





November Benefits and Services Committee Meeting









Schedule Thursday, November 9, 2023 12:30 PM — 1:00 PM CST
Venue 6850 Austin Center Blvd., Suite 320, Austin, TX 78731
Organizer Sarah McCleary

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 - Vote** Approve the minutes of August 31, 2023 Benefits and Services Committee as presented
-

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1. Call roll of Committee members

Presented by Committee Chair Thomas



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 1: Call roll of Committee members

AGENDA ITEM OBJECTIVE

The objective of the agenda item is to determine for the record which Trustees are present at the start of the meeting.

Each Trustee should respond to the roll call, and it will be noted which Trustees are present in person and which Trustees have joined via video conference.

2. Review order of business and establish meeting objectives

Presented by Committee Chair Thomas



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 2:

Review order of business and establish meeting objectives

AGENDA ITEM OBJECTIVE

This agenda item provides Trustees the opportunity to review the order of business and to express a desire to take an agenda item out of order, and to discuss the key objectives of the meeting.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management**. It is an industry best practice to establish meeting objectives and review them at the outset of each meeting.

MEETING OBJECTIVES

1. The Committee will review the disability retirement continuation report related to COAERS' disability retirement program.
2. The Committee will review the performance of the medical consultants under contract.
3. The Committee will review the work done by the Committee in 2023 and discuss development of the 2024 Committee Work Plan.

**3. Consider approval of the August 31,
2023 Benefits and Services Committee
minutes**

Presented by Committee Chair Thomas



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 3:

Consider approval of the August 31, 2023 Benefits and Services Committee minutes

AGENDA ITEM OBJECTIVE

This standing agenda item seeks approval of the minutes from the prior Benefits and Services Committee meetings.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets the core competency established in the **COAERS Strategic Plan** “*Transparency: Complying with open meeting and public information laws to ensure the decision-making process is clear to members and the public.*”

RECOMMENDATION FOR COMMITTEE ACTION

Staff recommends approval of the minutes of the August 31, 2023 Benefits and Services Committee meetings.

ATTACHMENT

1. Draft minutes of August 31, 2023 Benefits and Services Committee meeting



MINUTES

Benefits and Services Committee

Public Meeting held in-person and telephonically on August 31, 2023 at 10:00 a.m. CT
Pursuant to Texas Govt. Code 551.127

Committee Members Present/(Absent)

Diana Thomas, Committee
Chair
Chris Noak†
(Leslie Pool)
Anthony Ross
Brad Sinclair

Guests:

Paige Saenz, General Counsel*
Dr. Harold Skaggs
Lewis Ward, GRS*
Brad Oxford, Clark Hill*

*Present telephonically
† present via videoconference

Other Board Trustees Present/(Absent)

Mike Benson
Kelly Crook
(Michael Granof)
(Dick Lavine)
(Yuejiao Liu)
(Amy Hunter)

Others Present

Staff:

Christopher Hanson
Russell Nash
Michelle Mahaini
Sarah McCleary
Jenni Bonds
Mehrin Rahman
Yun Quintanilla
Teresa Cantu*
Amy Kelley*
David Kushner*

1 Call roll of Committee members

Committee Chair Diana Thomas called the meeting to order at 10:01 a.m. The following Committee members were present in person: Thomas, Ross, and Sinclair. Mr. Noak was present via videoconference

2 Review order of business and establish meeting objectives

Committee Chair Thomas reviewed the order of business and meeting objectives with the Committee. Committee Chair Thomas asked if there were any members of the public who wished to speak, either now or during an agenda item. There were no comments.

3 Consider approval of the June 15, 2023 Benefits and Services Committee minutes

Committee Chair Thomas asked the committee to review the Benefits and Services Committee minutes from June 15, 2023. Mr. Brad Sinclair moved approval of the June 15, 2023 minutes as presented. Mr. Anthony Ross seconded, and the motion passed 4-0.

4 Discuss and consider disability retirement applications

- a. Convene into Executive Session pursuant to Sec. 13, Art. 6243n, Tex. Rev. Civ. Stat. and Sec. 551.0785 Texas Government Code to deliberate on disability retirement applications ref. #2305, #2306, and #2307**
- b. Reconvene into public session and make recommendations as determined appropriate by the Committee regarding disability retirement applications ref. #2305, #2306, and #2307**

Trustees convened into Executive Session at 10:05 a.m.
Ms. Crook left the meeting at 10:05 a.m.

Trustees reconvened into Public Session at 10:25 a.m.
Ms. Crook returned to the meeting at 10:25 a.m.
Mr. Benson joined the meeting at 10:26 a.m.

Mr. Anthony Ross moved to approve Disability retirement application #2305. Mr. Brad Sinclair seconded, and the motion passed 4-0.

Mr. Sinclair moved to approve Disability retirement application #2306. Mr. Ross seconded, and the motion passed 4-0.

Mr. Ross moved to approve Disability retirement application #2307. Mr. Sinclair seconded, and the motion passed 4-0.

5 Discuss and consider Benefits Administration Operating Procedures

Mr. Russell Nash presented draft changes to the Benefits Administration Operating Procedures. Mr. Nash noted that several proposed changes reflected necessary revisions to complement the new legislative provisions contained in SB1444, other proposed changes were necessary to implement new federal legislative changes from Secure Act 2.0, and lastly some proposed changes arose from matters relevant to the day-to-day administration of the plan. Trustees discussed the implementation and communication of the changes related to service purchases and discussed the relevance of certain provisions of the Procedures.

Mr. Sinclair moved to refer to the Board for approval the proposed changes to the Benefits Administration Operating Procedures as presented, Mr. Ross seconded, and the motion passed 4-0.

6 Discuss and consider Board Resolution 2023-0921

Mr. Russell Nash presented draft Resolution 2023-0921 and informed the Committee of the Resolution's importance in keeping COAERS compliant with the Internal Revenue Code and regulations. Mr. Sinclair moved to refer to the Board for approval Board Resolution 2023-0921. Mr. Ross seconded, and the motion passed 4-0.

7 Receive report on actuarial service consultant

Mr. Russell Nash presented a Staff report on GRS Consulting, the System's actuarial consultant. Mr. Nash reported that the Staff viewed the relationship as favorable, with GRS providing timely reports, important actuarial consulting during the legislative process, and critical and timely assistance on retirement matters when needed. He noted that Ms. Janie Shaw will be replacing Mr. Ryan Falls in a supporting role for Mr. Lewis Ward.

8 Review key meeting takeaways and call for future agenda items

Committee Chair Thomas summarized the actions taken and the information discussed during the meeting and asked for any future agenda items.

As there were no other items to address, the meeting adjourned at 10:47 a.m.

4. Discuss and consider disability retirement continuation

A. Convene into Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to review disability retirement continuation

B. Reconvene from Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to make recommendations as determined appropriate by the Committee on disability retirement continuation

Presented by Russell Nash



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 4:

Discuss and consider disability retirement continuation

- A. Convene into Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to review disability retirement continuation.
- B. Reconvene from Executive Session pursuant to sec. 13, art. 6243n, and sec. 551.0785 Texas Government Code, to make recommendations as determined appropriate by the Committee on disability retirement continuation.

AGENDA ITEM OBJECTIVE

Review disability annuitants to determine if any are earning wages above the \$16,200 annual threshold.

RELEVANCE TO STRATEGIC PLAN

The objective of this agenda item advances **COAERS Strategic Plan Goal 1: Maintain a Sustainable Retirement System** and meets the core competency established in the **COAERS Strategic Plan** “*Dependable Operations: Managing the financial and operational commitments within appropriate measurable standards.*”

RECOMMENDATION FOR COMMITTEE ACTION

At the Committee’s discretion.

BACKGROUND

The COAERS statute states that the Board shall discontinue the disability retirement allowance of a retiree who engages in Substantial Gainful Activity (SGA) as defined by Social Security disability income guidelines. Therefore, all retirees receiving a disability retirement allowance are required to submit documentation of their wages and income on an annual basis. COAERS considers this information to determine if a disability retirement allowance should be discontinued. The Committee will review the earnings of those retirees receiving a disability retirement allowance during each month of 2022.

The Committee may recommend to the Board the discontinuance of a disability retirement allowance if warranted. If no disability retirement allowances are recommended for discontinuance, the Committee Report for the December 19, 2023 Board Meeting will reflect that this review has taken place and that no disability allowances will be discontinued. Any pending reviews could be noted and brought back to the Committee if a violation is found; if not, no action needs to be taken.



COMMITTEE MEETING Agenda Item Information Sheet

2022 COAERS Disability Retiree Review

Staff reviewed information for retirees who received a disability retirement allowance each month of 2022. The SGA limit for 2022 is \$16,200. The results are shown in the attached 2022 Disability Continuation Report.

No disability retirement allowances are recommended for discontinuance and all disability retirees provided required documentation timely.

Relevant Policy/Statutes

Section 14.21.3 of the Benefits Administration Operating Procedures states, “The disability allowance of a member who fails to submit the required periodic reports or authorize release of taxpayer information, . . . shall be discontinued until the member has submitted the required periodic report, authorized the release of taxpayer information, or submitted to a required physician examination, as appropriate. If such failure or refusal continues for 12 months, the disability allowance shall be revoked.”

ATTACHMENT

1. Disability Continuation Report - 2022 Analysis of Substantial Gainful Activity (CONFIDENTIAL)

(This document is separate from the packet on Box, and password protected; contact Sarah if you do not receive the password.)

5. Receive report on medical consultant

Presented by Russell Nash



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 5: Receive report on medical consultant

AGENDA ITEM OBJECTIVE

The Committee will conduct the required annual review of the System's medical consultants.

RELEVANCE TO STRATEGIC PLAN

This item supports **Strategic Plan Goal 4: Identify and implement leading practices in Board governance, pension administration, and investment management.**

RECOMMENDATION FOR COMMITTEE ACTION

At the Committee's discretion.

BACKGROUND

The Benefits and Services Committee has oversight responsibility for the COAERS Medical Consultants. The 2023 review is summarized in the attached report which will be discussed at the Committee meeting.

ATTACHMENT

1. Staff Report on COAERS Medical Consultant



Staff Report on COAERS Medical Consultant

Summary rating: Good. The medical consultant provides fact-based opinions.

Medical Consultant Information: Dr. Harold Skaggs provides primary medical consultation to COAERS. Dr. Skaggs earned his medical degree from the University of Texas Medical School and performed his residency in neurology at the Mayo Graduate School of Medicine. He practiced neurology in Austin, Texas for more than 25 years. Dr. Jonathan Decherd is also a graduate of the University of Texas Medical School and American Board Certified in Internal Medicine. He practiced internal medicine for 28 years.

In 2023, Dr. Decherd retired from providing additional primary medical consultations to the Board. While Dr. Decherd's services will be missed, Dr. Skaggs was able to handle the number of disability applications received during the year without any interruptions.

Terms of the Representation: The services for our primary medical consultants are retained by an annual letter agreement which establishes the scope and renumeration for services. For 2023, the fees are as follows:

1. \$423.65 per disability application;
2. \$423.65 per visit with staff prior to Board or Committee meeting;
3. \$423.65 per Board or Committee appearance;
4. Any additional services (e.g., consultation concerning System process) will also be provided at \$423.65 per request.

Fees are adjusted annually based upon the Consumer Price Index (CPI) established by the U.S. Department of Labor for medical care for the Houston-Galveston-Brazoria, Texas area.

Observations: Drs. Skaggs provides consistent, fact-based medical opinions. In case Dr. Skaggs is unable to assist, COAERS also has access to Medical Equation, an Austin-based company, that offers independent medical review services that the Board can use to make disability retirement decisions.

6. Review 2023 Committee Work Plan and discuss development of 2024 Work Plan

Presented by Christopher Hanson



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 6:
Review 2023 Committee Work Plan and
discuss development of 2024 Committee Work Plan

AGENDA ITEM OBJECTIVE

This agenda item is for the Committee to review the work done by the Committee in 2023 and discuss the development of the 2024 Committee work plan.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and Implement Best Practices**. It is an industry best practice to establish and review Committee work plans.

RECOMMENDATION FOR BOARD ACTION

At the Committee's discretion.

ATTACHMENTS

1. 2023 Committee Work Plan
2. Draft 2024 Committee Work Plan

2023 Benefits and Services Committee Work Plan

Scheduled Quarterly Meetings

1. January meeting
 - ✓ Disability applications
2. March meeting
 - ✓ 12/31/2022 Actuarial Valuation
 - ✓ Disability applications TBD
3. June meeting
 - ✓ Funding Policy with City of Austin
 - ✓ Adopt Benefits Resolution for IRS compliance
 - ✓ Disability applications TBD
 - ✓ Benefits Policy and Benefits Operating Procedures
 - ✓ Risk Sharing Valuation Study
4. August meeting
 - ~~Funding Policy with City of Austin (move to 2024)~~
 - ✓ Actuarial service provider review
 - ✓ Benefits Policy and Benefits Operating Procedures
 - ✓ Disability applications TBD
5. November meeting
 - ✓ Medical consultant provider review
 - ✓ Disability continuation review
 - ✓ Disability applications TBD
 - ✓ 2024 Committee Work Plan

2024 Benefits and Services Committee Work Plan

Scheduled Quarterly Meetings

1. March meeting
 - 12/31/2023 Actuarial Valuation
 - Funding Policy with City of Austin
 - Disability applications TBD
2. June meeting
 - Adopt Benefits Resolution for IRS compliance
 - Disability applications TBD
3. August meeting
 - Actuarial service provider review
 - Disability applications TBD
4. November meeting
 - Medical consultant provider review
 - Committee Charter review
 - Disability continuation review
 - Disability applications TBD
 - 2025 Committee Work Plan

7. Review key meeting takeaways and call for future agenda items

Presented by Committee Chair Thomas



COMMITTEE MEETING Agenda Item Information Sheet

AGENDA ITEM 7:

Review key meeting takeaways and call for future agenda items

AGENDA ITEM OBJECTIVE

This standing agenda item provides Trustees the opportunity to review the key takeaways from the meeting.

RELEVANCE TO STRATEGIC PLAN

This agenda item meets **COAERS Strategic Plan Goal 4: Identify and implement leading practices in board governance, pension administration, and investment management.** It is an industry best practice to review key meeting takeaways to summarize what was accomplished at the meeting as well as ensure Staff has clear direction on further work and future agenda items.

RECOMMENDATION FOR COMMITTEE ACTION

Trustees will review key meeting takeaways and delineate next steps.