



November 2, 2016

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the November 2, 2016 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the November 2, 2016 meeting to order at 11:38 a.m. Committee members present were Liz Koppenhaver, Tarrell Gamble, Dale Amaral, Annette Cain-Darnes, and George Wood. Also present were Ophelia Basgal and Elizabeth Rogers, and alternate members David Safer and Darryl Walker. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Sandra Dueñas-Cuevas, Benefits Manager; and Harsh Jadhav, Chief of Internal Audit.

ACTION ITEMS

1. Presentation and Acceptance of Supplemental Retiree Benefit Reserve (SRBR) Funding Report/Study

Segal Consulting (Segal), ACERA's Actuary, presented the annual GASB Statement No. 43 (OPEB) and non-OPEB Actuarial Valuation of the Benefits Provided by the Supplemental Retiree Benefit Reserve, Including Sufficiency of Funds, as of December 31, 2015. Based on this valuation report, the terminal year of the "Other Post-Employment Benefit" (OPEB) is projected to be 2038, with full benefits paid through 2037 for a total of 22 full years and 1 partial year. The terminal year of Non-OPEB benefits is projected to be 2035, with full benefits paid through 2034 for a total of 19 full years and 1 partial year. Segal reported that the one year increased projection for the OPEB's is mainly due to the 13.6% rate of return on the SRBR assets, which was greater than the expected return of 7.6% assumed in the December 31, 2014 valuation for 2015. This was offset somewhat by the larger amount for the Implicit Subsidy than was expected.

It was moved by Tarrell Gamble and seconded by Ophelia Basgal that the Committee recommends to the Board of Retirement that it accepts the December 31, 2015 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal Consulting.

The motion carried 7 yes (*Amaral, Basgal, Cain-Darnes, Gamble, Koppenhaver, Rogers, Wood*), 0 no, 0 abstentions.

INFORMATION ITEMS

1. Retiree Health Fair Results and Open Enrollment Activity

Staff provided a report on the results of the Retiree Health Fair, which was held at a new venue, the Oakland Yacht Club. There were a total of 335 attendees compared to 345 attendees last year. Trustees directed Staff to look into possibly charging the vendors who participate in the Retiree Health Fair. Staff has begun to receive Open Enrollment forms and are reviewing them for completeness and processing. A more detailed report on ACERA and OneExchange's plan changes will be provided at the January 2017 Committee meeting.

2. Semi-Annual Report on ACERA's Wellness Program

Keenan & Associates, ACERA's Benefits Consultant, and Staff provided a presentation on ACERA's Wellness Program, which included ACERA's Medicare eligible retirees' demographics, lifestyle risks and preventive services overview, results of lifestyle risks, high cost claims, Kaiser second quarter utilization report, Rest and Revive Sleep campaign, and ACERA's wellness efforts.

3. Miscellaneous Updates

Staff reported on three benefit issues affecting ACERA retirees. First, OneExchange plans to include recurring reimbursement forms in its open enrollment packets, and to remind retirees that they need to complete the form for the new Plan Year to have their monthly medical plan premiums automatically reimbursed. Trustees directed Staff to find out if OneExchange communicates with our retirees via email regarding this type of information. Second, Staff will ensure that OneExchange updates its system with the report listing all retirees turning age 65 in 2017, in a timely manner, to reflect the correct annual HRA maximum amounts for the new Plan Year to avoid the issues experienced last year. Last, due to OneExchange making planned improvements and hiring additional staff, there has been significant improvement in the average call times to handle calls and Benefit Advisors' response times compared to last year. Trustees directed Staff to find out the abandoned call rates.

TRUSTEE/PUBLIC/STAFF INPUT

Staff reported that the Centers for Medicare & Medicaid Services (CMS) have not released the information regarding the Medicare Part B premium for 2017. Once the premium amounts are released, this item will be placed on the November or December Board of Retirement agenda for action under New Business.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for January 4, 2017 at 10:30 a.m.

MEETING ADJOURNED

The meeting adjourned at 12:27 p.m.