



MCREA

Montgomery County Retired Employees' Association, Inc.

January 2008

MCREA's NEW LOOK – WEBSITE & LOGO

We're excited about MCREA's new look, and hope you will be too. **MCREAonline.com** MCREA's re-designed website is easier to use, looks so much better, and is packed with useful information for our members. It includes: a listing of important phone numbers, past issues of the newsletter, and links to other useful sites. Take a minute to view our improved site at **MCREAonline.com**. Let us know what you think about it.

Our heartfelt thanks and appreciation go to Laura Muncy (Letter Space Creative, LLC), daughter of President Suzanne Hudson, for her creative design and inspiration for our new logo. This is the first newsletter using the newly designed logo. We hope you like it as much as we do.

MEMBERSHIP DUES – REMEMBER TO RENEW YOUR MCREA DUES

The last page of this newsletter contains the renewal form for MCREA membership and dues. Please complete the form and mail it to P. O. Box 73, Rockville, MD 20848-0073. Remember that we are accepting payment for only five years ahead, or to the year 2012.

INFORMATION FROM THE OFFICE OF HUMAN RESOURCES

Group Insurance – Open Enrollment Elections

Confirmation statements were mailed out to all retirees showing their coverages for 2008. If you have any questions about the confirmation statement or did not receive yours, please contact the Benefits Team at Benefits@montgomerycountymd.gov or 240-777-5120. If you did not make any changes to your current coverages, you will continue the same coverage for 2008. Insurance cards for anyone that switched plans will be mailed from the insurance providers directly. You should receive them by the first week of January. If you do not receive your card or want to check on when it was mailed to you, please contact the carrier directly. Retirees enrolled in Optimum Choice HMO will receive a new medical card showing the conversion to the United Healthcare (UHC) Select HMO plan.

Tax break for group insurance premiums – Retired Public Safety Officers

The Pension Protection Act of 2006 states that sworn public safety retirees may be eligible for a tax deduction for the costs of their group insurance premiums. This tax deduction applies

to premium costs for medical, prescription, dental, vision and Long Term Care up to a maximum of \$3000. Premiums paid for life insurance are excluded from this tax deduction. If you are a sworn public safety retiree, you will receive individual information from the Benefits Team on your medical, dental, vision and prescription premiums paid in 2007 in late January/early February. If you have a long-term Care provider, you should contact them to get information on the total premiums you paid during the year. This law does **not** apply to the survivors of sworn public safety retirees. This deduction can be taken directly on IRS Form 1040 and there is information on the deduction in the Form 1040 instructions. After you receive your individual information, contact the Benefits Team at Benefits@montgomerycountymd.gov or 240-777-5120 if you have questions.

Retirement Savings Plan

Most retirees participated in the Defined Benefit Plan of the Retirement System. However, in 1994, a new plan was established, The Retirement Savings Plan, that applies to most new employees (all non-public safety and certain public safety employees) hired on or after October 1, 1994. As of June 30, 2007 there were 4,253 active participants. The objective was to lessen the county's financial burden. Many other public and private agencies have established such plans, i.e. 401(k), IRA.

Basically, the plan is administered through the Office of Human Resources. The Board of Investment Trustees establishes a diversified selection of mutual and commingled funds through Fidelity Investments. Employees may select various investment options for their funds. Also, the Board provides for investment education for employees. Periodically, the seminar schedule is listed in this newsletter.

The retirement benefit is determined by the employees' investment choices and the County's contribution (double match up to the Social Security Wage base) plus the investment returns. Health insurance coverage for these retirees/spouses continues but instead of having their premiums deducted from their pension, they can select to be billed or do an automatic bank account deduction. There are about 500 current retirees/survivors who are directly billed for their group insurance premiums.

FROM OUR MEMBERS

A member questioned pre-existing conditions as it may affect a new health care provider. The member was to have surgery under one plan but post operative follow up would be under another plan. OHR's response is as follows:

1. No Montgomery County's group insurance plan has a pre-existing condition clause.
2. There is no minimum enrollment period before services are available under the County's health, dental, vision or prescription plans.

THE COUNTY'S RETIREMENT PLANS

Hello from Meg (Riesett) Menke. I am one of thirteen members of the Board of Investment Trustees (BIT) who oversee the investment programs for the County's three retirement plans. I was appointed by the County Executive Doug Duncan in 2006 after being nominated by MCREA as the retiree representative.

My job, as a trustee, is always to vote in the best interests of everyone, retired and active members alike. The Board's mission statement, or goal, is to strike an appropriate balance

between risks taken and returns sought to ensure the long-term health of the retirement plans.

I served on the BIT twenty years ago as an employee - but the world of investments has changed a great deal in that time. The BIT focuses much more now on diversifying types of investments and managing risk than was true in my earlier experience. The approach is keeping up with industry standards for the investment of public pension funds. During the past fiscal year, the investment return for the Employees' Retirement System (the plan from which most of you are being paid) was in the top 9% of public pension funds in Wilshire Associates' data base (the Board's investment consultant). I urge you to go online to look at the latest Annual Report of the Employee Retirement Plans. (<http://www.montgomerycountymd.gov/bit>).

The BIT and its staff are a uniquely talented and dedicated group of individuals -- I'm honored to be a part of the team.

MORE ABOUT THE COUNTY'S RETIREMENT PLANS FROM THE BOARD OF INVESTMENT TRUSTEES (BIT) -- BOARD OF INVESTMENT TRUSTEES ANNUAL REPORT, FISCAL YEAR 2007

The Board allocates Employee Retirement System (ERS) assets to a broad array of investment sectors as follows: domestic equities 41%, international equities 21%, private equity 4%, domestic fixed income 23%, global inflation index bonds 10%, and real estate 1%. The chart below reflects the returns for the fiscal year ending June 30, 2007 achieved by the ERS assets in each investment sector compared to the corresponding benchmark. The ERS' total fund return for the one year period ending June 30, 2007 ranked in the top 9 percent, or better than 91 percent of returns achieved by public pension funds reporting results to a national data base.

The Board establishes benchmarks for each market sector, usually an index of companies that represent most of the available investment opportunities within that sector, to evaluate the performance of the investment managers within each sector.

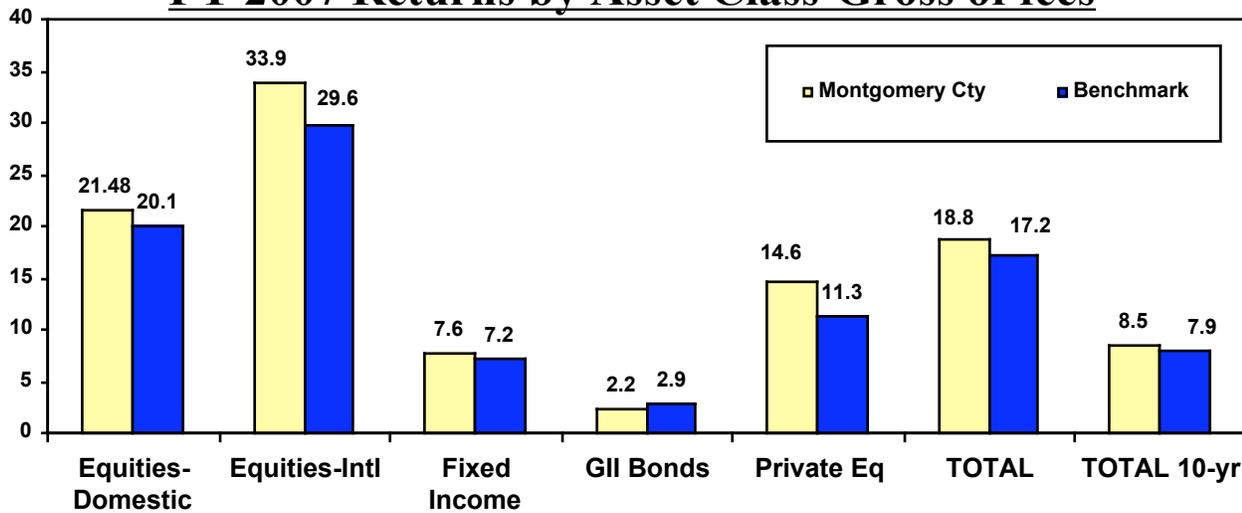
In overseeing the management of ERS assets, the Board has developed sound and prudent investment policies. The Board works to control the risk to which the ERS is exposed while maximizing the potential for long term increases in the value of the assets. The Board's specific investment objectives are to:

- realize the actuarial assumed rate of return of 8 percent annually, over a long term time horizon (for the 1998-2007 fiscal year decade, the annual rate of return on the ERS' investments was 8.51% before fees);
- manage portfolio risk to limit potential downside fluctuations in the value of the total ERS assets; and
- realize as high a rate of total return as possible consistent with the above.

To obtain a copy of the Board's 2007 annual report, please call 240-777-8220, or logon to the Board's website at www.montgomerycountymd.gov/bit.

Employees' Retirement System

FY 2007 Returns by Asset Class-Gross of fees



ANIMAL RESCUE

The Animal Rescue Site is having trouble getting enough people to click on it daily to meet their quota of getting free food donated everyday to abused and neglected animals. It takes less than a minute.

Go to <http://www.theanimalrescuesite.com>, and click on the purple box "fund food for animals" for free. Corporate sponsors/advertisers use the number of daily visits to donate food to abandoned/neglected animals in exchange for advertising. This doesn't cost a thing.

2008 MCREA BOARD OF DIRECTORS

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IMPORTANT PHONE NUMBERS or visit MCREAonline.com

MCREA toll Free Phone number: **1-866-929-9339 or 301-929-9339**

Montgomery County's Office of Human Resources at **240-777-5000** or toll free **1-877-613-5212; Benefits Team Direct Line 240-777-5120** or via email

benefits@montgomerycountymd.gov

CareFirst Blue Cross-Blue Shield: Indemnity Plan; HMO; and, Point-of-Service Plan.

Member Services: Toll Free number is **1-888-417-8385**; www.Carefirst.com

Kaiser Permanente: Washington Area: **301-468-6000**; Baltimore Area: **1-800-777-7902**

United Healthcare Member Services: **1-800-638-0014**

Caremark-Prescription Drug Plan: **1-866-240-4926**

United Concordia (Dental): **1-800-441-7150**; Email: www.UCCI.com

National Vision Administrators (NVA): **1-800-672-7723**; E-mail: www.npanet.com

Prudential Long Term Care Insurance: **1-800-732-0416**; E-mail: www.Prudential.com

Aetna Toll Free Number: **1-800-952-2700**

CitiStreet: **240-777-5054**

The newsletter is published by: Montgomery County Retired Employees' Association, Inc., P. O. Box 73, Rockville, Maryland 20848-0073. Editor: Carol Maryman. Telephone: 301-929-9339 www.MCREA.net We welcome your thoughts and suggestions on our newsletter.

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2008 MEMBERSHIP AND DUES APPLICATION

(Please PRINT CLEARLY or Use an Address Label)

Retiree

Last Name **First** **Middle Initial**

Spouse (optional):

First Name **Last Name if Different from Above**

Mailing Address:

City: _____ **State:** _____ **Zip:** _____

Telephone: Home (_____) _____

Email Address: _____
(Print Carefully)

Application is for: **Renewal** _____ **or New** _____ **Date Submitted:** _____

Check # : _____

MCREA Dues are \$5 per Calendar year. Enclosed are dues for:

1 year \$5.00 _____ **5 years \$25.00** _____ **Other** _____

Please make your check payable to MCREA, enclose it with this completed form, and mail to the above address. Thank you for YOUR support!

MCREA holds this information in our database in confidence. It is not shared or sold to other groups or organization.