



## MINUTES OF OCTOBER 4, 2023 RETIREES COMMITTEE MEETING

To: Members of the Retirees Committee

From: Elizabeth Rogers, Chair

**Subject: Summary of the October 4, 2023 Retirees Committee Meeting**

Committee Chair Elizabeth Rogers called the October 4, 2023 Committee meeting to order at 9:30 a.m.

### **ACERA TRUSTEES, SENIOR MANAGERS AND PRESENTING STAFF IN ATTENDANCE**

Committee members present were Elizabeth Rogers, Ophelia Basgal (via Zoom for “just cause”) and Kellie Simon. Also present were Jaime Godfrey (via Zoom for “just cause”), George Wood and alternate members Cynthia Baron and Kevin Bryant. Committee member Henry Levy, and Tarrell Gamble joined the meeting after roll call.

Staff present were Carlos Barrios, Assistant Chief Executive Officer (via Zoom); 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; Ismael Piña, Assistant Benefits Manager; Jeff Rieger, Chief Counsel; and Betty Tse, Chief Financial Officer (via Zoom).

### **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, 2022. Based on this valuation report, the terminal year of the “Other Post-Employment Benefits” (OPEB) is projected to be 2050, with full benefits paid through 2049 for a total of 27 full years and one partial year. The terminal year of non-OPEB benefits is projected to be 2038, with full benefits paid through 2037 for a total of 15 full years and one partial year.

It was moved by Tarrell Gamble and seconded by Henry Levy that the Committee recommend to the Board of Retirement a motion to accept the December 31, 2022 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal.

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

## **2. Supplemental Retiree Benefit Reserve Policy Update**

Staff provided a copy of the current Supplemental Retiree Benefit Reserve (SRBR) Policy, and stated that after review of the Policy, no changes are recommended.

In response to Trustee Rogers' comments, Staff stated that the order in which the benefits are listed under the categories are based on the retirees' survey results. Staff also explained that "Retired Member Death Benefit" is considered a vested benefit as long as there are funds available in the SRBR.

It was moved by George Wood and seconded by Henry Levy that the Committee recommend to the Board of Retirement that it adopt the Supplemental Retiree Benefit Reserve Policy without revisions.

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

## **INFORMATION ITEMS**

### **1. Proposal to Align Assets to Equalize Sufficiency Periods to Pay OPEB and Non-OPEB Benefits**

Segal, ACERA's Actuary, presented a proposal for the Board of Retirement's consideration to align the assets available to pay the OPEB and non-OPEB Supplemental Retiree Benefits Reserve (SRBR) benefits. Segal proposed transferring assets from the OPEB SRBR to the non-OPEB SRBR with the goal of equalizing the sufficiency periods to pay benefits for both programs. There was discussion regarding the need for a policy to address rebalancing the OPEB and non-OPEB assets in these situations. Trustee Rogers directed Staff to bring this item back for further discussion at the February 2024 Retirees Committee meeting, after the financial results and the December 2023 Bay Area consumer price index are available. During the February meeting, there will also be further discussion regarding the need for possible updates to the SRBR Policy to address this situation.

### **2. Benefits Consultant Services Request for Proposal Timeline**

Staff presented the plans and a timeline to conduct a Request for Proposal (RFP) for a benefits consultant. Staff has identified 14 potential firms that could provide benefits consulting services, and notified these firms of the RFP, which is posted on ACERA's website. The schedule was revised by one week to give the consultants additional time to respond to the RFP. The results of the RFP process and a recommendation will be presented at the December Board of Retirement meeting instead of the December Retirees Committee meeting.

### **3. Substantive Plan Definition Under GASB 43 History and Background Information**

Staff presented background information regarding the substantive plan definition under GASB Statement 43 related to the policy to set the Monthly Medical Allowance contribution increases to an amount equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary. Also presented was background information on the 15-year Sustainability Policy.

### **4. Final Report on Open Enrollment Preparation and Communications Materials, and Virtual Retiree Health and Wellness Fair Arrangements**

Staff provided information regarding the preparations being made for the Plan Year 2024 Open Enrollment and the Virtual Health and Wellness Fair, which will be held on October 26, 2023. In response to Trustee Basgal's comment, Staff stated that a member survey to evaluate the Silver&Fit program was conducted, and the results will be presented at the December Retirees Committee meeting.

### **5. Report on Medicare Part D Certificate of Creditable Coverage and Updates for 2024**

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

### **6. Via Benefits Updates**

Staff reported that Via Benefits mailed the Medicare Fall Newsletters starting August 28<sup>th</sup>, and the Pre-65 Fall Newsletters will be mailed starting October 19<sup>th</sup>. The Balance Reminder Statements for Health Reimbursement Account holders were mailed out on September 18<sup>th</sup>.

### **TRUSTEE REMARKS**

None.

### **FUTURE DISCUSSION ITEMS**

- Adoption of Medicare Part B Reimbursement Plan Benefit for 2024
- Adoption of Updates to Appendix A of 401(h) Account Resolutions

### **ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for December 6, 2023, at 9:30 a.m.

### **MEETING ADJOURNED**

The meeting adjourned at 10:39 a.m.