



MINUTES OF OCTOBER 2, 2024 RETIREES COMMITTEE MEETING

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

Subject: Summary of the October 2, 2024 Retirees Committee Meeting

Committee Chair Elizabeth Rogers called the October 2, 2024 Committee meeting to order at 9:33 a.m.

ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE

Committee members present were Elizabeth Rogers, Henry Levy and Kellie Simon. Also present were Jaime Godfrey, George Wood and alternate member Cynthia Baron. Committee member Keith Carson, and Ophelia Basgal and alternate member Kevin Bryant joined the meeting after roll call.

Staff present were Carlos Barrios, Assistant Chief Executive Officer; Sandra Dueñas-Cuevas, Benefits Manager; Erica Haywood, Fiscal Services Officer; Mike Fara, Communications Manager; 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; and Jeff Rieger, Chief Counsel.

PUBLIC INPUT

None.

ACTION ITEMS

1. Presentation and Acceptance of Supplemental Retiree Benefit Reserve Funding Report/Valuation[

Segal, ACERA's Actuary, presented the annual Actuarial Valuation of the OPEB and non-OPEB Benefits Provided by the Supplemental Retiree Benefits Reserve, Including Sufficiency of Funds, as of December 31, 2023. Based on this valuation report, the terminal year of the "Other Post-Employment Benefits" (OPEB) is projected to be 2048, with full benefits paid through 2047 for a total of 24 full years and one partial year. The terminal year of non-OPEB benefits is projected to be 2047, with full benefits paid through 2046 for a total of 23 full years and one partial year.

Segal also reported that everything is trending according to its actuarial assumptions after transferring about \$54 million from the OPEB Supplemental Retiree Benefit Reserve (SRBR) to the non-OPEB SRBR to equalize the sufficiency periods to pay benefits for both programs.

Trustee Basgal commented that ACERA should be following the medical plans rate increases for other counties in terms of anticipating future cost increases. There were questions and discussion regarding the funded ratio vs. the terminal year of the non-OPEB benefits, the members included in the liability projections, and the significant increase in the projected cost to fund the non-OPEB benefits compared to that of the OPEB benefits in later years, mainly due to the Supplemental COLA.

Trustee Levy questioned if at some point, ACERA could request the employers to contribute to the SRBR to fund retiree healthcare. Staff responded that the funding structure allowed for the SRBR is statutory, and any change would require a statutory change through the legislature. In addition, there are IRS implications. The County of Alameda would need to agree before considering any changes to the funding mechanism of the SRBR.

It was moved by Ophelia Basgal and seconded by Henry Levy that the Committee recommend to the Board of Retirement a motion to accept the December 31, 2023 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal.

The motion carried 8 yes (*Basgal, Bryant, Carson, Godfrey, Levy, Rogers, Simon, Wood*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Supplemental Retiree Benefit Reserve Financial Status

Staff presented a history of the Supplemental Retiree Benefit Reserve (SRBR) activity for the 10-year period ending June 30, 2024. The ending balance of the SRBR as of June 30, 2024 was approximately \$1.2 billion. The semi-annual interest crediting as of June 30, 2024 based on the rate of 3.5000% was completed on August 29, 2024; approximately \$41.5 million in interest was credited. During that same six-month period, the net deductions from the SRBR were approximately \$29.0 million.

2. Final Report on Open Enrollment Preparation and Communications Materials, and Retiree Health and Wellness Fair Arrangements

Staff provided information regarding the preparations being made for the Plan Year 2025 Open Enrollment and the hybrid Health and Wellness Fair, which will be held on October 24, 2024 at the Hilton Garden Inn in Emeryville. In response to Trustee Basgal's comment, Staff will look into the use of the Emery Go-Round service as a possible transportation option to the event, and if so, include the information in ACERA's event materials.

3. Report on Medicare Part D Certificate of Creditable Coverage and Updates for 2025

Staff reported that the annual Medicare Part D Certificate of Coverage Notice will be mailed and received prior to the October 15th deadline, and will be posted on ACERA's website.

In response to Trustee Basgal's question, Staff stated that the Over-the-Counter benefit would not be implemented this year. Staff plans to send a survey to the members, and will provide a report on the results for discussion at a later time.

4. Via Benefits Updates

Staff reported that Via Benefits mailed the Medicare Fall Newsletters starting September 23rd, and the Pre-65 Fall Newsletters will be mailed starting October 25th. The Balance Reminder Statements for Health Reimbursement Account holders will be mailed out on October 25th.

TRUSTEE REMARKS

None.

FUTURE DISCUSSION ITEMS

- Adoption of Medicare Part B Reimbursement Plan Benefit for 2025
- Adoption of Updates to Appendix A of 401(h) Account Resolutions

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for December 4, 2024 at 9:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 10:08 a.m.