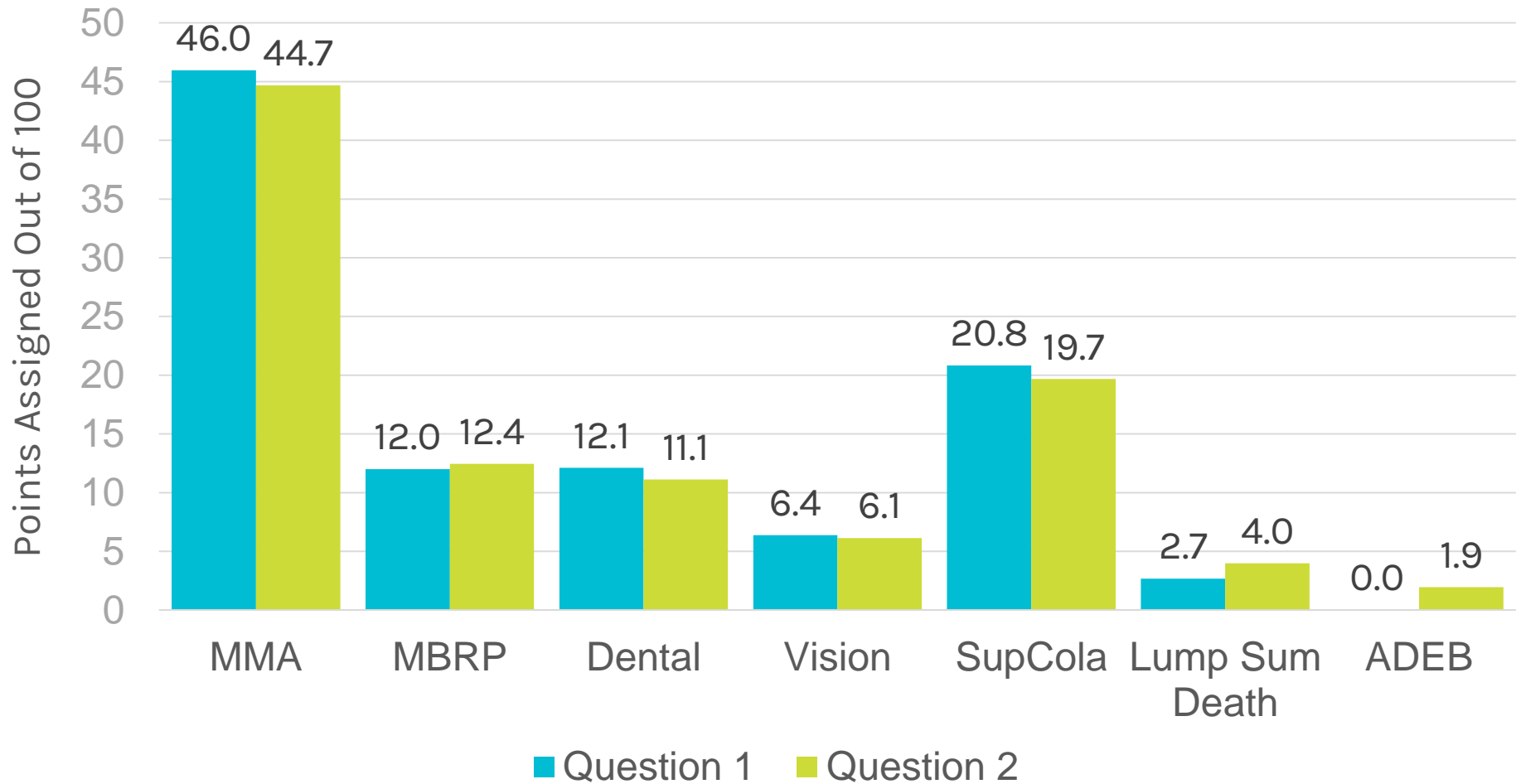
Deferred Members



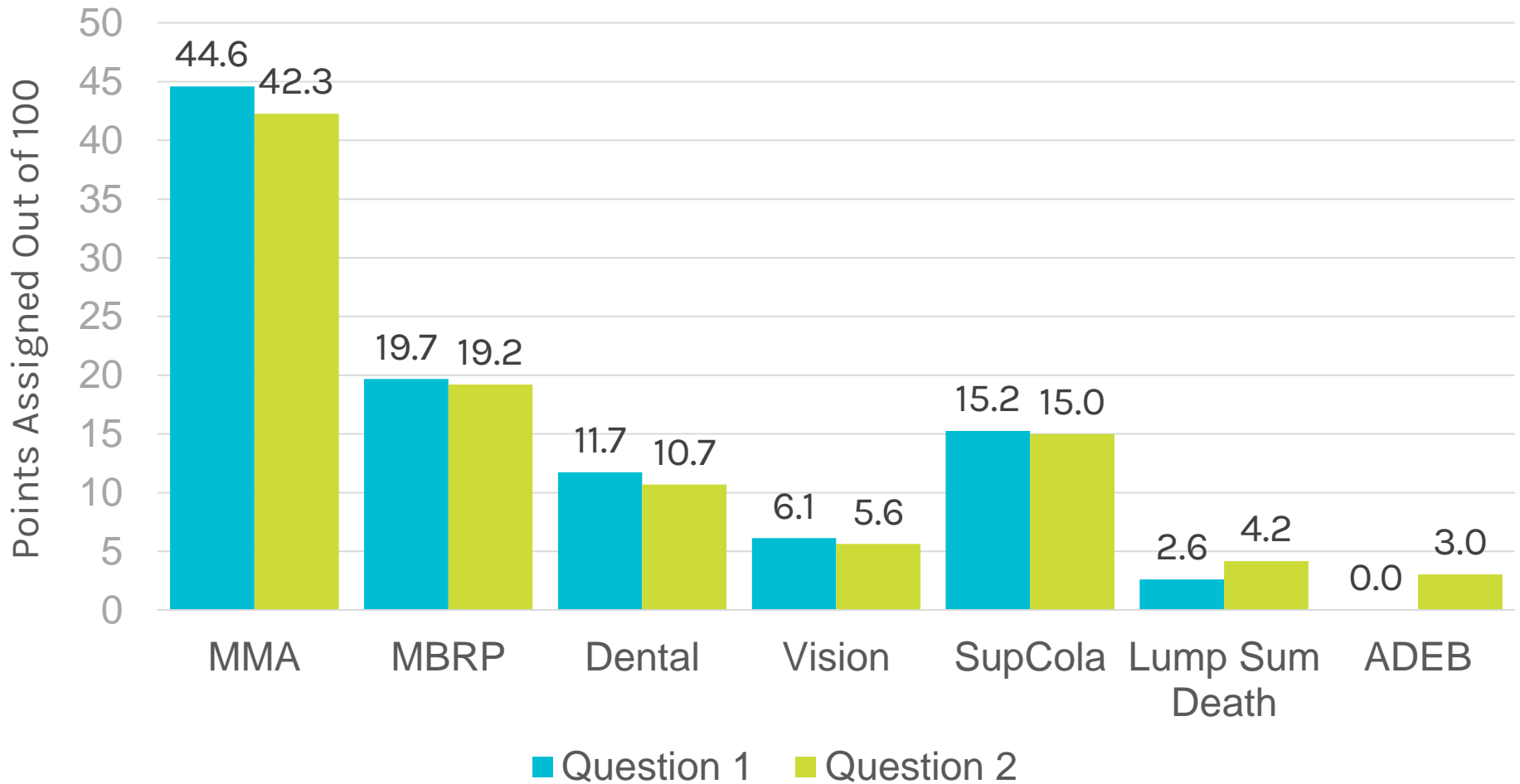
All Retirees



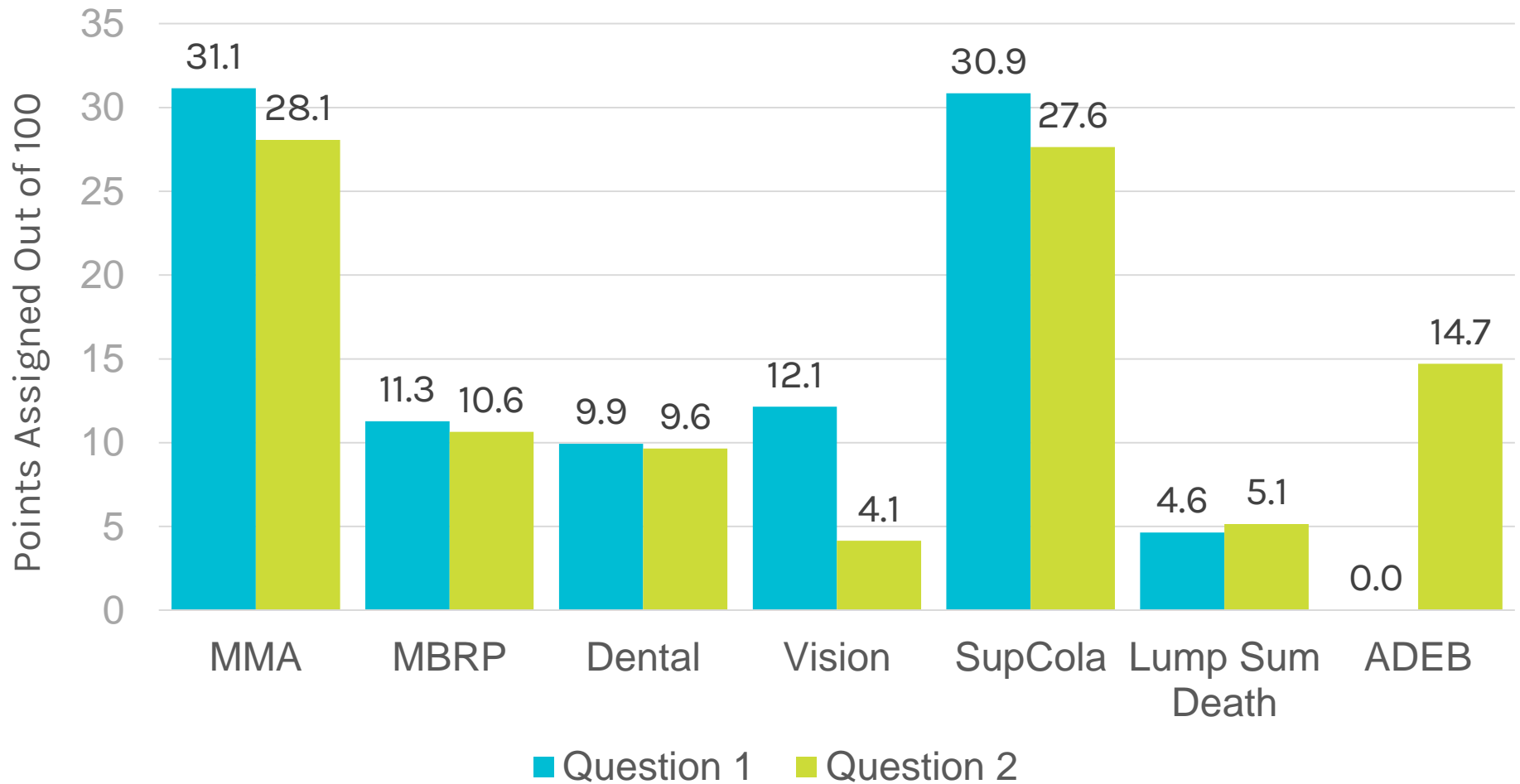
Early Retirees



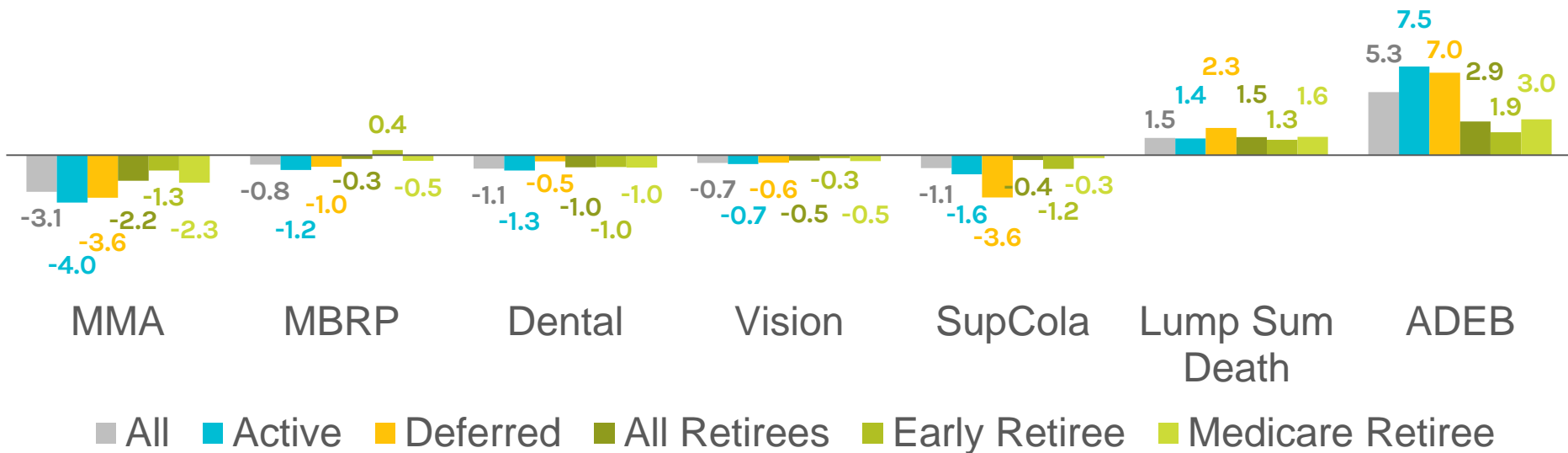
Medicare Retirees



Survivors, etc.



Point Movement Between Questions 1 and 2



Observations

- In all situations, the MMA ranked as the #1 benefit by far.
- The Supplemental COLA ranked as the #2 current benefit for all groups except Medicare retirees, who ranked the MBRP as #2.

Observations

- The MBRP mostly ranked above Dental and Vision, except among Deferred Members and Early Retirees who ranked MBRP and Dental about evenly.

Observations

- The Lump Sum Death Benefit didn't see a lot of additional support between questions 1 and 2—about a 1.5 average point increase among all respondents—suggesting that members felt lukewarm about increasing it in this scenario where they had to take points away from another benefit.

Observations

- Members were somewhat interested in ADEB reinstatement, especially Active members who ranked it at #5 above Vision and the Lump Sum Death Benefit. Predictably, Retirees showed less interest in it, though they still assigned it almost 3 points on average.

Observations

- Deferred members ranked the ADEB highly, even though they wouldn't be eligible for it under its previous rules.
- Similarly, Survivors allocated a lot of points to benefits other than the Supplemental COLA, which is the only benefit they're eligible for.
- This possibly suggests these groups did not totally understand the benefit rules. Alternatively, it could suggest interest in accessing these benefits.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: February 5, 2020

TO: Members of the Retirees Committee

FROM: Ismael Piña, Assistant Benefits Manager

A handwritten signature in black ink, appearing to read 'Ismael Piña', is positioned to the right of the 'FROM' line.

SUBJECT: **Miscellaneous Updates**

An oral report will be provided on any recent benefit issues at the Retirees Committee meeting.