



Section 115 Post-Retirement Medical Plan & Trust

*a single employer plan sponsored by
Truckee Meadows Water Authority*

February 1, 2022 MINUTES

The meeting of the TMWA Section 115 Post-Retirement Medical Plan and Trust (Trust) Trustees was held on Tuesday, February 1, 2022 through a teleconference.

Michele Sullivan, Chairman, called the meeting to order at 12:30 p.m.

1. ROLL CALL AND DETERMINATION OF PRESENCE OF A QUORUM.

A quorum was present.

Voting Members Present:

Michele Sullivan
Charles Atkinson
Randall Van Hoozer
Sandra Tozi

Voting Members Absent:

Members Present

Rosalinda Rodriguez
Gus Rossi

Members Absent:

Jessica Atkinson
Mike Venturino

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

Upon motion made and seconded, and carried by unanimous consent of the Trustees present, the Trustees approved the agenda.

4. DISCUSSION AND INTERPRETATION FOR POSSIBLE DIRECTION FOR STAFF REGARDING ELIGIBILITY AFTER SEPARATION OF EMPLOYMENT

Previously Human resources had received an email inquiry from a former employee who was hired at the time of the Washoe County merger in January of 2015 and was classified as a Tier II beneficiary. The individual separated service in February of 2015 to pursue another employment opportunity. The individual was not eligible for trust benefits at the time of separation as he was not enrolling into the Nevada Public Employees Retirement System (PERS).

The individual asked about their benefit eligibility if they were to be rehired by TMWA in the future.

Staff requested Trustee interpretation on the following questions:

1. Is a former Tier II employee who separated TMWA service (not for retirement purposes) eligible to rejoin the OPEB trust if rehired? If so, will their new period of service be credited if eligible in the future to determine trust benefits?
2. If not rehired, are they eligible to apply for Trust benefits at a later point once they enroll in PERS and meet the other eligibility requirements?

Ms. Rodriguez reviewed Exhibit B on page 18 of the Trust document which states in part that an eligible beneficiary who separated service from TMWA prior to his or her retirement, as in the case described before, may receive Trust benefits if TMWA was the last public employer. Staff is looking for direction as to if this pertains to public employment in the state of Nevada, or any public employment including public employment in other states or for the federal government. Additionally, staff seeks guidance whether a policy should be formalize describing this in more detail and describing methods that will be used to determine and verify whether or not there was a subsequent public employment

Mr. Rossi advised he wanted to research this further before providing legal counsel.

Discussion ensued regarding a rehire and being held to the current benefits offered to a new employee which is that they would not be eligible for this trust benefit once they left their employment originally, and as the Post Retirement Plan & Trust Section 50-c-9 as of December 13, 2018 is no longer open to new employees. Ms. Sullivan advised she agreed with rehires not being able to go back into the trust, as it

would not just be a matter of crediting a rehire with service and keeping track of it, but there are accounting matters involved, assumptions, calculations and liabilities that are being made based on the fact that this trust is closed. Opening up and making exceptions to allow members back into the trust if they had left before being eligible to draw the benefit would create other issues from a financial standpoint.

Mr. Rossi advised he would research to verify that the trustees could vote not to amend the plan document and have rehires eligible to come back to the plan. They would be treated like new hires.

Discussion was had regarding question #2 if an employee was not rehired and TMWA was the last public employer, would the individual be eligible to apply for trust benefits at a later time once meeting all other eligibility requirements. It was determined this should also be researched and brought to the next meeting.

January 18, 2022: Ms. Rodriguez brought this back for continued discussion by Trustees and ensure all questions are concerns are addressed with regards to the individual posed questions.

Ms. Rodriguez reiterated the original request from the former employee and summarized that in previous discussions Trustees decided they did not want to allow individuals if rehired to re-enter the OPEB trust and would only be eligible for all other benefits as a new employee

What was not discussed before was if they aren't rehired and are eligible for future benefits from the OPEB trust assuming they meet all other eligibility requirement as outlined.

In Exhibit B it states: "a Retiree who separates from service from TWA prior to his or her retirement may receive Benefits from the Trust if TMWA was the Retiree's last public employer..."

The question is whether that pertains to public employers in Nevada or any other public agency in another state.

Staff is looking for Trustee direction in clarification of what that means. The individual in question went to work for a public employer in the state of California. The current document is not clear on whether someone in his situation would be eligible to draw benefits or not.

The calculation for a Tier II benefit credit is based on pre 65 or post 65 benefit rates from the Public Employees Benefit System, which TMWA verifies every fiscal year and brings to the trustees for review and approval to adopt the current rates. This rate system is what is used to determine the Tier II benefit.

Mr. Rossi pointed out that Exhibit D has other language that is potential confusing: regarding a Tier II retiree who has attained Medicare eligibility in the last paragraph of section 2. “the Tier II Retiree must be an employee of TMWA immediately prior to receiving his or her Benefits under the Trust.

Staff is looking for direction in clarifying language in the document from an administrative standpoint.

The Trustees determined that based on the information they have currently there are the following options:

- Go to another public entity in any state they lose eligibility with TMWA
- Eligible for another retirement plant they lose eligibility with TMWA
- Allowing an individual to continue to be eligible regardless of going to another public entity and meeting all other eligibility requirements outlined

There would need to be a method to manage and verify if a separated employee meets all eligibility requirements to receive Trust benefits in the future, Mr. Rossi suggested having a form they sign that they are not eligible somewhere else.

Trustees determined that before further discussions could be had they would like to see what possible financial implications there could be if an employee was rehired and allowed back into the plan or whether being part of another Nevada public employer or any other public employer in any other state would have any financial implications, verify what happens within the trust accounting/financial process if an employee separates employment before retirement eligibility.

Ms. Sullivan advised that she and Principal Accountant Sophia Cardinal as she works with the actuary and would gather information to bring it to the next quarterly meeting with possible options for the group to review.

5. TRUSTEE COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS
6. PUBLIC COMMENT – LIMITED TO NO MORE THAN THREE MINUTES PER SPEAKER

There was no public comment.

7. ADJOURNMENT

With no further business to discuss, Chairperson Sullivan adjourned the meeting at 01:35 p.m.

Minutes were approved by the Trustees in session on ____04/19/2022____.

Respectfully Submitted,

Rosalinda Rodriguez, Recording Secretary