



MINUTES OF APRIL 5, 2023 RETIREES COMMITTEE MEETING

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

Subject: Summary of the April 5, 2023 Retirees Committee Meeting

Committee Chair Elizabeth Rogers called the April 5, 2023 Committee meeting to order at 10:33 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Elizabeth Rogers, Henry Levy, Ophelia Basgal, Keith Carson, and Kellie Simon. Also present were Cynthia Baron, Kevin Bryant, Jaime Godfrey, and George Wood.

Staff present were Victoria Arruda, Human Resource Officer; Carlos Barrios, Assistant Chief Executive Officer; Sandra Dueñas-Cuevas, Benefits Manager; Erica Haywood, Fiscal Services Officer; Jessica Huffman, Benefits Manager; Harsh Jadhav, Chief of Internal Audit; Vijay Jagar, Chief Technology Officer; Lisa Johnson, Assistant Chief Executive Officer; David Nelsen, Chief Executive Officer; Jeff Rieger, Chief Counsel and Betty Tse, Chief Investment Officer.

PUBLIC INPUT

None.

INFORMATION ITEMS

Chair Rogers moved the following information item to the top of the agenda to provide for more complete background before considering the action item:

1. Via Benefits 2022 Year- in Review

Via Benefits provided information on Medicare and pre-65 retirees related to enrollment statistics and activity, call statistics, customer satisfaction survey results, Health Reimbursement Arrangement (HRA) account activity, and 2022 and 2023 enhancements.

In response to Trustee Basgal's request, Staff will find out how many Medicare eligible retirees enrolled through Via Benefits live outside ACERA's HMO service areas. Also, in response to Trustee Levy's question, Staff will find out how many other counties provide health care benefits to their retirees.

ACTION ITEMS

1. Proposed Extension of Existing Contract and Negotiation of New Contract with Willis Towers Watson (Via Benefits) for Individual Medical Plans Coverage and Services After Review of Request for Information (RFI) Results

Staff and Segal, ACERA's Benefits Consultant, provided information and the results of the Request for Information that was conducted for individual medical plans coverage and services.

It was moved by George Wood and seconded by Kellie Simon that the Retirees Committee recommend to the Board of Retirement to (1) approve an extension to ACERA's existing contract with Willis Towers Watson (Via Benefits) to provide individual medical plans coverage and services for the period January 1, 2024 to December 31, 2024, and (2) approve negotiating a new contract for up to a five-year term effective January 1, 2025.

The motion carried 6 yes (*Bryant, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, 0 abstentions. Trustees Basgal and Carson were not present for the vote on the motion.

INFORMATION ITEMS.

2. Supplemental Retiree Benefit Reserve Financial Status

Staff presented a 10-year history of the Supplemental Retiree Benefit Reserve (SRBR) activity through December 31, 2022. The total interest credited to the SRBR for 2022 was approximately \$79.4 million of regular earnings, using the assumed rate of return of 3.4545%, and \$10.7 million of excess earnings, at the assumed rate of return. Net deductions were approximately \$52.6 million. The December 31, 2022 ending balance was approximately \$1.2 billion.

TRUSTEE REMARKS

None.

FUTURE DISCUSSION ITEMS

- Approval of Payment for Implicit Subsidy Cost for 2022
- Possible Declaration of Intent to Fund Implicit Subsidy Program for 2024
- Review of Potential Alternative to the Discontinued Active Death Equity Benefit (ADEB) Program

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for June 7, 2023 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 11:16 a.m.