



MINUTES OF AUGUST 2, 2023 RETIREES COMMITTEE MEETING

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

Subject: Summary of the August 2, 2023 Retirees Committee Meeting

Committee Chair Elizabeth Rogers called the August 2, 2023 Committee meeting to order at 11:57 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

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

Staff present were Carlos Barrios, Assistant Chief Executive Officer; Sandra Dueñas-Cuevas, Benefits Manager; Mike Fara, Communications Manager; Jessica Huffman, Benefits Manager; 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 at the request of Staff to provide for more complete background before considering the action items:

1. Report on Dental and Vision Plans Renewal Information and Dental Plan Enhancements for 2024

Staff and Segal provided information on the ACERA-sponsored dental plans premiums, and estimated cost information for enhancements to the dental plan benefits in consideration for Plan Year 2024 renewals.

ACTION ITEMS

1. Approval of Enhancement to Dental PPO Plan for 2024

Staff and Segal provided information on increasing the annual benefit maximum at various benefit levels for the Delta Dental PPO plan for 2024. Staff recommended increasing the annual benefit maximum from \$1,300 to \$1,900, which will result in a 0.4% premium decrease over the current rate.

It was moved by Ophelia Basgal and seconded by Ross Clippinger that the Committee recommend to the Board of Retirement a motion to approve increasing the Delta Dental PPO plan annual benefit maximum from \$1,300 to \$1,900 for Plan Year 2024.

The motion carried 7 yes (*Basgal, Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, 0 abstentions.

2. Adoption of Dental Plan Contributions for 2024

Staff and Segal reported that the final 2024 renewal rates for the PPO dental plan were received from Delta Dental after the meeting packet was distributed. Therefore, the recommendation regarding the monthly premium reflects the final rate of \$51.05, including the recommended benefit enhancement for the PPO plan, which is a decrease of 0.4% over the current 2023 rate. There is no change in the 2024 DeltaCare USA monthly premiums from the current rate.

It was moved by Jaime Godfrey and seconded by Ophelia Basgal that the Committee recommend to the Board of Retirement a motion to continue the dental plan contributions for Plan Year 2024 based on the final premium rate, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$51.05 for the PPO plan and \$22.18 for the DeltaCare USA plan for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the ACERA employers to the 401(h) account. After contributions are made in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

The motion carried 7 yes (*Basgal, Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, 0 abstentions.

3. Adoption of Vision Plan Contributions for 2024

Staff and Segal reported that there is no change in the 2024 renewal rates for the vision plans, and the monthly single retiree premium rate remains at \$4.63.

It was moved by Ross Clippinger and seconded by Jaime Godfrey that the Committee recommend to the Board of Retirement a motion to continue the vision plan contributions

for Plan Year 2024, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.63 for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the ACERA employers to the 401(h) account. After contributions are made in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

The motion carried 7 yes (*Basgal, Clippinger, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, 0 abstentions.

4. Review of Possible Procedures to Help Members Maximize the Death Benefits Paid to Their Designated Beneficiaries

Staff presented information based on Trustees' direction last year to investigate alternatives to the discontinued Active Death Equity Benefit (ADEB) to help active members maximize benefits for their beneficiaries. There was discussion regarding an alternative method that has been used by the Contra Costa County Employees' Retirement Association (CCCERA) for many years. A special notice was sent to the participating employers advising them that this topic would be discussed at the August 2, 2023 Retirees Committee meeting. That notice also provided the estimated impact to the annual employer and employee contribution rates, per a cost study prepared by ACERA's actuary, Segal. The employers were invited to attend this meeting to provide their comments.

Trustees directed Staff to prepare a proposed policy to implement a program similar to CCCERA's, but which also addresses the gap for those members who may not satisfy the "real and measurable" requirement under the CCCERA program. Staff will bring back a proposed policy for review at the October 2023 Retirees Committee meeting.

INFORMATION ITEMS.

2. Semi-Annual Report on ACERA's Wellness Program

Staff provided a report on ACERA's 2023 virtual wellness offerings, wellness website posts and email campaigns, email campaign performance, wellness section in the annual retirement enrollment guide, and the upcoming virtual health and wellness fair to be held on October 26th.

In response to Trustee Basgal's question regarding the Kaiser Permanente Senior Advantage Medicare plan Silver&Fit program, Staff responded that Kaiser provided initial participation information, but was not able to track the information on a long term basis. Staff stated that a survey regarding the Silver&Fit program was conducted, and the results of the survey were provided to the Committee last year. Staff will check with Kaiser to find out if there has been any changes so that additional utilization information can be provided. Trustee Basgal recommended that Staff conduct another survey to determine the level of participation in the Silver&Fit program.

TRUSTEE REMARKS

In response to Trustee Levy's question, Staff confirmed that the September Investment Committee meeting was cancelled, and will ensure that a meeting cancellation will be sent to remove this meeting from the calendar.

FUTURE DISCUSSION ITEMS

- Presentation and Acceptance of SRBR Funding Report/Valuation
- SRBR Policy Update

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for October 4, 2023 at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 12:53 p.m.