

Welcome to The Retirement Connection!

Remembering Ed Overton Over four decades of service...



We lost a cherished member of San José's Retirement System family with the passing in August of Ed Overton, the former Director of Retirement Services, who served the City for over 37 years.

Ed joined the City of San José in 1969, as an accountant in the Finance department. He later joined the Human Resources department where he became the Retirements Benefits Administrator. Retirement Services became a stand-alone department in 2000. Ed served as the Director of the department until his retirement in March 2007. After retirement, Ed was elected onto the Federated City Employees' Retirement System Board of Administration serving for more than a decade as the Retiree Representative Trustee. Ed was respected as a leader and a mentor to many. He was a gentle giant, a champion and advocate for both employees and retirees of the City of San José, a friend, a tireless worker and trusted advisor. After more than 40 years of service, he will be missed.

Update: Investment results ending June 30, 2020

by Prabhu Palani, Chief Investment Officer (CIO)

Our pension boards had followed a deliberate policy of designing defensive portfolios, taking into account both the maturity of our plans as well as the relatively high valuations of the past few years in growth-oriented assets. Our portfolio construction is built around the concept of resilient growth – maintaining an immunized cash flow portfolio to meet near-term pension payments, investing in low beta strategies that offer diversification and downside protection, and a growth portfolio that produces sufficient risk-adjusted returns to meet our funding needs. This defensive stance greatly helped minimize losses during Q1 2020. While the Federated and Police & Fire pension plans lost 10.7% and 10.5% for the quarter respectively, our performance ranked in the 23rd and 20th percentile of our peers. In comparison, the MSCI ACWI (All Country World Index), an index of global stocks, had lost 22.4% for the quarter.

While our boards decided to increase growth assets at the end of Q1 2020 taking into account the increased return expectations of growth assets over the long term, the coincident market rally following unprecedented monetary and fiscal stimulus once again immensely benefitted the performance of our plans. The Federated and Police & Fire pension plans returned 11.1% and 9.6% respectively for Q2 2020, boosting FY 2019-20 returns to 3.6% (14th percentile) and 3.1% (17th percentile) respectively. For CYTD through June 30th, 2020, the plans finished in the 1st and 12th percentiles of their public pension plan peers. In July 2020, the two plans continued their strong run, returning +3.96% and +3.91% respectively.

While we have been somewhat fortuitous in how quickly our recent actions have helped boost plan returns, and while it is gratifying to note our peer-relative performance, your boards are fully aware of, and focused on, the unique circumstances surrounding our pension plans. Both boards are aware of the potential for increased volatility in coming months as a result of both the devastating effect of the pandemic on the economy as well as the uncertainty that accompanies a presidential election year. The increased allocation to growth assets has the potential to exacerbate that volatility. Your boards, investment team, and consultants constantly monitor market risks associated with the plans against the backdrop of greater return potential over the long-term, keeping in mind both the requirement of meeting our actuarial return assumptions while balancing the risks to our sponsor.

Quarterly Questions

Each year, we receive calls related to Open Enrollment, scheduled for November 1st to 30th. We thought we would address frequently asked questions in this space.

Q: Do I have to submit an open enrollment form if I'm happy with my current plan(s)?

A: No. Members only need to submit forms to change plans, add or delete dependents, or enroll in Health-in-Lieu (HIL)/Dental-in-Lieu (DIL). Backup is no longer needed to enroll in HIL or DIL.

Q: Are there new Health vendors or plans being offered this year?

A: There are no new health vendors, nor are there new plans or major changes in our Kaiser, Anthem, Dental or Vision agreements. See related article page 2, which outlines modest increases and decreases in plan rates. Details will also be posted on the ORS website prior to Nov. 1.



~Continued on page 2

Open Enrollment for Retirees and Beneficiaries is Coming Soon!

Retirees and Beneficiaries will have the opportunity to make changes to their health care plans for 2021 starting November 1 through November 30. Due to the Shelter-in-Place Order, Office of Retirement Services is closed and we will not be hosting our annual Retiree Health Fair as we have done in the past. Retirees can get answers to all Open Enrollment questions by reading the information in the open enrollment packet, visiting www.sjretirement.com, or send an email to csj_retirement@sanjoseca.gov or call ORS at 408-794-1000 or 1-800-732-6477. Please leave a voicemail message when you call the office, staff are checking voicemail regularly.

All Open Enrollment events will be virtual in 2020! The plan providers have recorded video presentations (webinars), which will be available to view on our website, www.sjretirement.com. ORS will be updating our Open Enrollment website page as we move closer to the start of open enrollment on November 1st.

The Office of Retirement Services usually provides Flu shots in conjunction with the annual health fair and it will unfortunately not be possible this year. It is just one of the many casualties of the COVID-19 pandemic. Public health officials advise it is just as important as ever that we take this basic preventive measure as the regular Flu season approaches and the threat of COVID-19 remains. Below are some ways to find a location to get your Flu shot:

- Visit your health care provider
- Visit your local pharmacy
- Go online to www.vaccinefinder.org

Open Enrollment Changes for Retirees

This year there are relatively modest rate changes and few adjustments to benefits as we enter Open Enrollment for retirees November 1st through 30th. The changes are as follows:

- Kaiser non-Medicare rates for 2021 will increase 6.28 percent.
- Kaiser Medicare plan rates will decrease 9.1 percent.
- Anthem non-Medicare plan rates will increase 8.0 percent, while its Medicare Advantage rate will decrease 5.6 percent. It will continue to be a no-cost plan for retirees.
- Anthem Advantage PPO rate will decrease 6.1 percent. This plan will for the first time also be a no-cost plan for retirees.
- There are no changes to the plans or the rates for vision insurance or dental insurance.
- We have one significant benefit modification to report that is a response to the COVID pandemic. Kaiser Sr. Advantage California plan is replacing the Silver & Fit free gym membership with a Meals and Transportation Benefit instead. This applies only to Kaiser Senior Advantage members who are in California plans.

Open Enrollment for the City of San José Employees

Open enrollment for the City of San José employees begins on Monday, October 19, and ends Friday, November 6, 2020, at 7:00 pm. Employees will have an opportunity to participate in virtual Open Enrollment events. The City of San José Benefits Fair is cancelled this year due to the COVID-19 outbreak. Instead, on Wednesday, October 21, 2020 from 11 a.m. to 2 p.m. there will be a Virtual Wellness Fair with a focus on staying healthy and well during the pandemic. Employees should stay tuned for more information from the City regarding registration for the 2020 Virtual Wellness Fair.

For up to date information for employee Open Enrollment including the 2021 health plan rates, please visit the 2021 Open Enrollment website at <https://www.sanjoseca.gov/your-government/departments-offices/human-resources/benefits/open-enrollment-2021> or email HRBenefits@sanjoseca.gov.

~ **Quarterly Questions**, continued from page 1

Q: Who do I call if I don't receive my new Insurance card?

A: Contact the insurance company. Kaiser or Anthem can provide members their plan ID over the phone and check on the status of their cards. Delta Dental and VSP does not issue cards. However, Delta Care provides cards. Vendors strive to send new ID cards as quickly as possible. You should receive your new ID cards within the first 2 weeks in January.

Q: Is there another way to confirm enrollment if our card has not arrived?

A: Both Kaiser and Anthem have member portals where you can access a virtual card, or you can also call them. There is a number for Medicare and another number for Non-medicare, be sure to call the correct number! If you (retiree/subscriber) and your spouse have split enrollments (one medicare, and one non-medicare), you must call the number for the retiree/subscribers enrollment.

Profile: ORS HEALTH TEAM

Tamillynn Imai, Health Staff Specialist



Q: How long have you worked for ORS?

A: I've been here for more than six years now. I came from an administrative background and when the position opened up with the City of San José, I leapt at the chance to work with such a wonderful organization.

Q: What is the most challenging part of the job?

A: The decreased direct contact with my co-workers during the pandemic has been the most challenging experience for me. We are such a strong team, and it has been difficult trying to continue that close connection in a virtual world. But I'm impressed with how well we have been able to continue serving members using today's technology.

Q: What is the most gratifying part of the work?

A: It's actually pretty simple: my work is most rewarding when I can help retirees better understand the benefits they've earned.

Q: Tell us about your background and how you spend non-working time.

A: I grew up here in San Jose, then went to college in Oregon. Now, I am grateful to live in Santa Cruz where I enjoy the beautiful weather and the beach as often as possible. I love to spend time with friends, attend cultural events, read, and play soccer to keep active. And yes, I like (non-alcoholic) pina coladas and getting caught in the rain!

Bessie Olano, Health Analyst

Q: What has your experience been like working for the ORS?

A: It has been a growing experience, and I'm very glad I came to work here. Obviously, learning to cope with the limitations that the pandemic has imposed on us has been the ultimate learning experience. I look forward to finding ways to serve members through the Open Enrollment period and whatever challenges we face in the years to come.

Q: What do you envision as the key strategies to help your members through Open Enrollment?

A: It's very exciting, the ways we have stepped up to the challenge. For one thing, we have planned for the Health vendors to present webinar meetings via Zoom during October and November to allow members to interact and ask questions they might have asked at the Health Fair. We are working on short tutorial videos to help streamline the process. The vendors are also hosting virtual office hours to give members an opportunity to speak privately by phone with the health care vendor.

Q: Tell us about a memorable experience, or satisfying part of the job.

A: It is very satisfying when I can work with the retiree and insurance provider to make sure the member isn't billed for services that they are entitled to. I love being able to deliver good news to our retirees!

~ *Quarterly Questions, continued from page 2*

Q: How will my Health in Lieu (HIL) credits get applied to my health insurance premiums?

A: Once you enroll in a plan, HIL credits are applied after one month has elapsed. Members pay for the first month of coverage and in the second month, receive a credit for the premium paid. An automatic HIL deduction would begin in the second month and end when credits are exhausted or you change plans.

Q: Can I add a new spouse to my health plan?

A: Federated members cannot add a spouse from a post-retirement marriage to their plan, while Police and Fire can within 30 days of the marriage date. Marriages are qualifying events which allows you to make changes outside the Open Enrollment period.

Q: How do I remove my spouse from my health plan after my divorce?

A: To remove your ex-spouse after divorce contact ORS immediately! Divorce is a qualifying event which allows you to make changes outside the Open Enrollment period. It is important to notify ORS as soon as possible to avoid possibly owing the fund for any coverage the former spouse is no longer eligible for.

ORS wishes the best for our former team members!

Allain Mallari, Senior Internal Auditor – pursued another position within the City.

Amanda Ramos, Senior Benefits Analyst – pursued other opportunities outside of the City.

We will be recruiting for both positions. Stay tuned!

The Retirement Connection

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GO GREEN!

Send ORS an email to retirement.dept@sanjoseca.gov if you would like to receive your copy of the newsletter electronically, via email or if you prefer to access the newsletter online at our website www.sjretirement.com

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Upcoming Board Meetings

COVID-19 virus has had an impact on our operations. Meetings are being held by teleconference. Please check our website for the latest information.

Police and Fire Board meetings are held on the 1st Thursday of each month except in July. Upcoming meetings will be held on the following dates:

Nov. 5 Dec. 3 Jan. 7 Feb. 4

Federated Board meetings are held on the 3rd Thursday of each month except in July. Upcoming meetings will be held on the following dates:

Nov. 19 Dec. 17 Jan. 21 Feb. 18

All meetings unless otherwise posted on the Agenda, are at City Hall, 200 E. Santa Clara Street, Wing Rooms 118-120. Meetings are also live-streamed on our website at www.sjretirement.com.

Upcoming Office Closures

Nov. 11 Veterans' Day
Nov. 26-27 Thanksgiving
Dec. 24-25 Christmas
Dec. 28-31 Holiday closure
Jan. 1 New Years Day

CONTACT US!

408-794-1000 or 1-800-732-6477
Our staff directory can be found on our website at:
www.sjretirement.com
Click on "Contact us" or email us at retirement.dept@sanjoseca.gov