



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

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

THIS MEETING WILL BE CONDUCTED VIA TELECONFERENCE [SEE EXECUTIVE ORDER N-29-20 ATTACHED AT THE END OF THIS 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, August 5, 2020
10:30 a.m.**

ZOOM INSTRUCTIONS	COMMITTEE MEMBERS	
The public can view the Teleconference and comment via audio during the meeting. To join this Teleconference, please click on the link below. https://zoom.us/join Meeting ID: 889 1637 6555 Password: 248073 For help joining a Zoom meeting, see: https://support.zoom.us/hc/en-us/articles/201362193	LIZ KOPPENHAVER, CHAIR	ELECTED RETIRED
	JAIME GODFREY, VICE CHAIR	APPOINTED
	DALE AMARAL	ELECTED SAFETY
	KEITH CARSON	APPOINTED
	GEORGE WOOD	ELECTED GENERAL

This is a meeting of the Retirees Committee if a quorum of the Retirees Committee attends, and it is a meeting of the Board if a quorum of the Board attends. This is a joint meeting of the Retirees Committee and the Board if a quorum of each attends.

The order of agenda items is subject to change without notice. Board and Committee agendas and minutes are available online at www.acera.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 – August 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. Adoption of Dental Plan Contributions for 2021

Motion to continue dental plan contributions for Plan Year 2021. ACERA currently provides a contribution to cover the single retiree premium for retirees with ten or more years of ACERA service, service connected disability recipients, or grandfathered as of January 31, 2014 non-service connected disability recipients.

- Kathy Foster

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to continue the dental plan contributions for Plan Year 2021, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$44.15 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.

2. Adoption of Vision Plan Contributions for 2021

Motion to continue vision plan contributions for Plan Year 2021. ACERA currently provides a contribution to cover the single retiree premium for retirees with ten or more years of ACERA service, service connected disability recipients, or grandfathered as of January 31, 2014 non-service connected disability recipients.

- Kathy Foster

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to continue the vision plan contributions for Plan Year 2021, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$3.97 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.

RETIREES COMMITTEE/BOARD MEETING

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

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

1. Review of Dental and Vision Plans Premiums for 2021

Staff and ACERA's Benefits Consultant will review the dental and vision plans premiums for Plan Year 2021.

- Kathy Foster
- Segal

2. Miscellaneous Updates

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

- Ismael Piña

Trustee Remarks

Future Discussion Items

- Presentation and Acceptance of Supplemental Retiree Benefit Reserve Funding Report/Valuation

Establishment of Next Meeting Date

October 7, 2020, at 10:30 a.m.

Adjournment

**EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA**

EXECUTIVE ORDER N-29-20

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS despite sustained efforts, the virus continues to spread and is impacting nearly all sectors of California; and

WHEREAS the threat of COVID-19 has resulted in serious and ongoing economic harms, in particular to some of the most vulnerable Californians; and

WHEREAS time bound eligibility redeterminations are required for Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries to continue their benefits, in accordance with processes established by the Department of Social Services, the Department of Health Care Services, and the Federal Government; and

WHEREAS social distancing recommendations or Orders as well as a statewide imperative for critical employees to focus on health needs may prevent Medi-Cal, CalFresh, CalWORKs, Cash Assistance Program for Immigrants, California Food Assistance Program, and In Home Supportive Services beneficiaries from obtaining in-person eligibility redeterminations; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567 and 8571, do hereby issue the following order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. As to individuals currently eligible for benefits under Medi-Cal, CalFresh, CalWORKs, the Cash Assistance Program for Immigrants, the California Food Assistance Program, or In Home Supportive Services benefits, and to the extent necessary to allow such individuals to maintain eligibility for such benefits, any state law, including but not limited to California Code of Regulations, Title 22, section 50189(a) and Welfare and Institutions Code sections 18940 and 11265, that would require redetermination of such benefits is suspended for a period of 90 days from the date of this Order. This Order shall be construed to be consistent with applicable federal laws, including but not limited to Code of Federal Regulations, Title 42, section 435.912, subdivision (e), as interpreted by the Centers for Medicare and Medicaid Services (in guidance issued on January 30, 2018) to permit the extension of

otherwise-applicable Medicaid time limits in emergency situations.

2. Through June 17, 2020, any month or partial month in which California Work Opportunity and Responsibility to Kids (CalWORKs) aid or services are received pursuant to Welfare and Institutions Code Section 11200 et seq. shall not be counted for purposes of the 48-month time limit set forth in Welfare and Institutions Code Section 11454. Any waiver of this time limit shall not be applied if it will exceed the federal time limits set forth in Code of Federal Regulations, Title 45, section 264.1.
3. Paragraph 11 of Executive Order N-25-20 (March 12, 2020) is withdrawn and superseded by the following text:

Notwithstanding any other provision of state or local law (including, but not limited to, the Bagley-Keene Act or the Brown Act), and subject to the notice and accessibility requirements set forth below, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body or state body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

- (i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting;
- (ii) each teleconference location be accessible to the public;
- (iii) members of the public may address the body at each teleconference conference location;
- (iv) state and local bodies post agendas at all teleconference locations;
- (v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and
- (vi) during teleconference meetings, a least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended.

A local legislative body or state body that holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements set forth below, shall have satisfied any requirement that the body allow

members of the public to attend the meeting and offer public comment. Such a body need not make available any physical location from which members of the public may observe the meeting and offer public comment.

Accessibility Requirements: If a local legislative body or state body holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the body shall also:

- (i) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act and resolving any doubt whatsoever in favor of accessibility; and
- (ii) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to subparagraph (ii) of the Notice Requirements below.

Notice Requirements: Except to the extent this Order expressly provides otherwise, each local legislative body and state body shall:

- (i) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by the Bagley-Keene Act or the Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable; and
- (ii) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in such means of public observation and comment, or any instance prior to the issuance of this Order in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of such means, a body may satisfy this requirement by advertising such means using "the most rapid means of communication available at the time" within the meaning of Government Code, section 54954, subdivision (e); this shall include, but need not be limited to, posting such means on the body's Internet website.

All of the foregoing provisions concerning the conduct of public meetings shall apply only during the period in which state or local public health officials have imposed or recommended social distancing measures.

All state and local bodies are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Bagley-Keene Act and the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to their meetings.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 17th day of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: August 5, 2020
TO: Members of the Retirees Committee
FROM: Kathy Foster, Assistant Chief Executive Officer
SUBJECT: Adoption of Dental Plan Contributions for 2021

Currently, there are two dental plan options available for retiree enrollment: Delta Dental PPO and DeltaCare USA. The dental contracts are managed by ACERA; and therefore, are separate from the County of Alameda. In order to keep premium amounts at a minimal cost, dental plan enrollment is mandatory for retirees with ten or more years of ACERA service credit, retirees receiving a service connected disability, or retirees receiving a non-service connected disability effective January 31, 2014. A contribution is provided to cover the single retiree premium for this group. Contracts are reviewed by Staff and ACERA's Benefits Consultant, Segal, as contract terms end or rates need to be negotiated. Presentations are made annually to the Retirees Committee for review and possible recommendation for approval by the Board of Retirement. Retirees with less than 10 years of service may enroll themselves and their dependents as long as the premium cost can be deducted from their monthly retirement allowance. The current annual cost, using July 20, 2020 enrollment numbers (8,411) who receive the subsidized dental benefit is approximately \$4,183,840.

Segal will review the attached presentation and discuss renewal information and premiums.

Provided below are the current 2020 rates for the Delta Dental PPO and DeltaCare USA plans for the current contract, and the 2021 premiums. Delta Dental has proposed a 5.6 % increase for the PPO contract rates, and a 5.0% increase for the billed rates. There is no change for the DeltaCare USA premiums.

CURRENT PREMIUMS – 2020

Delta Dental (PPO) - February 1, 2020 through January 31, 2021:

Table with 7 columns: Contract Rates, Billed Rates, Single (Less than Ten Years, Ten or More Years), 2-Party (Less than Ten Years, Ten or More Years), Family (Less than Ten Years, Ten or More Years). Values include N/A, \$44.75, \$42.04, \$84.35, \$81.04, \$146.59, \$142.33.

RENEWAL PREMIUMS – 2021

Delta Dental (PPO) - February 1, 2021 through January 31, 2022:

	<u>Single</u>		<u>2-Party</u>		<u>Family</u>	
	<u>Less than Ten Years</u>	<u>Ten or More Years</u>	<u>Less than Ten Years</u>	<u>Ten or More Years</u>	<u>Less than Ten Years</u>	<u>Ten or More Years</u>
Contract Rates	N/A	\$47.26	N/A	\$89.07	N/A	\$154.80
Billed Rates	\$65.03	\$44.15	\$106.17	\$85.96	\$170.77	\$151.69

2020 and 2021 PREMIUMS

DeltaCare USA:

	<u>Single</u>		<u>2-Party</u>		<u>Family</u>	
	<u>Less than Ten Years</u>	<u>Ten or More Years</u>	<u>Less than Ten Years</u>	<u>Ten or More Years</u>	<u>Less than Ten Years</u>	<u>Ten or More Years</u>
Total Rate (no subsidy applied)	\$31.05	\$22.18	\$45.51	\$36.64	\$63.00	\$54.13

Using the same enrollment numbers and the 2021 premiums, the annual cost to provide the subsidized dental benefit for retirees enrolled in the PPO plan (8,162) is approximately \$4,324,228. The annual cost to provide the subsidized dental benefit for retirees enrolled in the DeltaCare USA plan (249) is approximately \$66,274 resulting in a total cost for both plans, of approximately \$4,390,502. This results in an estimated annual increase of \$206,662.

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to continue the dental plan contributions for Plan Year 2021, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$44.15 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.

Attachment



Alameda County Employee's
Retirement Association (ACERA)

Delta Dental Renewal Effective February 1, 2021

ACERA Retirees Committee Meeting

Presented on August 5, 2020
Presented by Stephen Murphy

Agenda

- **Proposed Monthly Premiums**
- **Annualized 2021 Premiums**
- **Premium Stabilization Reserve**

Proposed Monthly Premiums

Dental PPO Rates	Enrollment	Current 2020-2021	Final Proposal 2021-2022 ⁽¹⁾	% Change from Current
<10 Years of Service - Unsubsidized				
Subscriber Only	651	\$61.58	\$65.03	5.6%
Subscriber + 1	134	\$100.54	\$106.17	5.6%
Subscriber and 1 or more dependents	9	\$161.71	\$170.77	5.6%
10+ Years of Service - Subsidized				
Total Rates				
Subscriber Only	4,840	\$44.75	\$47.26	5.6%
Subscriber + 1	2,469	\$84.35	\$89.07	5.6%
Subscriber and 1 or more dependents	222	\$146.59	\$154.80	5.6%
Billed Rates				
Subscriber Only	4,840	\$42.04	\$44.15	5.0%
Subscriber + 1	2,469	\$81.04	\$85.96	6.1%
Subscriber and 1 or more dependents	222	\$142.33	\$151.69	6.6%

DHMO Rates	Enrollment	Current 2020-2021	Final Proposal 2021-2022 ⁽¹⁾	% Change from Current
<10 Years of Service				
Subscriber Only	34	\$31.05	\$31.05	0.0%
Subscriber + 1	1	\$45.51	\$45.51	0.0%
Subscriber and 1 or more dependents	0	\$63.00	\$63.00	0.0%
10+ Years of Service				
Total Rates				
Subscriber Only	155	\$22.18	\$22.18	0.0%
Subscriber + 1	60	\$36.64	\$36.64	0.0%
Subscriber and 1 or more dependents	8	\$54.13	\$54.13	0.0%

⁽¹⁾ Rates are guaranteed for 3 years from February 1, 2021 through January 31, 2024, and will be rate-capped at 5% for the remaining 2-years.

Annualized 2021 Premiums

DPPO Plan	Current 2020-2021	Final Proposal 2021-2022 ⁽¹⁾	% Change from Current
<10 Years of Service - Unsubsidized			
Retiree Contribution	\$660,000	\$697,000	5.6%
ACERA Contribution	\$0	\$0	N/A
Total Annualized Premium	\$660,000	\$697,000	5.6%
10+ Years of Service - Subsidized			
Retiree Contribution	\$1,423,000	\$1,525,000	7.2%
ACERA Contribution	\$3,799,000	\$3,990,000	5.0%
Total Annualized Premium	\$5,222,000	\$5,515,000	5.6%
All Retirees			
Retiree Contribution	\$2,083,000	\$2,222,000	6.7%
ACERA Contribution	\$3,799,000	\$3,990,000	5.0%
Total Annualized Premium	\$5,882,000	\$6,212,000	5.6%

DHMO Plan	Current 2020-2021	Final Proposal 2021-2022 ⁽¹⁾	% Change from Current
<10 Years of Service - Unsubsidized			
Retiree Contribution	\$13,000	\$13,000	0.0%
ACERA Contribution	\$0	\$0	N/A
Total Annualized Premium	\$13,000	\$13,000	0.0%
10+ Years of Service - Subsidized			
Retiree Contribution	\$14,000	\$14,000	0.0%
ACERA Contribution	\$59,000	\$59,000	0.0%
Total Annualized Premium	\$73,000	\$73,000	0.0%
All Retirees			
Retiree Contribution	\$27,000	\$27,000	0.0%
ACERA Contribution	\$59,000	\$59,000	0.0%
Total Annualized Premium	\$86,000	\$86,000	0.0%

DPPO & DHMO Plans	Current 2020-2021	Final Proposal 2021-2022 ⁽¹⁾	% Change from Current
<10 Years of Service - Unsubsidized			
Retiree Contribution	\$673,000	\$710,000	5.5%
ACERA Contribution	\$0	\$0	N/A
Total Annualized Premium	\$673,000	\$710,000	5.5%
10+ Years of Service - Subsidized			
Retiree Contribution	\$1,437,000	\$1,539,000	7.1%
ACERA Contribution	\$3,858,000	\$4,049,000	5.0%
Total Annualized Premium	\$5,295,000	\$5,588,000	5.5%
All Retirees			
Retiree Contribution	\$2,110,000	\$2,249,000	6.6%
ACERA Contribution	\$3,858,000	\$4,049,000	5.0%
Total Annualized Premium	\$5,968,000	\$6,298,000	5.5%

⁽¹⁾ Rates are guaranteed for 3 years from February 1, 2021 through January 31, 2024, and will be rate-capped at 5% for the remaining 2-years.

The projections in this report are estimates of future costs and are based on unaudited information available to Segal Consulting at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases.

Premium Stabilization Reserve

- Prior to the suspension of non-essential healthcare services due to COVID19, Delta Dental projected a depletion of the Premium Stabilization Reserve (PSR) prior to January 31, 2021, leaving no subsidy available for the 2021-22 Billed Rates.
- However, reduced utilization during the suspension of non-essential healthcare services contributed to a gain of \$300,000 in Delta Dental's reserve projection.
 - After negotiations with Segal, Delta Dental agreed to apply the reserve gain to subsidize the 2021-22 Billed Rates.
 - The current PSR of \$1.24 million provides sufficient margin to credit a subsidy of 6.6% to the Subscriber-Only Billed Rate for retirees with 10+ Years of Service.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: August 5, 2020
TO: Members of the Retirees Committee
FROM: Kathy Foster, Assistant Chief Executive Officer
SUBJECT: Adoption of Vision Plan Contributions for 2021

[Handwritten signature]

ACERA currently provides vision coverage to retirees through the Vision Service Plan (VSP). The vision plan contract is managed by ACERA; and therefore, is separate from the County of Alameda. In order to keep premium amounts at a minimal cost, VSP enrollment is mandatory for retirees with ten or more years of ACERA service credit, retirees receiving a service connected disability, or retirees receiving a non-service connected disability effective January 31, 2014. A contribution is provided to cover the single retiree premium for this group. The contract is reviewed by Staff and ACERA's Benefits Consultant, Segal, as contract terms end or rates need to be negotiated. Presentations are made annually to the Retirees Committee for review and possible recommendation for approval by the Board of Retirement. Retirees with less than 10 years of service may enroll themselves and their dependents as long as the premium cost can be deducted from their monthly retirement allowance. The current annual cost, using July 20, 2020 enrollment numbers (8,335) who receive the subsidized vision benefit is approximately \$424,085.

Segal will review the attached presentation and discuss renewal information and premiums.

Provided below are the current 2020 VSP rates based on the current contract, and the 2021 premiums without any coverage changes. VSP has proposed a 6.4% decrease for the single retiree premium rate.

CURRENT PREMIUMS - 2020

February 1, 2020 through January 31, 2021:

Table with 7 columns: Contract Rates, Single (Less than Ten Years, Ten or More Years), 2-Party (Less than Ten Years, Ten or More Years), Family (Less than Ten Years, Ten or More Years). Values range from \$6.12 to \$11.06.

RENEWAL PREMIUMS – 2021

February 1, 2021 through January 31, 2022:

	<u>Single</u>		<u>2-Party</u>		<u>Family</u>	
	<u>Less than Ten Years</u>	<u>Ten or More Years</u>	<u>Less than Ten Years</u>	<u>Ten or More Years</u>	<u>Less than Ten Years</u>	<u>Ten or More Years</u>
Contract Rates	\$5.74	\$3.97	\$8.32	\$5.77	\$14.94	\$10.36

Using the same enrollment numbers (8,335) and the 2021 premium, the cost to provide the subsidized vision benefit is \$397,079. This results in an estimated annual decrease of \$27,006.

VOLUNTARY BUY UP PLAN OPTION

In addition, ACERA offers a Voluntary Buy Up plan option in which retirees would pay the difference in premiums to enroll in a richer plan. The following is a breakdown of the premiums for the current 2020 Voluntary Buy Up plan. VSP has proposed a 3.5% decrease in the premium rates for 2021. Below are the total premiums for the Voluntary Buy Up plan. Those retirees with 10+ years of service will receive the vision plan subsidy towards their premiums.

CURRENT VOLUNTARY BUY UP PLAN PREMIUMS – 2020

February 1, 2020 through January 31, 2021:

Retiree Groups	Total 2020 Current Rates
10 + Years	\$14.78 / \$21.46 / \$38.54
Under 10 Years	\$16.38 / \$23.80 / \$42.72

RENEWAL VOLUNTARY BUY UP PLAN PREMIUMS – 2021

February 1, 2021 through January 31, 2022:

Retiree Groups	Total 2021 Renewal Rates
10 + Years	\$14.26 / \$20.71 / \$37.19
Under 10 Years	\$15.81 / \$22.96 / \$41.23

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement a motion to continue the vision plan contributions for Plan Year 2021, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$3.97 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.

Attachment



Alameda County Employee's
Retirement Association (ACERA)

VSP Renewal

Effective February 1, 2021

ACERA Retirees Committee Meeting

Presented on August 5, 2020
Presented by Stephen Murphy

| Agenda

- **Proposed Monthly Premiums**
- **Annualized 2021 Premiums**

Proposed Monthly Premiums

Standard Plan	Enrollment	Current 2020-2021	Final Proposal 2021-2022 ⁽¹⁾	% Change from Current
<10 Years of Service - Unsubsidized				
Subscriber Only	552	\$6.12	\$5.74	-6.2%
Subscriber + 1	131	\$8.88	\$8.32	-6.3%
Subscriber + 2 or more dependents	4	\$15.94	\$14.94	-6.3%
10+ Years of Service - Subsidized				
Subscriber Only	4,621	\$4.24	\$3.97	-6.4%
Subscriber + 1	1,767	\$6.16	\$5.77	-6.3%
Subscriber + 2 or more dependents	124	\$11.06	\$10.36	-6.3%

Buy-Up Plan	Enrollment	Current 2020-2021	Final Proposal 2021-2022 ⁽¹⁾	% Change from Current
<10 Years of Service - Unsubsidized				
Subscriber Only	56	\$16.38	\$15.81	-3.5%
Subscriber + 1	40	\$23.80	\$22.96	-3.5%
Subscriber + 2 or more dependents	2	\$42.72	\$41.23	-3.5%
10+ Years of Service - Subsidized				
Subscriber Only	641	\$14.78	\$14.26	-3.5%
Subscriber + 1	531	\$21.46	\$20.71	-3.5%
Subscriber + 2 or more dependents	61	\$38.54	\$37.19	-3.5%

⁽¹⁾ Rates are guaranteed from February 1, 2021 through January 31, 2026.

Annualized 2021 Premiums

Standard Plan	Current 2020-2021	Final Proposal 2021-2022 ⁽¹⁾	% Change from Current
<10 Years of Service - Unsubsidized			
Retiree Contribution	\$55,000	\$52,000	-5.5%
ACERA Contribution	\$0	\$0	N/A
Total Annualized Premium	\$55,000	\$52,000	-5.5%
10+ Years of Service - Subsidized			
Retiree Contribution	\$51,000	\$48,000	-5.9%
ACERA Contribution	\$331,000	\$310,000	-6.3%
Total Annualized Premium	\$382,000	\$358,000	-6.3%
All Retirees			
Retiree Contribution	\$106,000	\$100,000	-5.7%
ACERA Contribution	\$331,000	\$310,000	-6.3%
Total Annualized Premium	\$437,000	\$410,000	-6.2%

Buy-Up Plan	Current 2020-2021	Final Proposal 2021-2022 ⁽¹⁾	% Change from Current
<10 Years of Service - Unsubsidized			
Retiree Contribution	\$23,000	\$23,000	0.0%
ACERA Contribution	\$0	\$0	N/A
Total Annualized Premium	\$23,000	\$23,000	0.0%
10+ Years of Service - Subsidized			
Retiree Contribution	\$216,000	\$210,000	-2.8%
ACERA Contribution	\$63,000	\$59,000	-6.3%
Total Annualized Premium	\$279,000	\$269,000	-3.6%
All Retirees			
Retiree Contribution	\$239,000	\$233,000	-2.5%
ACERA Contribution	\$63,000	\$59,000	-6.3%
Total Annualized Premium	\$302,000	\$292,000	-3.3%

Standard & Buy-Up Plans	Current 2020-2021	Final Proposal 2021-2022 ⁽¹⁾	% Change from Current
<10 Years of Service - Unsubsidized			
Retiree Contribution	\$78,000	\$75,000	-3.8%
ACERA Contribution	\$0	\$0	N/A
Total Annualized Premium	\$78,000	\$75,000	-3.8%
10+ Years of Service - Subsidized			
Retiree Contribution	\$267,000	\$258,000	-3.4%
ACERA Contribution	\$394,000	\$369,000	-6.3%
Total Annualized Premium	\$661,000	\$627,000	-5.1%
All Retirees			
Retiree Contribution	\$345,000	\$333,000	-3.5%
ACERA Contribution	\$394,000	\$369,000	-6.3%
Total Annualized Premium	\$739,000	\$702,000	-5.0%

⁽¹⁾ Rates are guaranteed from February 1, 2021 through January 31, 2026.

The projections in this report are estimates of future costs and are based on unaudited information available to Segal Consulting at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases.

Materials-Only Plan

Standard Plan (Materials Only)	Current 2020-2021 ⁽¹⁾	Final Proposal 2021-2022 ⁽²⁾	% Change from Current
<10 Years of Service - Unsubsidized			
Subscriber Only	\$6.12	\$4.58	-25.2%
Subscriber + 1	\$8.88	\$6.64	-25.2%
Subscriber + 2 or more dependents	\$15.94	\$11.92	-25.2%
10+ Years of Service - Subsidized			
Subscriber Only	\$4.24	\$3.17	-25.2%
Subscriber + 1	\$6.16	\$4.61	-25.2%
Subscriber + 2 or more dependents	\$11.06	\$8.27	-25.2%

Buy-Up Plan (Materials Only)	Current 2020-2021 ⁽¹⁾	Final Proposal 2021-2022 ⁽²⁾	% Change from Current
<10 Years of Service - Unsubsidized			
Subscriber Only	\$16.38	\$12.25	-25.2%
Subscriber + 1	\$23.80	\$17.80	-25.2%
Subscriber + 2 or more dependents	\$42.72	\$31.95	-25.2%
10+ Years of Service - Subsidized			
Subscriber Only	\$14.78	\$11.05	-25.2%
Subscriber + 1	\$21.46	\$16.50	-23.1%
Subscriber + 2 or more dependents	\$38.54	\$28.82	-25.2%

(1) Current Rates are based on Status-Quo Plans for the plan year beginning February 1, 2020.



(2) Rates are guaranteed from February 1, 2021 through January 31, 2026.



MEMORANDUM TO THE RETIREES COMMITTEE

DATE: August 5, 2020

TO: Members of the Retirees Committee

FROM: Ismael Piña, Assistant Benefits Manager 
Mike Fara, Communications Manager 

SUBJECT: **Miscellaneous Updates**

This memo is to provide the Retirees Committee information on various monthly topics, which impact both retirees and ACERA Staff. This month's report provides an update regarding the shift to a virtual Health and Wellness Fair for the end of October 2020.

In order to responsibly practice social distancing and prevent the spread of COVID-19, we are working with our carriers to provide our members a virtual opportunity to hear from them and interact with them online. As with every ACERA Health Fair Event, other vendors will also have an opportunity to provide information regarding their services and wellness resources during this virtual event. There will be more information to come as we refine our plan.