



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

### Agenda Item 8B

**MEETING DATE:** April 17, 2024

**SUBJECT:** Recognized Retiree Organization Policy

**SUBMITTED FOR:**  Consent       Deliberation and Action       Receive and File

#### RECOMMENDATION

Re-affirm Recognized Retiree Organization Policy with no amendments.

#### PURPOSE

This item supports the Strategic Management Plan goal to promote transparency, fairness, and compliance with laws and regulations.

#### DISCUSSION

In April 2021, the Board updated and renamed its existing Facilitating Communication by Third Parties with SCERS' Retirees and Beneficiaries Policy with the current Recognized Retiree Organization Policy, setting rules pertaining to (1) SCERS' approval of recognized retiree organizations, and (2) SCERS' role in facilitating deductions and communications for such organizations.

Pursuant to SCERS' practice of reviewing and refreshing policies every three years, Staff has re-evaluated the policy to consider whether any amendments are necessary due to legal changes or practical experience. Staff has concluded that no amendments are necessary at this time.

#### ATTACHMENTS

- Board Order
- Recognized Retiree Organization Policy

Prepared by:

/s/

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Margo Allen  
Chief Operations Officer

Reviewed by:

/s/

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Eric Stern  
Chief Executive Officer



# Retirement Board Order

## Sacramento County Employees' Retirement System

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Before the Board of Retirement  
April 17, 2024

AGENDA ITEM:

### Recognized Retiree Organization Policy

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to re-affirm Recognized Retiree Organization Policy with no amendments.

I HEREBY CERTIFY that the above order was passed and adopted on April 17, 2024, by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:  
(Present but not voting)

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James Diepenbrock  
Board President

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Eric Stern  
Chief Executive Officer and  
Board Secretary



# RECOGNIZED RETIREE ORGANIZATION POLICY

## PURPOSE

The purpose of this policy is to set rules pertaining to (1) SCERS' approval of recognized retiree organizations, and (2) SCERS' role in facilitating deductions and communications for such organizations.

## POLICY

### Approving "Recognized Retiree Organization" Status

In accordance with Government Code section 31471.5, if a majority of a retiree organization's members are SCERS retirees, the organization may request approval from the Board of Retirement to become a recognized retiree organization of SCERS. Upon approval, the organization shall have the rights and responsibilities set forth in, without limitation, Government Code sections 31452.5 (payments for organization's programs may be deducted from SCERS benefits checks), 31592.5 (organization to receive notice of proposed changes to retirement benefits), 31592.6 (organization to receive SCERS' assistance in communicating with SCERS members), and 31693 (organization to receive notice of proposed changes to health care benefits).

In determining whether to grant "recognized retiree organization" status, the Board shall consider whether the organization has a commitment to, and is well-positioned to, represent the interests of SCERS retirees and to exercise the aforementioned rights and responsibilities. In making that determination, the Board shall consider the following, all of which must be addressed and included in the organization's request for recognition:

- Evidence that a majority of the organization members are SCERS retirees;
- The organization's mission statement or description of the purpose of the organization;
- The organization's governance documents (e.g., bylaws and articles of incorporation);
- The organization's incorporation status and non-profit/for-profit status;
- Any retiree benefits programs and activities that the organization anticipates promoting;
- The organization's current and past leadership; and
- History of the organization.

Notwithstanding the above, the Board's approval of an organization's request for recognition shall not be interpreted as SCERS' endorsement of the organization, or a responsibility by the Board to monitor and supervise the organization on an ongoing basis.

The Board of Retirement recognizes the following retiree organization(s):

- Sacramento County Retired Employees' Association (SCREA)

#### Approving Proposed Written Communications

When a recognized retiree organization requests SCERS' cooperation and assistance in distributing communications to SCERS members (Gov. Code § 31592.6), SCERS may do any of the following:

1. Consider whether the purpose of the communication is of the type described in Section 31592.6 – i.e., a communication regarding membership in the organization or retiree benefit programs available through the organization. If not, SCERS has discretion to withhold its assistance in distributing the requested communication.
2. Consider whether the contents of the requested written communication fall outside the scope of its purported purpose. If the requested communication includes contents immaterial or unrelated to its purported purpose, SCERS has discretion to withhold its assistance in distributing the requested communication.
3. Place a disclaimer on the written communication, or on the SCERS website, noting that the content of the communication is the sole responsibility of the party issuing the communication and that SCERS does not support or endorse the content of the communication.

#### Protecting Retiree and Beneficiary Confidentiality

In any case where SCERS determines that it is appropriate to facilitate written communication from a recognized retiree organization to retirees and beneficiaries, SCERS will take reasonable steps to protect the confidentiality of retiree and beneficiary identifying information including, but not limited to, the following:

1. In facilitating written communications from the organization to SCERS members, SCERS will not provide the recognized retiree organization with names, addresses, or other individually identifying information.
2. An independent professional mailing provider will handle the mailing of the written communication. That provider will be required to execute a confidentiality agreement prohibiting the release or disclosure of retiree and beneficiary information to any party other than SCERS. The retiree and beneficiary information will be delivered to the provider via a password-protected secure drive or other similar method.
3. The recognized retiree organization requesting the written communication may be required to execute a confidentiality agreement prohibiting release or disclosure of any retiree and beneficiary information the party may legitimately obtain directly from the retiree or beneficiary.

## **APPLICATION**

The County Employees' Retirement Law of 1937 calls for SCERS to extend its cooperation and assistance to "recognized retiree organizations." Gov. Code § 31471.5. Per section 31452.5, recognized retiree organizations may request to have SCERS permit deductions for any retiree benefit program available through the recognized retiree organization. Additionally, per section 31592.6, recognized retiree organizations shall have SCERS' cooperation and assistance in the distribution of communications regarding membership in and retiree programs available through the recognized retiree organization.

### Recognized Retiree Organization Deductions

Upon approving a recognized retiree organization's request for SCERS to permit a deduction from SCERS retirees, SCERS will work with the retiree organization to facilitate the deduction and remittance of premiums for the retiree benefit program(s) offered by the recognized retiree organization. The recognized retiree organization will enter into a Memorandum of Understanding (MOU) with SCERS, establishing timeframes for both parties for facilitating the deductions, outlining the respective roles and responsibilities of the parties, and setting the expectation that the process set forth will accommodate SCERS' technology platforms. SCERS may charge a reasonable fee for making the deductions and payments. For the purpose of facilitating deductions, SCERS and the recognized retiree organization may exchange individually identifying information about SCERS members who have opted for membership deductions or remittance of premiums for the retiree benefit program(s) offered by the recognized retiree organization.

### Recognized Retiree Organization Communications

In the event a recognized retiree organization wishes to send communications to a portion or all retired members of SCERS, the retiree organization will be wholly responsible for the contents of the communications and agrees to hold SCERS harmless for any claims associated with the communications. The recognized retiree organization will be responsible for paying the reasonable and necessary cost associated with the written communication, including but not limited to the cost to produce the materials, mailing expenses, and any administrative cost incurred by SCERS. Additionally, when reasonable and appropriate, SCERS may require the recognized retiree organization to enter into a MOU with SCERS, outlining the respective roles and responsibilities of the parties associated with completing the communications.

## **BACKGROUND**

In 2012, the Legislature amended the law surrounding retiree organizations (Stats. 2012, Ch. 178 (SB 1382)). In response to the changes made by SB 1382, at the SCERS October 2013 Board meeting, the Board approved Resolution No. SCERS 2013-18 recognizing the Sacramento County Retired Employees' Association (SCREA) as a recognized retiree organization and allowing for SCERS to enter into a MOU with SCREA regarding permitting deductions from SCREA retirees for the purpose of paying premiums for insurance products provided by SCREA's agent, Pacific Group Agencies, Inc. (PGA). At the same meeting, the Board approved the Facilitating Communication by Third Parties with SCERS' Retirees and Beneficiaries Policy.

**LEGAL AUTHORITY**

Government Code sections 31471.5, 31452.5, 31532, 31592.5, 31592.6, 31693

**RESPONSIBILITIES**

Executive Owner: Chief Executive Officer

**POLICY HISTORY**

<b>Date</b>	<b>Description</b>
04-17-2024	Board re-affirmed policy
04-21-2021	Board approved updated and renamed policy
08-01-2018	Renumbered from 006
12-20-2017	Board affirmed in revised policy format
10-16-2013	Board approved new policy, titled "SCERS Policy on Facilitating Communication by Third Parties with SCERS' Retirees and Beneficiaries"