



October 1, 2014

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

**Subject: Summary of the October 1, 2014 Retirees Committee Meeting**

Committee Chair Liz Koppenhaver called the October 1, 2014 meeting to order at 10:30 a.m. Committee members present were Liz Koppenhaver, Dale Amaral, Keith Carson, George Dewey, and Elizabeth Rogers. Also present were Annette Cain-Darnes and George Wood, and alternate members David Safer and Darryl Walker. Staff present were Kathy Foster, Assistant Chief Executive Officer; Betty Tse, Chief Investment Officer; Margo Allen, Fiscal Services Officer; Marguerite Malloy, Associate Counsel; Rose Kwong, Benefits Manager; Latrena Walker, Projects and Information Services Manager; and Harsh Jadhav, Internal Audit Manager.

### **ACTION ITEMS**

There were no action items for discussion.

### **INFORMATION ITEMS**

#### **1. Supplemental Retiree Benefit Reserve (SRBR) Financial Status**

Margo Allen, Fiscal Services Officer, presented a history of the Supplemental Retiree Benefit Reserve (SRBR) activity for the 10 ½ year period ending June 30, 2014. The ending balance of the SRBR as of June 30, 2014 was approximately \$739.5 million. The semi-annual interest crediting as of June 30, 2014 based on the rate of 18.6456% was completed on August 27, 2014. There was approximately \$119.9 million of interest credited and \$23.4 million deducted from the SRBR fund.

#### **2. Health Care Reform Update – 3<sup>rd</sup> Quarter**

Keenan & Associates, ACERA's Benefits Consultant, provided updates to the Affordable Care Act (ACA) related to the Cadillac Tax, Consolidated Omnibus Budget Reconciliation Act (COBRA), and the auto-enrollment mandate; and information regarding the loss of the County of Alameda's grandfathered status and Covered California.

#### **3. Status Update on Retirements Due to AB 197 Implementation**

Rose Kwong, Benefits Manager, provided a status report on the work completed and amounts spent on overtime and temporary employees as of September 27, 2014, due to the implementation of AB 197. One final report will be provided at the November Committee meeting, which will include information on the majority of the work completed and costs associated with processing the 122 retirements.

#### **4. Report on Health Reimbursement Arrangement Account Balances as of June 2014**

Kathy Foster, Assistant Chief Executive Officer, reported on the unused balances of the Health Reimbursement Arrangement (HRA) Accounts from lowest to highest as of June 30, 2014. The balances are categorized by years of service (YOS) contribution levels.

#### **5. Final Report on Open Enrollment Preparation and Communications Material and Health Fair Arrangements**

Sharen Stanek-Lowe, Assistant Benefits Manager and Mike Fara, Communications Manager, provided a report and sample communication materials regarding ACERA's annual Open Enrollment for plan year 2015 and the Retiree Health Fair.

#### **6. Miscellaneous Updates**

Sharen Stanek-Lowe, Assistant Benefits Manager, provided an update on the Affordable Care Act (ACA) percentage tax assessed to ACERA's dental and vision plans, the annual Medicare Part D Certification of Coverage Notice mailing, OneExchange Balance Reminder Statement mailing, and a Kaiser data breach that impacted three ACERA members.

#### **TRUSTEE/PUBLIC INPUT**

Sharen Stanek-Lowe, Assistant Benefits Manager, announced that she will be leaving ACERA to pursue another opportunity, and that October 2, 2014 will be her last day. The Trustees and the ACRE and REAC Board presidents expressed their appreciation for all her work and wished her well.

#### **FUTURE DISCUSSION ITEMS**

- Presentation and Acceptance of Supplemental Retiree Benefit Reserve (SRBR) Funding Report/Valuation
- Adoption of Medicare Part B Reimbursement Plan Benefit for 2015

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

The next meeting is scheduled for November 5, 2014 at 10:30 a.m.

#### **MEETING ADJOURNED**

The meeting adjourned at 11:40 a.m.