



December 6, 2017

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

Subject: Summary of the December 6, 2017 Retirees Committee Meeting

Committee Chair Liz Koppenhaver called the December 6, 2017 meeting to order at 10:31 a.m. Committee members present were Liz Koppenhaver, George Wood, Annette Cain-Darnes, Tarrell Gamble, and Elizabeth Rogers. Also present were Ophelia Basgal, Dale Amaral, and alternate member Nancy Reilly. Staff present were David Nelsen, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Margo Allen, Fiscal Services Officer; Kathy Mount, Chief Counsel; and Harsh Jadhav, Chief of Internal Audit.

ACTION ITEMS

1. Affirm the Continuation of Retired Member (Lump Sum) Death Benefit for 2018

Staff provided information on the number and amount of the Retired Member (lump sum) Death Benefit payments made to eligible beneficiaries of retirees for the 12-month period December 1, 2016 through November 30, 2017, including the payments made by reciprocal agencies. This benefit is funded by the Supplemental Retiree Benefit Reserve and is a vested benefit, as long as there are funds available. The Committee was informed that a retiree had inquired about raising the amount of the lump sum death benefit. However, the Committee did not wish to raise the amount of the benefit at this time.

It was moved by Ophelia Basgal and seconded by George Wood that the Committee recommend to the Board of Retirement to affirm the continuation and payment of the Retired Member (lump sum) Death Benefit of \$1,000 for 2018.

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

2. Adoption of Medicare Part B Reimbursement Plan Benefit for 2018

Staff provided information on ACERA's Medicare Part B Reimbursement Plan (MBRP) benefit, including retirees' out-of-pocket costs, and the percentage of retirees affected at each of the designated income levels, based on the retirees' ACERA retirement allowances only. Keenan & Associates, ACERA's Benefits Consultant, also provided information regarding the 2018 Medicare Part B premiums, and agreed with Staff's recommendation to base the reimbursement at the lowest standard premium rate of \$134.00. Trustee Basgal suggested that Staff find a way to determine and track income retirees receive in addition to ACERA retirement allowances.

It was moved by Elizabeth Rogers and seconded by George Wood that the Committee recommend to the Board of Retirement to continue to provide the Medicare Part B Reimbursement Plan (MBRP) benefit to eligible retirees in 2018, and approve the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$134.00.

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

3. Adoption of Updates to Appendix A of 401(h) Account Resolutions

Staff stated that in order for Resolution No. 07-29 to remain current for the upcoming 2018 Plan Year, Appendix A was amended to reflect the Board of Retirement's (Board) decisions regarding the Monthly Medical Allowance amounts for Group and Individual plans; and medical, dental, and vision premium amounts as adopted by the Board.

It was moved by George Wood and seconded by Elizabeth Rogers that the 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 2018.

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

INFORMATION ITEMS

1. Miscellaneous Updates

Staff reported that OneExchange will announce its name change from OneExchange to Via Benefits™, and implement the name change after the 2018 open enrollment period. ACERA retirees will receive notification of the name change around the end of the first quarter 2018 at the earliest. The new name will not change the functionality of its products, the user experience, or the services it provides, and OneExchange is still committed to providing the best service and experience possible.

RECOMMENDATIONS

1. Adoption of Retired Member (Lump Sum) Death Benefit Continuation for 2018

The Committee recommends, and I move that the Board of Retirement affirm the continuation and payment of the Retired Member (Lump Sum) Death Benefit of \$1,000 for 2018. This benefit is funded by the Supplemental Retiree Benefit Reserve and is a vested benefit, as long as there are funds available.

2. Adoption of Medicare Part B Reimbursement Plan Benefit for 2018

The Committee recommends, and I move that the Board of Retirement continue to provide the Medicare Part B Reimbursement Plan (MBRP) benefit to eligible retirees in 2018, and approve the reimbursement based on the lowest standard monthly Medicare Part B premium at the rate of \$134.00. 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 Employee Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve assets as employer contributions for pensions.

3. Adoption of Updates to Appendix A of 401(h) Account Resolutions

The Committee recommends, and I move that the Board of Retirement (Board) 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 2018.

TRUSTEE REMARKS

Trustee Koppenhaver made a suggestion to consider changing the Retirees Committee meeting start time going forward from 10:30 a.m. to 10:00 a.m. to avoid having to wait until 10:30 a.m. on those occasions when the Operations Committee meetings end earlier. Trustees directed Staff to go back to this year's Operations Committee meeting minutes to see what time the meetings adjourned before making a decision on changing the Retirees Committee meeting start time.

PUBLIC INPUT

None.

FUTURE DISCUSSION ITEMS

None.

ESTABLISHMENT OF NEXT MEETING DATE

The next meeting is scheduled for January 10, 2018 at 2:00 p.m.

ADJOURNMENT

The meeting adjourned at 10:50 a.m.