



Alameda County Employees' Retirement Association  
BOARD OF RETIREMENT

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

**ACERA MISSION:**

To provide ACERA members and employers with flexible, cost-effective, participant-oriented benefits through prudent investment management and superior member services.

**Thursday, December 19, 2024  
1:00 p.m.**

<b>LOCATION AND TELECONFERENCE</b>	<b>COMMITTEE MEMBERS</b>	
<p>ACERA C.G. "BUD" QUIST BOARD ROOM 475 14<sup>TH</sup> STREET, 10<sup>TH</sup> FLOOR OAKLAND, CALIFORNIA 94612-1900 MAIN LINE: 510.628.3000 FAX: 510.268.9574</p> <p>The public can observe the meeting and offer public comment by using the below Webinar ID and Passcode after clicking on the below link or calling the below call-in number.</p> <p>Link: <a href="https://zoom.us/join">https://zoom.us/join</a> Call-In: 1 (669) 900-6833 US Webinar ID: 879 6337 8479 Passcode: 699406 For help joining a Zoom meeting, see: <a href="https://support.zoom.us/hc/en-us/articles/201362193">https://support.zoom.us/hc/en-us/articles/201362193</a></p>	ELIZABETH ROGERS, CHAIR	ELECTED RETIRED
	KELLIE SIMON, VICE CHAIR	ELECTED GENERAL
	KEITH CARSON	APPOINTED
	ROSS CLIPPINGER	ELECTED SAFETY
	HENRY LEVY	TREASURER

The Alternate Retired Member votes in the absence of the Elected Retired Member, or, if the Elected Retired Member is present, then votes if both Elected General members, or the Safety Member and an Elected General member, are absent.

The Alternate Safety Member votes in the absence of the Elected Safety Member, either of the two Elected General Members, or both the Retired and Alternate Retired members.

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.

*Note regarding accommodations:* If you require a reasonable modification or accommodation for a disability, please contact ACERA between 9:00 a.m. and 5:00 p.m. at least 72 hours before the meeting at [accommodation@acera.org](mailto:accommodation@acera.org) or at 510-628-3000.

Public comments are limited to four (4) minutes per person in total. The order of items on the agenda is subject to change without notice. Board and Committee agendas and minutes and all documents distributed to the Board or a Committee in connection with a public meeting (unless exempt from disclosure) are posted online at [www.acera.org](http://www.acera.org) and also may be inspected at 475 14<sup>th</sup> Street, 10<sup>th</sup> Floor, Oakland, CA 94612-1900.

# ***RETIREES COMMITTEE/BOARD MEETING***

NOTICE and AGENDA, Page 2 of 3 – Thursday, December 19, 2024

**Call to Order:** 1:00 p.m.

**Roll Call**

**Public Input (Time Limit: 4 minutes per speaker)**

## **Action Items: Matters for discussion and possible motion by the Committee**

### **1. Adoption of Medicare Part B Reimbursement Plan Benefit for 2025**

Discussion and possible motion to recommend that the Board of Retirement continue to provide Medicare Part B Reimbursement Plan (MBRP) benefits to current eligible retirees at the lowest standard monthly premium rate.

- Carlos Barrios  
- Michael Szeto, Segal

#### **Recommendation**

Staff recommends that the Retirees Committee recommend to the Board of Retirement to continue to provide the Medicare Part B Reimbursement Plan (MBRP) benefit to eligible retirees in 2025, and approve the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$185.00. The MBRP benefit is a non-vested benefit funded by contributions from 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 Updates to Appendix A of 401(h) Account Resolutions**

Discussion and possible motion to recommend that the Board of Retirement adopt revisions to 401(h) Account Resolution 07-29, Appendix A, amended to reflect Plan Year 2025 benefit amounts.

- Carlos Barrios

#### **Recommendation**

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) to adopt the revised and updated Appendix A to Resolution No. 07-29, which reflects the changes approved by the Board to the Monthly Medical Allowance amounts for Group and Individual Plans as well as the Retiree Health Benefit contribution amounts for Plan Year 2025.

# ***RETIREES COMMITTEE/BOARD MEETING***

**NOTICE and AGENDA, Page 3 of 3 – Thursday, December 19, 2024**

### **3. Amend Supplemental Retiree Benefit Reserve Policy to Align with Individual Medical Plans Practices**

Review, discussion and possible motion to recommend that the Board of Retirement adopt the amendment to the Supplemental Retiree Benefit Reserve Policy.

- Carlos Barrios

#### Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement that it adopt the Supplemental Retiree Benefit Reserve Policy with Staff's recommended revisions, which are shown in the redline included in the agenda backup.

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

#### **1. Annual Retired Member (Lump Sum) Death Benefit Report**

Staff will provide a report on the \$1,000 Retired Member (lump sum) Death Benefits paid in 2024. This benefit is funded by the Supplemental Retiree Benefit Reserve and is considered a vested benefit, as long as there are funds available.

- Jessica Huffman

#### **2. Retiree Health and Wellness Fair Results and Open Enrollment Activity**

Staff will provide results of the hybrid Retiree Health and Wellness Fair and Open Enrollment activity for Plan Year 2025.

- Jessica Huffman

- Mike Fara

### **Trustee Remarks**

### **Future Discussion Items**

- Annual Supplemental Cost of Living Adjustment (COLA)
- Proposal to Study the Impact of Higher MMA Payments for Members Enrolled in the Group Plans

### **Establishment of Next Meeting Date**

February 5, 2025, at 9:30 a.m.

### **Adjournment**



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MEMORANDUM TO THE RETIREES COMMITTEE

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DATE: December 19, 2024

TO: Members of the Retirees Committee

FROM: Carlos Barrios, Assistant Chief Executive Officer 

SUBJECT: **Medicare Part B Reimbursement Plan Benefits for 2025**

The Centers for Medicare & Medicaid Services (CMS) announced the 2025 Medicare Part B premiums on November 8, 2024. Based on the Supplemental Retiree Benefit Reserve (SRBR) Policy, ACERA reimburses eligible retirees the lowest standard premium amount. Currently, ACERA is paying \$174.70 to eligible retirees as this was the lowest standard premium for all eligible recipients. The standard monthly premium for Medicare Part B enrollees will be \$185.00 for 2025, which is an increase of about 5.9%.

The reason for the increase in the 2025 Part B premium provided from the CMS website states: “The increase in the 2025 Part B standard premium and deductible is mainly due to projected price changes and assumed utilization increases that are consistent with historical experience.”

Attached is a letter from Richard Ward with Segal, ACERA’s Benefits Consultant, which provides additional information regarding the 2025 Medicare Parts A and B premiums and deductibles. In addition, the table beginning on page 2 of Segal’s letter regarding the number of retirees at the CMS income levels is provided to give Trustees a sense of the impact of setting the Medicare Part B Reimbursement Plan (MBRP) amount at the lowest standard premium. Note that the income is only based on ACERA benefit amounts (for 2023), but provides figures reflecting out-of-pocket numbers the higher income groups may incur for their Medicare Part B premiums.

The number of current retirees receiving the MBRP benefit as of November 2024 is 6,151. If ACERA pays the MBRP benefit of \$185.00 for all retirees currently receiving this benefit, the estimated annual cost for 2025 is \$13,655,220. The estimated annual cost based on the same number of retirees and the 2024 benefit amount of \$174.70 is \$12,894,956. The difference in the estimated annual cost is \$760,264. These amounts will change for 2025 based on the number of eligible retirees receiving this benefit each payroll.

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement to continue to provide the Medicare Part B Reimbursement Plan (MBRP) benefit to eligible retirees in 2025, and approve the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$185.00. The MBRP benefit is a non-vested benefit funded by contributions from 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



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## Memorandum

**To:** Carlos Barrios  
 ACERA

**From:** Richard Ward, FSA, FCA, MAAA

**Date:** November 19, 2024

**Re:** Medicare Part A and B Premiums and Deductibles

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### Medicare Part A Premiums

Medicare Part A covers inpatient hospital, skilled nursing facility, and some home health care services. About 99% of Medicare beneficiaries do not pay a Part A premium since they have at least 40 quarters of Medicare-covered employment. If retirees need to purchase Part A, they will pay up to \$518 each month in 2025 versus up to \$505 in 2024.

### Medicare Part A Deductibles

**Part A Deductible and Coinsurance Amounts for Calendar Years  
 2024 and 2025 Type of Cost Sharing**

Year	2024	2025
Inpatient hospital deductible	\$1,632	\$1,676
Daily coinsurance for 61 <sup>st</sup> – 90 <sup>th</sup> Day	\$408	\$419
Daily coinsurance for lifetime reserve days	\$816	\$838
Skilled Nursing Facility coinsurance (Days 21-100)	\$204.00	\$209.50

### Medicare Part B Premiums

Retirees pay a premium each month for Medicare Part B medical insurance, which covers physicians' services, outpatient hospital services, certain home health services, durable medical equipment, and certain other items not covered by Part A. The final rates for Medicare Part B were announced by CMS on November 8, 2024 and will take effect January 1, 2025.

CMS announced that the annual deductible for all Part B beneficiaries will be \$257.00 in 2025, an increase of \$17.00 from the annual deductible of \$240.00 in 2024. Premiums for Medicare Advantage and Medicare Prescription Drug plans are already finalized and unaffected by this announcement.

In years where the Social Security Cost of Living Adjustment (COLA) is less than the dollar increase in Medicare Part B Premium there is a statutory "hold harmless" provision meant to protect retirees from the full increase of Part B premiums. Medicare Part B standard premiums are increasing by \$10.30 from \$174.70 in 2024 to \$185.00 in 2025, about a 5.9% increase. The COLA increase is 2.5% for 2025, averaging \$49 per month nationally, as reported by the Social Security National Press Office. The average monthly COLA increase is over 4.76 times the standard Part B premium increase for 2025.

Since 2007, beneficiaries with higher incomes have paid higher Part B monthly premiums. These income-related monthly adjustment amounts (IRMAA) affect roughly 7% of people nationally with Medicare. The 2025 Part B total premiums for high income beneficiaries are shown in the following table.

2023 File Individual Tax Return	2023 File Joint Tax Return	2023 File Married & Separate Tax Return	2025 Monthly Premium
\$106,000 or less	\$212,000 or less	\$106,000 or less	\$185.00
Above \$106,000 to \$133,000	Above \$212,000 to \$266,000	N/A	\$259.00
Above \$133,000 to \$167,000	Above \$266,000 to \$334,000	N/A	\$370.00
Above \$167,000 to \$200,000	Above \$334,000 to \$400,000	N/A	\$480.90
Above \$200,000 and less than \$500,000	Above \$400,000 and less than \$750,000	Above \$106,000 and less than \$394,000	\$591.90
\$500,000 or above	\$750,000 and above	\$394,000 and above	\$628.90

## Impact on ACERA Retirees

ACERA retirees enrolled in Kaiser Senior Advantage have their entire insurance premium covered by the Monthly Medical Allowance (MMA) if they have 20 years of service. The majority of these retirees will not pay out of pocket for Medicare premiums in 2025. Most retirees have the 40 quarters required for fully subsidized Part A. If continued in 2025, ACERA's Medicare Part B Reimbursement Plan reimburses Part B premiums up to the standard amount, which covers the entire Part B premium for most retirees. A smaller proportion of retirees are required to pay the IRMAA.

The following table summarizes out of pocket costs to retirees based on income, using ACERA retirement income as Individual Taxable Income.

2023 File Individual Tax Return	Medicare Eligible Retirees	% of Retirees	2025 Monthly Premium	Cost to Retiree*
\$106,000 or less	7,403	85%	\$185.00	\$0.00

2023 File Individual Tax Return	Medicare Eligible Retirees	% of Retirees	2025 Monthly Premium	Cost to Retiree*
Above \$106,000 to \$133,000	601	7%	\$259.00	\$74.00
Above \$133,000 to \$167,000	369	4%	\$370.00	\$185.00
Above \$167,000 to \$200,000	150	2%	\$480.90	\$295.90
Above \$200,000 and less than \$500,000	162	2%	\$591.90	\$406.90
\$500,000 or above	0	0%	\$628.90	\$443.90

\*The cost to the retiree is the IRMAA, which is the difference between the Part B premium and ACERA's reimbursement of the standard premium amount of \$185.00 per month.

Under the Medicare Part B Reimbursement Plan, the majority of ACERA's Medicare retirees will be able to avoid paying out of pocket to cover premiums in 2025 by enrolling in Kaiser Senior Advantage if they have 20 years of service.

By comparison, ACERA's Non-Medicare retirees enrolling in Kaiser will have a single retiree premium of \$1,096.40 of which \$662.37 is covered by the MMA, resulting in an out-of-pocket cost of \$434.03 per month.

Please feel free to call or email us with any questions or concerns you may have.

Sincerely,



Richard Ward FSA, FCA, MAAA  
Senior Vice President  
West Region Market Director, Public Sector

cc: Jessica Huffman, ACERA  
Eva Hardy, ACERA  
Stephen Murphy, Segal  
Jessica Kuhlman, Segal  
Michael Szeto, Segal





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MEMORANDUM TO THE RETIREES COMMITTEE

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DATE: December 19, 2024

TO: Members of the Retirees Committee

FROM: Carlos Barrios, Assistant Chief Executive Officer 

SUBJECT: **Revision of Resolution No. 07-29, Appendix A**

In February 2007, the ACERA Board of Retirement (Board) passed Resolution No. 07-29 - 401(h) (Resolution). That Resolution set forth the legal requirements and procedural operations of the 401(h) accounts managed by ACERA. The Resolution consists of a detailed recitation of the requirements under the Internal Revenue Code that ACERA and its Participating Employers must satisfy to properly operate the 401(h) accounts.

Attached to Resolution No. 07-29 is Appendix A, which sets forth the cost and eligibility requirements for the Retiree Health Benefits (RHBs) paid to ACERA retirees through the 401(h) accounts. Those benefits include:

1. Monthly Medical Allowance
2. Medicare Part B Premium Reimbursement
3. Dental Care Contribution
4. Vision Care Contribution

Throughout the course of calendar year 2024, as is done each year, the Retirees Committee (Committee) and the Board have evaluated and approved changes to the Monthly Medical Allowance (MMA) and the contribution amounts associated with the RHBs for Plan Year 2025. The Board approved increasing the MMA for Group Plans and Individual Plans through the Health Exchange for early (non-Medicare) retirees living outside the HMO service area from its 2024 maximum amount of \$635.37 to \$662.37. The Board also approved increasing the MMA for Individual Plans through the Medicare Exchange from its 2024 maximum amount of \$486.74 to \$507.43. The pro-rated MMA distributions were also increased accordingly. The Board approved setting the cost of the Delta Dental Care DPO plan at \$51.05 (the same amount as 2024), and the cost of the Delta Dental DMO plan at \$22.18 (the same amount as 2024). The Board approved a \$4.63 premium (the same amount as 2024) for the Vision Service Plan. Lastly, we anticipate the Board will approve the Medicare Part B Reimbursement Plan (MBRP) benefit of \$185.00 (the lowest standard monthly Medicare Part B premium rate) for 2025 (an increase in the premium rate) at the December 19, 2024 Board meeting.

Accordingly, in order for Resolution No. 07-29 to remain current for the upcoming 2025 Plan Year, Appendix A must be amended to reflect the decision regarding the MMA, Medicare Part B premium reimbursement, and dental and vision premium amounts as adopted by the Board for 2025. Staff has revised Appendix A and requests that the Board adopt the suggested changes.

Revision of Resolution No. 07-29, Appendix A

December 19, 2024

Page 2 of 2

Attached to this memorandum for your review is a revised version of Resolution 07-29, Appendix A, that reflects the changes described above to the MMA and RHB premiums for Plan Year 2025.

Annually, Staff will request that the Committee and the Board approve modification of Appendix A so that the 401(h) Resolution accurately reflects the eligibility requirements and contributions for the upcoming Plan Year.

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement (Board) to adopt the revised and updated Appendix A to Resolution No. 07-29, which reflects the changes approved by the Board to the Monthly Medical Allowance amounts for Group and Individual Plans as well as the Retiree Health Benefit contribution amounts for Plan Year 2025.

Attachment

ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
 RESOLUTION # 07-29  
 401(h) ACCOUNT  
 APPENDIX A - AMOUNT OF BENEFITS FROM 401(h) ACCOUNT  
 FOR PLAN YEAR 2025

1. Monthly Medical Allowance

- Group Plans

The Monthly Medical Allowance ("MMA") is a subsidy amount covering all or a portion of the eligible retiree's health plan premiums when enrolled in an ACERA-sponsored health plan. Premium costs for an enrolled surviving spouse and dependents are not paid by ACERA and are deducted from the retiree's monthly retirement allowance. Premium costs that exceed the MMA are paid by the retiree and are deducted from the retiree's monthly retirement allowance. If premium costs for any retiree are less than the maximum MMA, no additional cash or other benefit shall be paid to the retiree.

- Individual Plans – Early (non-Medicare) Retirees Living Outside the HMO Service Area

The MMA is provided as a reimbursement for premiums, co-pays and deductibles for Individual Plans for retirees enrolled in a plan through the Health Exchange. The reimbursement amount will not exceed the total annual MMA amount.

- Individual Plans – Medicare Eligible Retirees

The MMA is provided as a reimbursement for premiums, co-pays and deductibles for Individual Plans for retirees enrolled in a Medicare plan through the Medicare Exchange. The reimbursement amount will not exceed the total annual MMA amount.

For the health Plan Year beginning February 1, 2025 for Group Plans and January 1, 2025 for Individual Plans and for all later years (unless and until amended by the Board of Retirement), the maximum MMA for Group Plans and Individual Plans provided through the Health Exchange for early (non-Medicare) retirees living outside the HMO service area is \$662.37 per month. The maximum MMA for Individual Plans for Medicare eligible retirees provided through the Medicare Exchange is \$507.43 per month. The MMA amounts that are paid to retirees based on years of service are set out below:

YEARS OF SERVICE	AMOUNT OF MONTHLY MEDICAL ALLOWANCE BENEFIT		
	<i>Group Plans</i>	<i>Individual Plans – Out-of-Service Area Early Retirees</i>	<i>Individual Plans – Medicare Eligible Retirees</i>
20 or more years or retired on service connected disability	\$662.37	\$662.37	\$507.43
15 through 19	\$496.78	\$496.78	\$380.57
10 through 14	\$331.19	\$331.19	\$253.72
Under 10	\$0	\$0	\$0

As a result of the Affordable Care Act, in 2014 ACERA's plans are required to be "retiree only plans" in order to provide reimbursement through a Health Reimbursement Account (HRA). In order to comply with this federal law, retirees who return to work for an ACERA Participating Employer for any amount of time on or after January 1, 2014, will not be eligible for medical plan and prescription drug plan reimbursements through a HRA during the time period they are working. This is because retirees who return to work (including retired annuitants) are considered "active employees" as defined by the Affordable Care Act, and therefore cause ACERA's plans to not meet the "retiree only" plan qualifications for benefits.

## 2. Medicare Part B Premium

The Medicare Part B premium that will be reimbursed for the calendar year beginning on January 1, 2025 is \$185.00 per month. ACERA shall reimburse only the lowest standard monthly Medicare Part B premium, and will not make any reimbursement of the income-related monthly adjustment amount of the Medicare Part B premium. No premium will be reimbursed to a retiree unless he or she provides proof to ACERA of enrollment in Medicare Part B. Premiums will only be reimbursed for retirees and not for spouse, dependents or survivors.

No Medicare Part D premiums will be reimbursed to retirees enrolled in Group Plans.

## 3. Dental Care

The dental care contribution is payment of the eligible retiree's Delta Dental premium when enrolled in the Delta Dental plan. Premium costs for an enrolled spouse and dependents are not paid by ACERA and are deducted from the retiree's monthly retirement allowance.

For the health Plan Year beginning February 1, 2025 and for all later years (unless and until amended by the Board), the monthly Delta Dental premiums paid by ACERA are as follows: for retirees enrolled in the Delta Dental DPO Plan, \$51.05; and for retirees enrolled in the Delta Dental DMO Plan, \$22.18.

## 4. Vision Care

The vision care contribution is payment of the eligible retiree's Vision Service Plan (VSP) premium when enrolled in the VSP plan. Premium costs for an enrolled spouse and dependents are not paid by ACERA and are deducted from the retiree's monthly retirement allowance.

For the health Plan Year beginning February 1, 2025 and for all later years (unless and until amended by the Board), the monthly VSP premium paid by ACERA is \$4.63.

## 5. Spouse, Dependents and Surviving Beneficiaries

ACERA shall not provide payment for any health or medical or other retiree health benefits to any spouse, dependent, or surviving beneficiary of a retired member. However, to the extent available from the applicable health plan or carrier, ACERA will allow the retired member to purchase for his or her spouse and dependents the same coverage as the member has through ACERA by paying the full premium cost of such coverage. A surviving beneficiary may purchase coverage available from the applicable health plan or carrier by paying the full premium cost of such coverage.



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MEMORANDUM TO THE RETIREES COMMITTEE

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DATE: December 19, 2024

TO: Members of the Retirees Committee

FROM: Carlos Barrios, Assistant Chief Executive Officer 

SUBJECT: **Amend Supplemental Retiree Benefit Reserve Policy to Align with Individual Medical Plans Practices**

Staff recommends revising the Supplemental Retiree Benefit Reserve (SRBR) Policy to align the language with the eligible reimbursements of medical costs through the Health Reimbursement Arrangement (HRA) that were established at the inception of the Individual Medical Plans and that continue to be in place today. The revisions to the Policy do not change the medical reimbursements currently available to retirees and only serve to align the Policy language with our current practice.

The recommended revisions would update the language in the Policy to include reimbursement of medical costs that qualify under section 213(d) of the Internal Revenue Code. This allows reimbursements for the cost of hearing aids, prescription drugs, and medical expenses incurred outside of the country in addition to reimbursements for premiums, copays and deductibles.

Although dental and vision benefits and reimbursements for the standard Medicare Part B premium qualify under section 213(d) of the Internal Revenue Code, ACERA pays for these separately and, therefore, these would continue to be excluded from reimbursement through the HRA.

Following this memorandum is a redline showing the recommended changes.

Recommendation

Staff recommends that the Retirees Committee recommend to the Board of Retirement that it adopt the Supplemental Retiree Benefit Reserve Policy with Staff's recommended revisions, which are shown in the redline included in the agenda backup.

Attachment:  
Supplemental Retiree Benefit Reserve Policy



# *Supplemental Retiree Benefit Reserve (SRBR) Policy*

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## I. Purpose

The purpose of this policy is to set forth the Alameda County Employees' Retirement Association (ACERA) Board of Retirement's (the Board) overall strategy regarding management of the Supplemental Retiree Benefit Reserve (SRBR). The SRBR is a reserve established pursuant to Article 5.5 of the County Employees Retirement Law of 1937 (CERL). The CERL allows the sequential distributions of retirement earnings to employers, employees and retired members.

The Board has the sole and exclusive authority and discretion to distribute funds in the SRBR to provide benefits. The distribution of these funds shall be determined solely by the Board and shall be used only for the benefit of retired members and their beneficiaries.

All benefits funded by the SRBR are non-vested. They are individually reviewed annually for appropriateness, eligibility, and to ensure they can be adequately funded. Only the Retired Member Death Benefit is considered vested, per Government Code Section 31789.12, as long as there are funds available in the SRBR.

Through specific programs such as medical, dental and vision insurance, Medicare Part B reimbursement, supplemental cost-of-living adjustments and

death benefits, the Board may provide benefits to eligible retired members and their beneficiaries.

In designing and administering these programs, the Board may provide adequate funding, maximize the tax-efficiency of benefits to recipients in accordance with 401(h) regulations, provide participants' access to medical care, and minimize the impact of inflation on retirement allowances over time.

## II. Program Objectives

- A. Through the achievement of long term investment goals, provide for the long-term consistent payment and adequate funding of all SRBR benefits.
- B. Annually assess, review, analyze and determine the ability to provide each benefit, at the discretion of the Board. Generally, benefits are subject to modification or elimination by the Board at any time with adequate notice. Should Objective A. not be met and the SRBR ever be depleted, benefits will cease.
- C. Determine eligibility for benefits, and make benefits available to eligible retired members. This does not mean that benefits will be distributed on a "per capita" basis, but simply that access to SRBR benefits will not be denied on the basis of protected status (e.g., race, sex, etc.) or place of residence.
- D. Determine and administer payments made on behalf of eligible retired members to ACERA medical insurance coverage programs on a basis that is proportional to service with ACERA. The maximum contribution will be paid to those retired members with 20 years or more of qualified ACERA service credit, and members awarded a service connected disability retirement.

- E. Structure dental and vision programs to minimize adverse selection through the mandatory enrollment of all eligible retired members.
- F. Structure supplemental cost-of-living programs so as to benefit those members who have suffered the greatest erosion of their purchasing power, in a manner that sustains the ability to do so projected into the future.
- G. Administer the SRBR program in accordance with the provisions of the applicable laws. Net earnings, account crediting, benefit costing and funding adequacy are to be determined according to law and using the same assumptions utilized by the Board for account administration and actuarial purposes or assumptions consistent with those activities.

### III. Supplemental Cost-of-Living

ACERA provides two different cost-of-living (COLA) allowances: 1) the Basic COLA, which is based on statute and is paid from the pension fund; and 2) the Supplemental COLA, which is paid for from the SRBR. Any changes made to the Basic COLA, which require no further approval, shall be effective April 1 and payable with the warrant issued at the end of April.

In addition to the statutory Basic COLA, ACERA may pay a Supplemental COLA, which provides a supplemental monthly payment designed to preserve 85% of the purchasing power of ACERA retired members and beneficiaries as calculated by the actuary pursuant to the methodology described in Government Code Section 31870.

The Board shall review the ACERA COLA program each year and shall normally make any adjustments or recommendations at its February meeting.



#### IV. Implicit Subsidy

The Board believes that the ability of retired members to continue to participate in the County of Alameda (County)-sponsored medical benefit plans following retirement is a critical factor in maintaining a reasonable post-retirement quality of life.

The Board recognizes that continued retired member participation increases the cost to the plan sponsors and members. In times of fiscal difficulty, this additional cost may create pressures which may impact the participation of retired members in County-sponsored medical insurance plans.

The Board finds that the use of SRBR funds to support the ability of retired members to participate in the County-sponsored medical insurance plans is an appropriate use of the reserve benefiting retired members, dependents, and beneficiaries.

#### V. Current Benefit Guidelines

In allocating the funds available through the SRBR, the Board will be guided by the following program guidelines:

##### A. Medical Insurance Benefits

- i. The Board shall review the ACERA retired member medical insurance program each year and shall, at the appropriate meeting, make any adjustments. Any change in medical insurance contribution amounts, out-of-area reimbursement amounts or Medicare Part B premium reimbursement amounts will be effective with the warrants issued at the end of the next January.

2. To the extent possible, all medical insurance benefits will be paid through a 401(h) account exchange with participating employers in order to minimize the tax consequences for ACERA members.
- B. Any Board changes to the current ACERA SRBR benefit levels will take into consideration the advice of ACERA's actuary, legal counsel, tax counsel, active and retired employees and their representatives, employers and/or consultants as may be advisable.
- C. The Board retains the authority to add or delete programs or modify this Policy or these guidelines at any time, following public notice.

#### VI. Long Term Goal Funding Policy

It is the intent of the Board to closely monitor the expenditures and contributions to the SRBR.

The Board will monitor the long-term funding implications of all of the existing programs, which provide benefits outlined in this Policy and any others that may be appropriate.

In managing the relationship between assets and liabilities, the Board shall manage approved SRBR benefits with a goal towards meeting the projected liabilities of the fund over a 15-year period, as determined by the actuary. If it is reported that current SRBR programs, which provide benefits, will not sustain for 15 years, benefit adjustments may be made based on the amount of funds needed in order to attain a prolonged lifespan of the fund without causing undue harm to beneficiaries.

## VII. Priority of Funding

In the event the Board, in its opinion, determines that the assets available in the SRBR are, at any point, insufficient to fund the projected liabilities of all of the benefits approved by the Board, then available SRBR assets shall be used to fund benefits in accordance with the following priorities:

### A. Category I

First priority for funding shall be given to the following Category I benefits:

1. Retired Member Death Benefit
2. ACERA Monthly Medical Allowance
3. Supplemental Cost-of-Living Benefit
4. Medicare Part B Premium Reimbursement
5. Employer Reimbursement for Implicit Subsidy

If it becomes necessary to prioritize or allocate funds among Category I or Category II benefits, the Board shall make that determination when required.

### B. Category II

Category II benefits shall be funded only when the Board, in its opinion, believes that adequate assets are available to fund the projected liabilities of all Category I benefits and additional assets remain to fund some or all of the following Category II benefits:

1. Dental Care Coverage Contribution
2. Vision Care Coverage Contribution

If it becomes necessary to prioritize or allocate funds among Category I or Category II benefits, the Board shall make that determination when required.

#### VIII. Policy Review

The Retirees Committee shall review the SRBR Policy at least every two years to ensure it remains relevant, accurate and appropriate.

## Current Benefits

The following benefits have been approved by the Board provided that sufficient funds are available. This is a general description of the benefit elements including eligibility requirements for each benefit. If there is any conflict with the CERL or formal Board actions, the CERL or those actions prevail.

### Category I

#### RETIRED MEMBER DEATH BENEFIT

**Eligibility:** Beneficiaries of ACERA retired members. There is no minimum ACERA service credit requirement for this benefit.

**Benefit Amount:** A one-time payment of \$1,000 will be paid upon the death of an ACERA retired member, if that member retired from ACERA as their last employer. If a reciprocal agency was the last employer and that agency pays less than a \$1,000 death benefit, ACERA will supplement that benefit at a level which ensures the reciprocal retired member will receive a \$1,000 death benefit when considering the amount of death benefit paid by all reciprocal retirement systems combined.

**Effective Date:** January 1, 2013<sup>1</sup>

#### MONTHLY MEDICAL ALLOWANCE

**Eligibility:** Retired members with 10 or more years of ACERA service credit or members retired based on service connected disability benefits. See chart on page 9 for years of service structure.

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<sup>1</sup>The Board adopted Government Code Section 31789.12 in 1992

**Benefit Amount: GROUP PLANS**

A Monthly Medical Allowance (MMA) is paid towards a retired member's medical plan premium when enrolled in an ACERA-sponsored group medical plan. The MMA is based on an amount determined by the Board. The maximum MMA amount is limited to the single-party premium or one hundred percent (100%) of the MMA amount, whichever is lower, for a retired member with 20 or more years of ACERA service credit or a retired member receiving service connected disability benefits. The amount is prorated for retired members with less than 20 years of ACERA service credit. Plan premium costs that exceed the contribution are deducted from the retired member's monthly retirement allowance. Premium costs for enrolled dependents are deducted from the retired member's monthly allowance.

**INDIVIDUAL PLANS FOR EARLY (NON-MEDICARE) RETIREES LIVING OUTSIDE THE HMO SERVICE AREA (Effective January 1, 2016)**

A Monthly Medical Allowance (MMA) is provided to eligible retired members as reimbursement for medical plan costs when they are enrolled in an Individual Plan through the Health Exchange and for medical costs that qualify under section 213(d) of the Internal Revenue Code. The reimbursement is paid to the eligible retired member by the Exchange through a Health Reimbursement Account (HRA). The MMA is set as a monthly amount based on years of ACERA service credit. Reimbursements may be made for premiums, co-pays, ~~and~~ deductibles, and medical expenses that qualify under section 213(d) of the Internal Revenue Code.

In order to be eligible to receive this category of MMA, the retiree must live outside the ACERA-sponsored medical plan HMO service areas.

Retired members enrolled in the Health Exchange, who return to work for a participating employer, lose eligibility for reimbursements during the period of employment based on Federal regulations.

### **INDIVIDUAL PLANS FOR MEDICARE ELIGIBLE RETIREES**

A Monthly Medical Allowance (MMA) is provided to eligible retired members as reimbursement for medical plan costs when they are enrolled in an Individual Plan through the Medicare Exchange and for medical costs that qualify under section 213(d) of the Internal Revenue Code. The reimbursement is paid to the eligible retired member by the Exchange through a Health Reimbursement Account (HRA). The MMA is set as a monthly amount based on years of ACERA service credit. Reimbursements may be made for premiums, co-pays, ~~and~~ deductibles, and medical expenses that qualify under section 213(d) of the Internal Revenue Code.

Retired members enrolled in the Medicare Exchange, who return to work for a participating employer, lose eligibility for reimbursements during the period of employment based on Federal regulations.

### **YEARS OF ACERA SERVICE CREDIT STRUCTURE FOR MMA**

The chart below demonstrates the percentage of MMA provided to eligible retired members in group plans and individual plans. Service connected disability recipients are eligible for the 20 + years of ACERA service credit contribution level.

<b>YEARS OF ACERA SERVICE CREDIT</b>	<b>CONTRIBUTION PERCENTAGE UP TO</b>
20 +	100%
15 through 19	75%
10 through 14	50%
Under 10	0%

SUPPLEMENTAL COST-OF-LIVING BENEFIT

**Eligibility:** Retired members of ACERA or their surviving beneficiaries who are receiving an ACERA allowance, and whose purchasing power, as measured by the Consumer Price Index (CPI), has eroded by 15% or more as defined by the CERL. There is no minimum ACERA service credit requirement for this benefit.

**Benefit Amount:** As determined by the above formula.

**Effective Date:** April 1, 1999 for 1999 COLA Year  
(To be paid with the warrant issued at the end of April)

MEDICARE PART B PREMIUM REIMBURSEMENT

**Eligibility:** Retired members with 10 years or more of ACERA service credit or members retired based on service connected disability who are enrolled in Medicare Part B.

**Benefit Amount:** Lowest Standard Medicare Part B premium amount

**Effective Date:** January 1, 1999  
(Requires proof of Medicare Part B enrollment to be provided to ACERA)



## EMPLOYER REIMBURSEMENT FOR IMPLICIT SUBSIDY

- Eligibility:** Any ACERA employer providing medical benefits coverage to ACERA retired members or beneficiaries through County-sponsored active employee medical benefit plans.
- Benefit Amount:** To be determined each year by the Board based on the cost of retired member participation and the availability of funding.
- Effective Date:** April 21, 2005
- Funding Policy:** In March of each year, ACERA staff shall independently verify the cost associated with retired member participation. The Board shall review the program in May and determine the amount, if any, of employer reimbursement based on the funding available and the overall SRBR program goals. Any reimbursement established by the Board shall be implemented as a credit against employer retirement contributions due ACERA.

## Category II

### DENTAL CARE COVERAGE CONTRIBUTION

- Eligibility:** Retired members of ACERA who are receiving ACERA allowances with ten or more years of ACERA service credit, members retired based on service connected disability, or members retired based on non-service connected disability with effective retirement dates on or before January 31, 2014.
- Benefit Amount:** Retired member-only Dental plan premium in accordance with the established 401(h) account mechanism.
- Effective Date:** February 1, 2014

VISION CARE COVERAGE CONTRIBUTION

- Eligibility:** Retired members of ACERA who are receiving ACERA allowances with ten or more years of ACERA service credit, members retired based on service connected disability, or members retired based on non-service connected disability with effective retirement dates on or before January 31, 2014.
- Benefit Amount:** Retired member-only Vision plan premium in accordance with the established 401(h) account mechanism.
- Effective Date:** February 1, 2014

### Closed Benefit Plans

The following benefit plans are closed to new recipients.

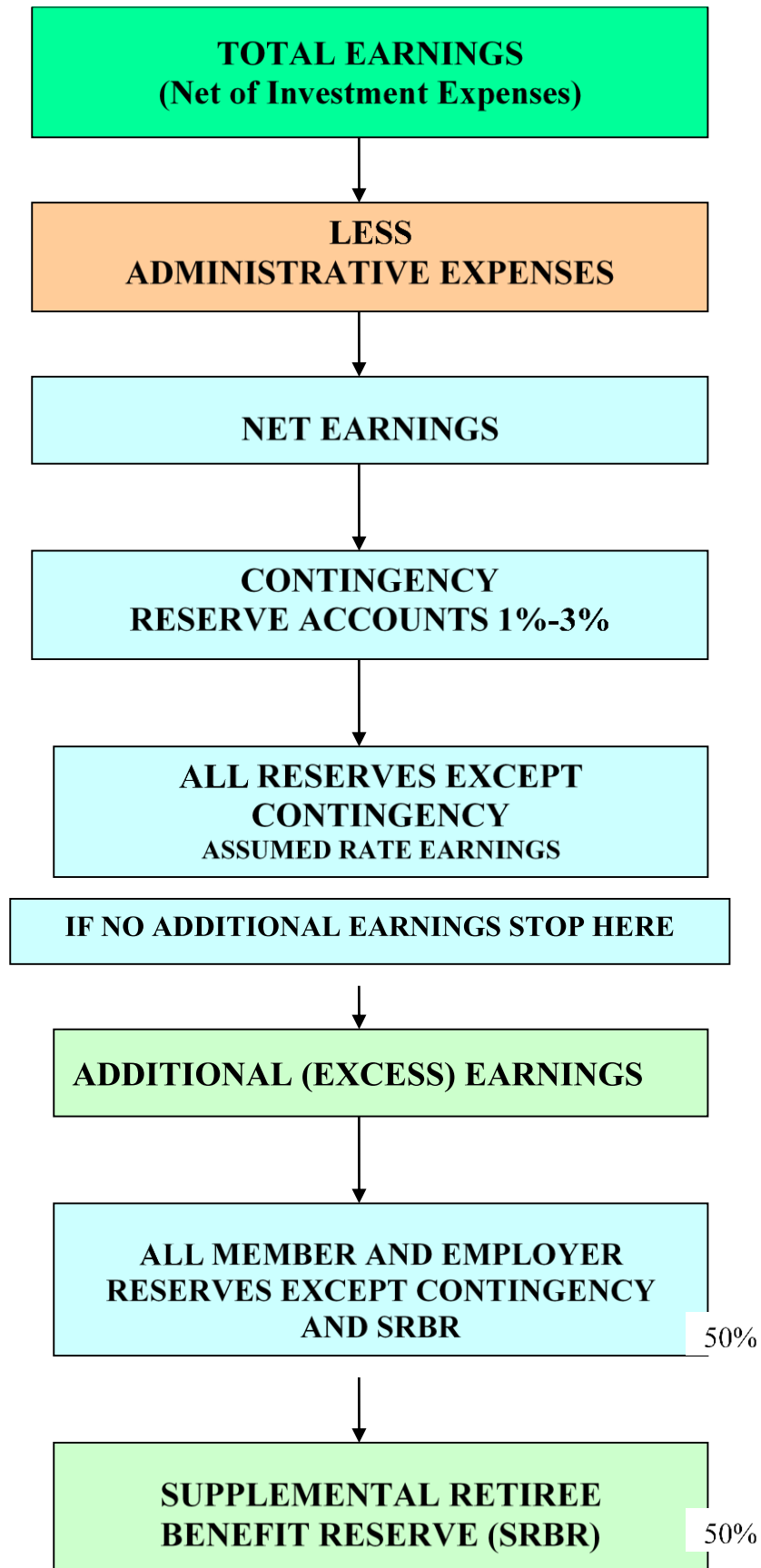
- Emergency Subsidy – July 1, 1997 to March 1, 2001
- Health Equity Location Plan (HELP) – July 1, 1997 to March 1, 2001
- Retired Member Death Benefit – August 20, 1998 to December 31, 2012; benefit amount of \$5,000.
- Active Death Equity Benefit (ADEB) – July 1, 1999 to December 31, 2012
- Dental Care Coverage Contribution – February 1, 1999 to January 31, 2013 for retired members with less than ten years of ACERA service credit, unless a member retired based on service connected disability, or a member retired based on non-service connected disability with an effective retirement date on or before January 31, 2014.
- Vision Care Coverage Contribution – February 1, 1999 to January 31, 2013 for retired members with less than ten years of ACERA service credit, unless a member retired based on service connected disability, or a member retired based on non-service connected disability with an effective retirement date on or before January 31, 2014.

## IX. Policy History

- A. The Board reviewed and affirmed this policy, without revisions, on ~~October~~December 19, 2023<sup>4</sup>

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<sup>4</sup> Previous amendment dates all with revisions: September 16, 2010; May 19, 2011; September 20, 2012; February 21, 2013; September 19, 2013; April 17, 2014; September 17, 2015; May 25, 2017; and October 21, 2021, and affirmed without revisions October 17, 2019, and October 19, 2023.





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MEMORANDUM TO THE RETIREES COMMITTEE

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DATE: December 19, 2024

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Retirement Benefits Manager 

SUBJECT: **Retired Member Lump Sum Death Benefits Paid in 2024**

In July 1992, the Board of Retirement adopted Government Code Section 31789.12 to provide a one-time Retired Member (lump sum) Death Benefit payment of \$1,000 to beneficiaries of retirees. For reciprocal members who did not render their last active service with an ACERA employer before retiring, ACERA will consider the death benefit payable by the reciprocal agency. If that agency pays less than \$1,000, ACERA will supplement that amount up to \$1,000. This is considered a vested benefit, per Government Code Section 31789.12, as long as there are funds available in the Supplemental Retiree Benefit Reserve (SRBR). This Code Section states:

*Notwithstanding Section 31789.1, the board may increase the sum payable pursuant to Section 31789.1 to one thousand dollars (\$1,000).*

*Upon adoption by any county providing benefits pursuant to this section, of Article 5.5 (commencing with Section 31610) of this chapter, the board of retirement shall, instead, pay those benefits from the Supplemental Retiree Benefits Reserve established pursuant to Section 31618.*

Over the twelve-month period December 1, 2023 through November 30, 2024, there were 285 retired member deaths with a total of 258 retired member lump sum death benefits paid. Out of this total, there were 12 retirees with reciprocity who did not render their last active service with an ACERA employer before retiring. The total amount of retired member lump sum death benefits paid from the SRBR was \$220,297.37. This total considers that for multiple beneficiary elections, ACERA will pay a pro-rated portion of the \$1,000 lump sum death benefit to each beneficiary based on the designated benefit percentages. The reciprocal agencies paid a total of \$27,500 for the 12 retirees with reciprocity. The attached tables show the breakdown of the total number of death benefits paid and the amounts paid by month for this reporting period as well as a five-year comparison of death benefits paid in previous years.

Attachment

**Total Death Benefits Paid  
for Period December 1, 2023 through November 30, 2024**

<b>MONTH</b>	<b>TOTAL LUMP SUM BENEFITS PAID</b>	<b>TOTAL LUMP SUM BENEFITS PAID WITH RECIPROCIDTY</b>	<b>ACERA PAID DEATH BENEFIT</b>	<b>RECIPROCAL AGENCY PAID DEATH BENEFIT</b>
December - 2023	12	-	\$10,625.75	\$0.00
January - 2024	23	-	\$18,330.00	\$0.00
February - 2024	20	2	\$16,083.33	\$2,000.00
March - 2024	27	3	\$24,291.66	\$5,500.00
April - 2024	29	-	\$25,299.99	\$0.00
May - 2024	25	3	\$19,666.66	\$7,000.00
June - 2024	18	2	\$17,166.66	\$7,000.00
July - 2024	33	-	\$29,500.00	\$0.00
August - 2024	17	1	\$13,500.00	\$5,000.00
September - 2024	14	1	\$11,699.99	\$1,000.00
October - 2024	25	-	\$20,233.13	\$0.00
November - 2024	15	-	\$13,900.20	\$0.00
<b>GRAND TOTAL</b>	<b>258</b>	<b>12</b>	<b>\$220,297.37</b>	<b>\$27,500.00</b>

**Five-Year Comparison - Total Death Benefits Paid**

<b>YEAR</b>	<b>TOTAL LUMP SUM BENEFITS PAID</b>	<b>TOTAL LUMP SUM BENEFITS PAID WITH RECIPROCIDTY</b>	<b>ACERA PAID DEATH BENEFIT</b>	<b>RECIPROCAL AGENCY PAID DEATH BENEFIT</b>	<b>TOTAL RETIREE DEATHS</b>
2020 - Dec 2019 to Nov 2020	213	2	\$187,311.30	\$7,000.00	347
2021 - Dec 2020 to Nov 2021	207	12	\$201,990.33	\$44,000.00	386
2022 - Dec 2021 to Nov 2022	230	7	\$186,038.33	\$25,000.00	312
2023 - Dec 2022 to Nov 2023	216	10	\$180,100.25	\$18,400.00	303
2024 - Dec 2023 to Nov 2024	258	12	\$220,297.37	\$27,500.00	285



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MEMORANDUM TO THE RETIREES COMMITTEE

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DATE: December 19, 2024

TO: Members of the Retirees Committee

FROM: Jessica Huffman, Retirement Benefits Manager *JH*  
Mike Fara, Communications Manager *MF*

SUBJECT: **Hybrid Retiree Health and Wellness Fair Results and Open Enrollment Activity**

The annual Retiree Health and Wellness Fair was held on October 24, 2024, as a hybrid event allowing members to go online or in person to attend.

We are proud to announce another successful event this year for members to learn and have their questions answered via our first hybrid event. Attendees enjoyed presentations from ACERA, Kaiser, and Delta Dental, as well as a Qigong presentation from Wudang West. During the hybrid event, on-line viewers submitted 101 questions and received their answers in real time during the presentations. The presentations were recorded and are available for on-demand viewing on our website. All informational flyers and links will also continue to be displayed and accessible. Carriers and vendors in the presentations at their exhibit tables provided information about plan enhancements, wellness programs, support services, and discount programs.

Two hundred members attended the hybrid event virtually, and 193 attended in person, for a total of 393 attendees. The virtual event had a maximum of 167 concurrent viewers for the live stream presentations. The health fair webpage will be available through the end of open enrollment and beyond.

A short presentation on the health fair survey results is attached.

A report on open enrollment forms received, and status of processing will be provided at the February Retirees Committee meeting.

Attachment

# 2024 Health Fair Survey Results

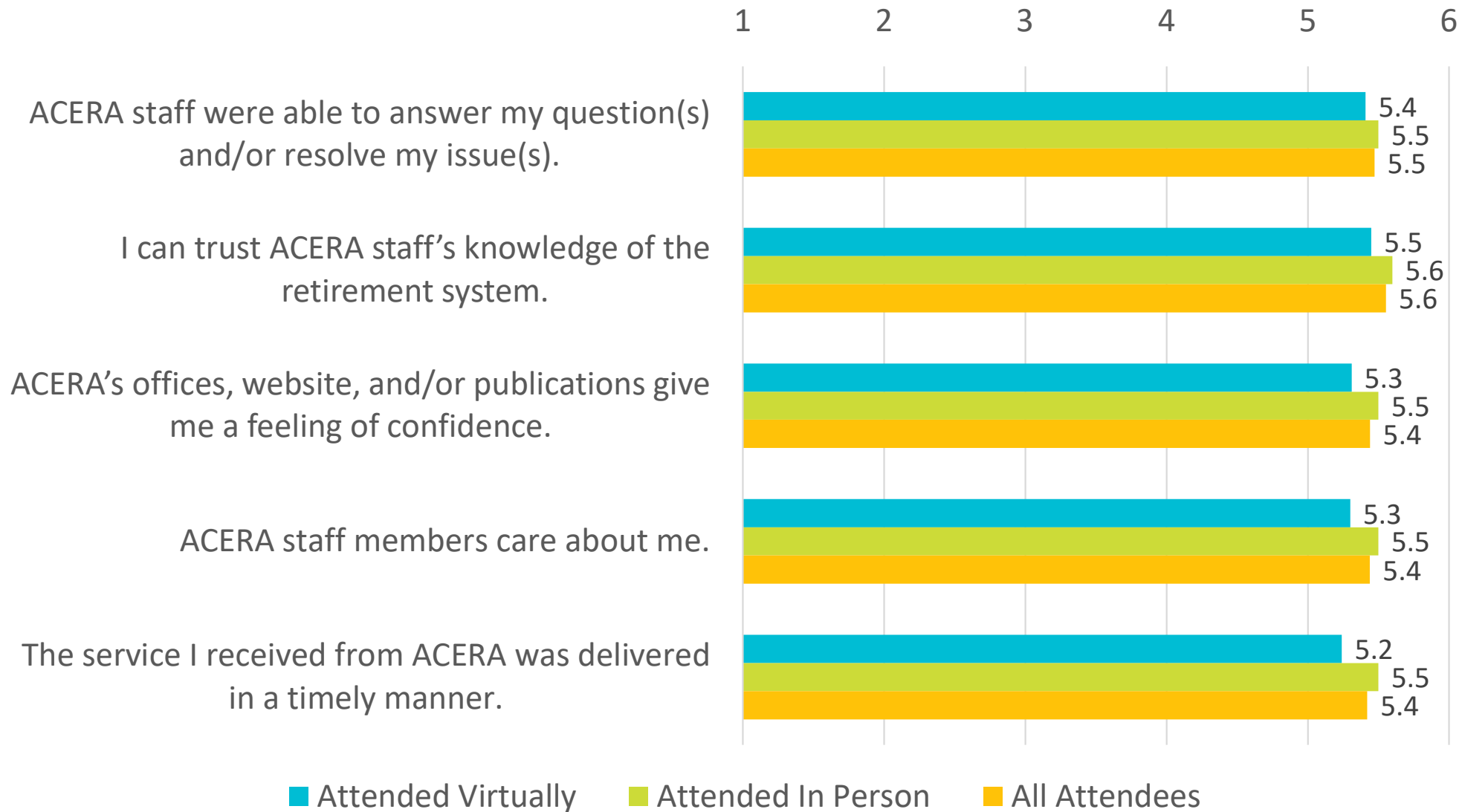




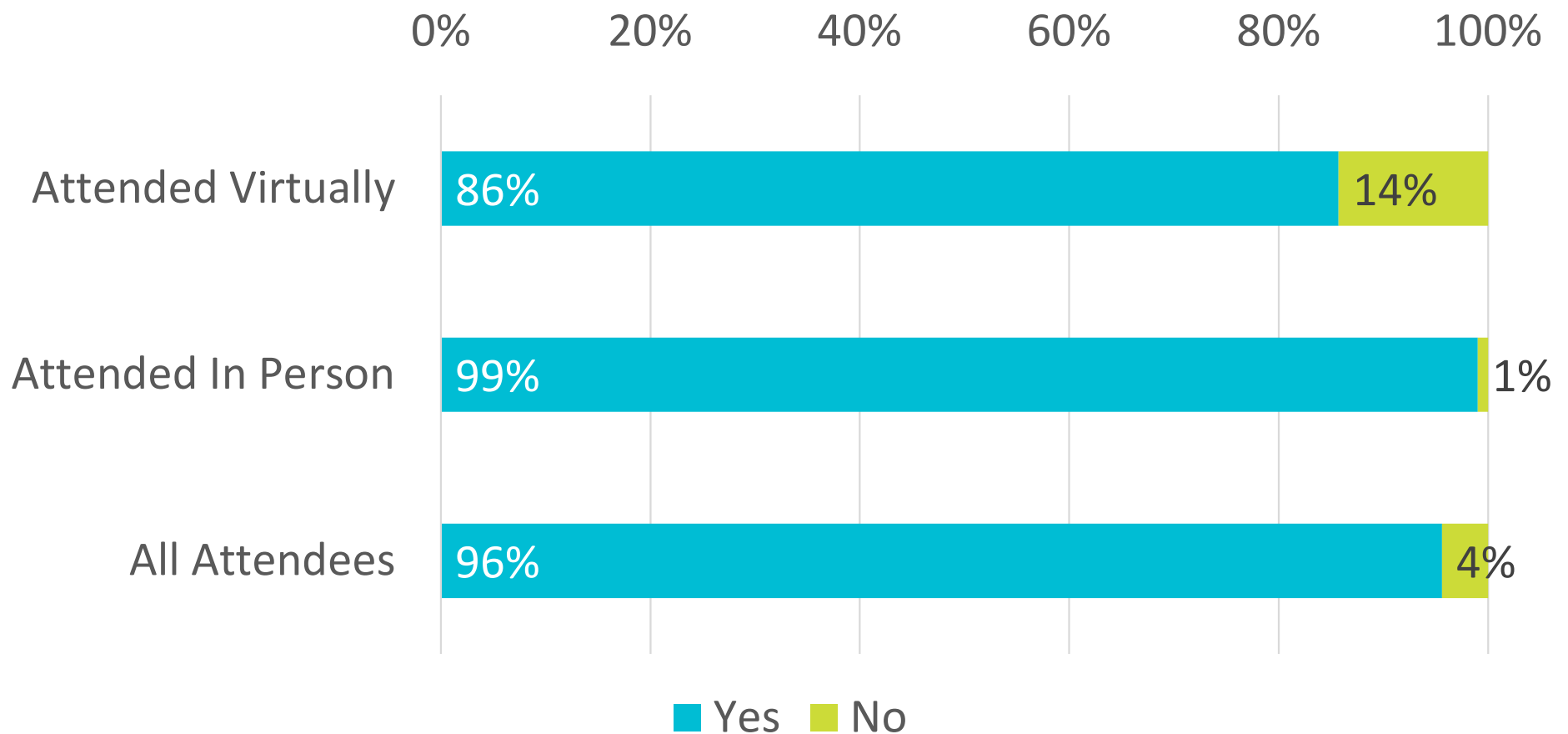
# Attendees and Survey Responses

	<b>Attendees</b>	<b>Survey Responses</b>	<b>Response Rate</b>
Virtual	200	55	28%
In-Person	193	132	68%
All	393	187	48%

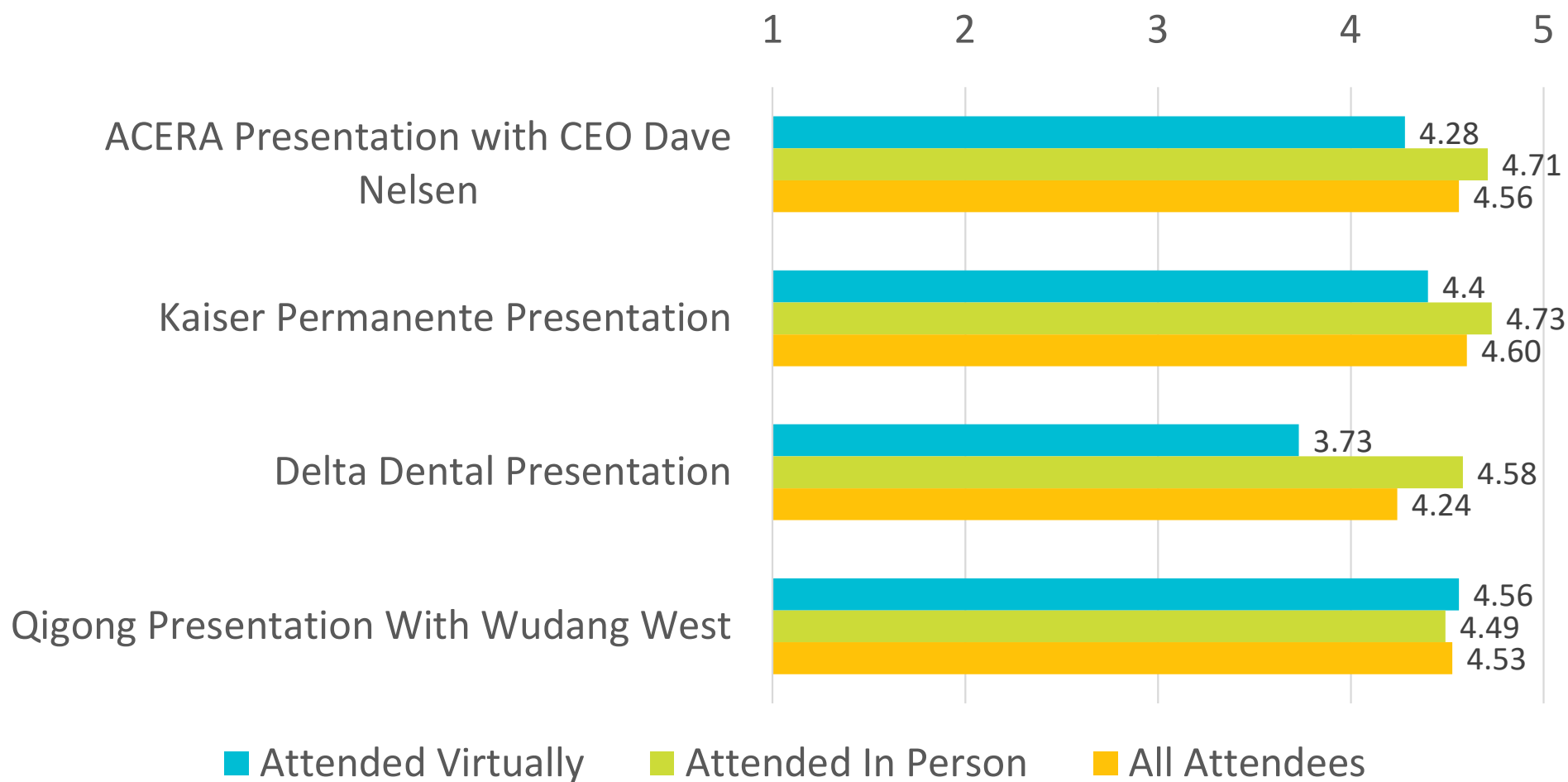
# Rate Your Recent Interactions With ACERA (6-Point Scale)



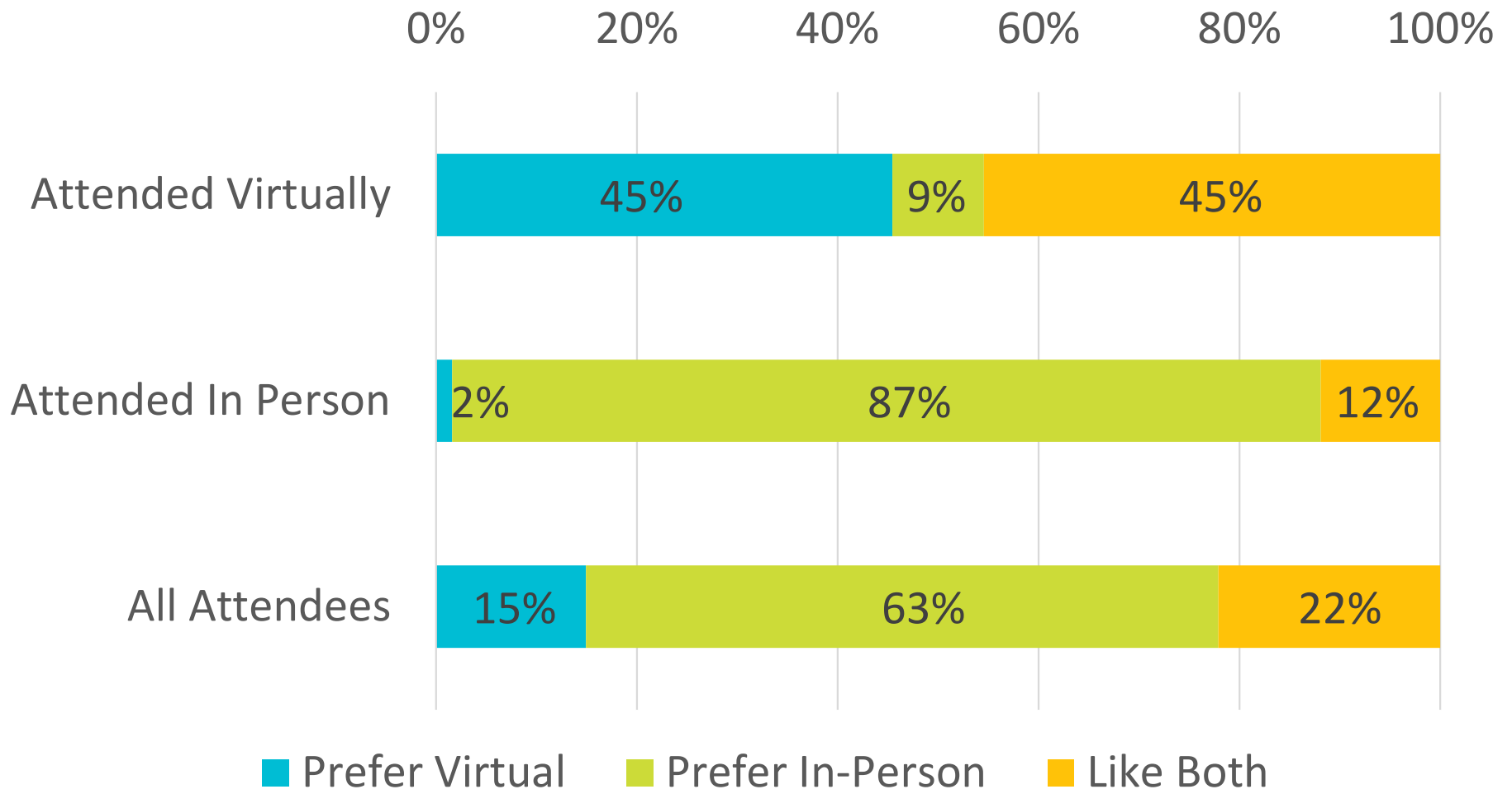
# Key Performance Indicator (KPI): ACERA Met or Exceeded My Expectations for My Customer Service Experience



# Rate Each Part of the 2024 Hybrid Health Fair (1-5 Scale)



# Preference for Type of Event



# Questions?