



MCREA

Montgomery County Retired Employees' Association, Inc.

July 2008

MCREA's 31ST ANNUAL MEETING

The meeting was held on Tuesday, June 3rd in the Council Office Building Cafeteria in Rockville. After being called to order in a room crowded with retirees, everyone was welcomed. It was noted that representatives of the Montgomery County Employees Federal Credit Union and CareFirst Blue Cross were present to answer questions and had materials to distribute. The Board of Director introduced themselves.

Benefits Update - A Benefits update was given by *Wes Girling*, Division Manager for Benefits and Information Technology, Office of Human Resources. Wes may be familiar to some of you. He worked in OHR in the 1970s before moving to the Board of Education. He retired from Montgomery County Public Schools this spring, and accepted a contractual position in OHR. Wes is extremely knowledgeable about benefits, and has participated on the interagency benefits group known as *The Working Group on Retiree Group Insurance Benefits*.

He described the proposed changes to the benefits program for both employees and retirees. As a part of the bargaining process, several health benefit changes were accepted by the unions that were passed on to retirees as a cost savings effort. (Note: these changes apply only to 2,769 retirees in the Prescription Drug Plan. It does not apply to retirees who have Indemnity or Kaiser insurance.) These changes do not become effective until **January 1, 2009**.

All of these changes were obviously of great concern for retirees, and there were many questions and comments. Responding to retiree concerns to change the High Option Prescription Drug plan cost, the County Council voted to phase in the cost sharing changes over a three-year period. This is especially critical for retirees given other cost increases in everyday living expenses. You will see the Health Benefit changes in your fall Open Enrollment packet. The next MCREA Newsletter will describe the changes in more detail.

Wes Girling also reiterated that the County is self-insured, and our insurance providers (CareFirst, Kaiser, United Healthcare) are contracted *to administer* a program of benefits.

Business Meeting - As part of the business meeting, MCREA's Treasurer, *Bob Wolpert*, reported on income and expenses for the past fiscal year. Nominating Chair, *Carl Edelin, Jr.*, presented the slate of Board Members for election: *Donna Brand, Trisha Crew, Marie Dixon, Annie Graham, Suzanne Hudson, Steve Lansing, Bob Wolpert*, and *Joe Sparacino*. There were two Presidential nominations: *Marilyn Mitchell* and *Deborah Snead*. All were unanimously approved.

MCREA President *Suzanne Hudson* gave a special thank you to Board Member *Clara Shipe* for her 31 years of service. The Board created an Emeritus position for Clara. She recognized retiring Board Member and former Treasurer, *Jay Josephs*. Special thanks were also expressed to *Bill Treworgy, Art Spengler*, and *Al Gruber* for their input into the Prescription Drug Plan issue.

Suzanne gave a report on the past year's activities. If you have not visited the MCREA website (MCREAonline.com) recently, it has been updated with new information and newsletters. The major activity has been responding to the proposed changes to the Prescription Drug Plan and the Board of Investment Trustees. MCREA opposed both of the proposed changes and provided testimony. She acknowledged the tremendous support of retirees who wrote and emailed the County Council members to express their views. She then explained the proposals and MCREA's actions in opposition to the changes. See individual articles.

At the conclusion of the business meeting, the Board of Directors met and voted on officers for the coming year: *Suzanne Hudson*, President; *Steve Lansing*, Vice President; *Marie Dixon*, Corresponding Secretary; and *Bob Wolpert*, Treasurer.

BOARD OF INVESTMENT TRUSTEES (BIT) – As a part of the bargaining process, the unions bargained for two more union seats on the Board to give them a total of five seats. The 13-member BIT manages more than \$3 billion in assets for the employee retirement plans. In 2004, the unions had their membership increased from one to three seats. MCREA has one seat. Other seats are held by County officials and public representatives. We saw this proposed increase as a clear effort to “stack” the Board with union members. This thought is further substantiated since a MCGEO questionnaire for Council candidates in 2006 included this question:

“Would you initiate and sponsor legislation that would change the composition of the Montgomery County Retirement Board of Trustees to require that 50 percent of the board be trustees from the 3 County unions?”

We cannot see a clear benefit for this increase for retirees or taxpayers. *Steve Farber*, Council Staff Director, wrote an excellent memo on the issues dated June 5, 2008. It can be viewed on the Council's website: www.montgomerycountymd.gov

MCREA President *Suzanne Hudson* presented testimony on behalf of retirees, as did MCREA's Board representative, *Meg Menke*. Many retirees wrote and emailed County Council members to express their views on this membership increase. A special thank you goes to former Chief Administrative Officer *Bill Hussmann* for his comments.

On June 17, the County Council voted to defer this proposed Board increase. The bill remains active for 18 months, or until October 2009. If there is no Council action within that time frame, the bill dies. We will continue to monitor the Council's agenda's.

COST OF LIVING INCREASE – You may have noticed a larger pension check this July. It is due to the cost-of-living increase. You should have received a letter explaining the 2008 COLA numbers from the OHR Benefits Team. Retirees did not have to wait until their August check to receive their COLA. Hopefully, this practice can continue in the future, but it is dependent on when the Bureau of Labor Statistics releases the May Consumer Price Index numbers.

REMEMBERANCES

Dennis Misler – Friend and former colleague passed away on April 27 in Warsaw, Poland, at the age of 62 of complications from a stroke. He had retired from the Office of Human Resources in 1993 (Director of Training) and was living his passion in Poland. In 2000, he founded a not-for-profit organization, Polish American Jewish Alliance for Youth Action (PAJA) that he headed to promote understanding of Poland among Jews and Christians and to help young Poles and Americans (Jewish and non-Jewish) to develop friendship and understanding. After a personal experience in Krakow, Poland in 1992, Dennis initiated this group because he felt compelled to do something to shatter people's fears and prejudices. He organized an art exhibit in Baltimore of Polish artists. Conducted a workshop on "Developing Connections" for high school and college students of Polish and Jewish roots held at the Polish Embassy in Washington. He organized a "March of the Living" to give international Jewish students visiting Poland a better understanding and knowledge of Poland today. In 2004, PAJA organized a ceremony for the Ambassador of Israel to Poland to bestow a title of "Righteous Among the Nations" to two Poles who saved Jewish families during WWII.

He is survived by two sons, Scott Misler of Maine and Ryan Misler of D.C.; three granddaughters, Tien, Daija and Zara Jo; and a sister Paulette Pollack of Baltimore.

Councilwoman Marilyn Praisner – Three-time Council President, Management and Fiscal Policy chair, and the longest serving woman in the Council's history, died suddenly in February at the age of 66 of complications from heart surgery. Her legacy is found everywhere in Montgomery County. A former CIA bureau chief, she was first elected to the Council in 1990 and was known for her attention to detail and for reading reports and documents. Prior to being elected to the Council, she served for eight years on the School Board. Marilyn was the quintessential excellent public servant. She was serving her sixth four-year term on the Council and was working at what she loved to do.

Her husband Don Praisner chose to enter politics hoping to fill the remaining two years of Marilyn's term. In a special election to fill the Council vacancy, Don was elected to the District 4 seat and will serve until 2010. Her three children, grandchildren, and her loving husband Don survive her.

County Executive Neal Potter – Former long-time Councilmember and County Executive Neal Potter died May 27 of congestive heart failure. He was 93 years old. He served for 20 years on the Council before being elected as County Executive in 1990. He served one four-year term to 1994 and returned to the Council for another four years. Mr. Potter retired in 1998. He was known for his attention to detail, slow growth politics and interest in land planning. He grew up on a farm in Cabin John. He graduated from Bethesda-Chevy Chase High School as valedictorian; attended Johns Hopkins University, the University of Minnesota, and received a Master's in Economics from the University of Chicago. He taught Economics at Carnegie Mellon University and Washington State University and economist with Resources for the Future (Ford Foundation). In 1947, he became involved with the World Federalist Association (global peace, human rights, and environmental issues) which was a life long interest. He organized the Citizens Committee for Fair Taxation and served as president of the Montgomery County Citizens Planning Association.

He is survived by Marion, his wife of 68 years, a daughter, JoAnn Kemp of Gaithersburg and a grandson. (This information is from the Washington Post obituary.)

Gene Lynch – Montgomery County Planning Board member and former Chief of Staff to Maryland Gov. Parris Glendening, died in February after a short battle with cancer at age 50. He is also known for spearheading Neal Potter's successful campaign for County Executive in 1990. Gene had an interesting career as a labor organizer, owner of a small construction company, and various management positions in local and State governments. As President of the Allied Civic Group, Gene wrote the first version of the County Charter amendment to control the Council's ability to raise property taxes beyond the rate of inflation. He is survived by four children and his wife.

CHANGE OF ADDRESS: If you have moved recently, please make sure that you notify the Benefits Team, Montgomery County Government, Office of Human Resources, 101 Monroe Street, Rockville, Maryland 20850. Let Aetna know as well: Large Case Pensions, 151 Farmington Avenue, Hartford, Connecticut 06156-0665.

DEATH BENEFITS AND BENEFICIARIES

Nobody likes to talk about it -- death and benefits, but here is some information and reminders on this important subject. As a retiree, there are three County benefits you should keep in mind when doing your estate planning: 1) basic life insurance; 2) pension payments/retirement accounts; and 3) group insurance continuation for eligible survivors. Numbers 1 and 2 have beneficiary forms that you need to keep up-to-date.

Basic Life Insurance Policy

When you retired from Montgomery County, you carried forward the basic life insurance policy that you had as an active employee. You continue to pay for this life insurance until you turn(ed) age 65. The charge was included under Group Insurance-Health Deductions on your Aetna statement. The County continues to pay 100% of the premium after you turn 65 for the rest of your life. The face value at retirement is calculated as follows.

- Active life insurance amount x Years of service* (up to 20 years) x 5% (20 x 5% = 100% of active life amount). For example: \$183,000 x 20 x 5% = \$183,000.00. **Years of service are the number of years and months that you were eligible for group insurance coverage; NOT credited service used for your retirement calculation.*
- This amount remains the value of your policy for the first 5 years after you retire or at age 65, whichever is earlier.
- Beginning on your 5th retirement anniversary, the value of your policy will reduce by 10% of the initial value; \$18,300 continuing to reduce by this amount each year afterwards.
- BUT, the face value will never go lower than 25% of the original value: \$183,000 x 25% = \$45,750
- Your policy reduces automatically to the 25% value on your 65th birthday.

Survivor Benefits

When you retired, you had an option to choose a Joint and Survivor pension benefits. If you chose one of those payment options, your surviving joint annuitant is eligible to receive a monthly survivor benefit based on the payment option you chose.

Group Insurance Continuation

A surviving spouse and/or eligible dependents may continue group insurance coverage. The cost share you chose at retirement is the same cost share that your surviving spouse and/or dependents would receive.

Update Your Beneficiary Forms

You should think about this once a year. After taxes are filed in April is a good time since you are aware of your finances. Your personal circumstances or those of your beneficiary(ies) may change from year to year (including address changes). Remember to update your beneficiary(ies) on all your financial documents that have a place to name a beneficiary(ies). Be sure to name both a primary and contingent beneficiary(ies). Make sure that you leave your assets to the person, or persons, that you want to have them. This is also a good time to think about your will and whether it needs to be updated and/or revised. The Beneficiary form is attached. What documents are we talking about? First, Your Montgomery County Life Insurance policy, Retirement plan, or Deferred Compensation plan. You can access the County's beneficiary forms online at www.montgomerycountymd.gov in the OHR Resource Library or call the Benefits Team and they will send you the blank forms. Second, other life insurance policies, IRAs (Individual Retirement Account), mutual funds, brokerage accounts, bank accounts, etc.

What Happens When the Retiree or Surviving Spouse Dies

None of us lives forever. But, we can make our passing a little easier on our loved ones, if they know what to do with regards to our being retirees or surviving spouses of retirees of Montgomery County.

Make sure a family member knows to contact the Benefits Team, of the Office of Human Resources, 240-777-5120, or toll free 1-877-613-5212 or they may email benefits@montgomerycountymd.gov. They will be asked to provide the full name and social security number of the retiree or surviving spouse. Certified death certificates will be asked for your life insurance and any County retirement accounts you may have with Fidelity or a deferred compensation provider.

Next, the Benefits Team will notify Aetna to stop payment on your pension. Your pension is deposited before the first of each month that it is due. For example, at the end of June, funds are electronically deposited to your bank for July's pension. If the person dies during the few days that the funds are sent to be deposited and the actual first day of the month (12:00 am), the funds must be returned. If possible, Aetna will work with your bank to reverse the direct deposit. If this is not possible due to either banking or time restrictions, Aetna will contact your surviving spouse, executor or estate administrator to have the money returned via check.

The Benefits Team also notifies your group insurance providers to cancel your insurance benefits AND to set up any eligible family members with coverage so they experience no break in coverage.

Most importantly, the Benefits Team notifies your beneficiary(ies) via mail of what they are entitled to as a result of your death. Due to privacy laws, this information can ONLY be provided to your named beneficiaries. Your survivors will be eligible to choose whether or not they want to continue the group insurance coverage. They may be directly billed for this coverage if there are not sufficient funds in the pension payment or if there is no pension payment. A family member will need to contact the Social Security Administration. The Benefits Team does not contact Social Security.

LIFE INSURANCE BENEFICIARY DESIGNATION/CHANGE FORM

Please fill out each section completely and use additional forms if necessary.

This Beneficiary Designation/Change form applies to Basic and Optional Life Insurance plans, if applicable.

1. Employee Information

(PLEASE PRINT CLEARLY USING BLACK INK)

First Name	MI	Last Name	Social Security Number
Address		City	State Zip Code

2. Beneficiary Designations: I hereby revoke any previous designations of primary and contingent beneficiary(ies), if any, and designate the following:

A. Primary Beneficiary(ies) -

Beneficiary Description (check one)	First Name	MI	Last Name	Address (include city, state, zip code)	Relationship/DOB	Social Security Number	% Share
<input type="checkbox"/> Individual <input type="checkbox"/> Corporation/Organization <input type="checkbox"/> Trust <input type="checkbox"/> Other_____							
<input type="checkbox"/> Individual <input type="checkbox"/> Corporation/Organization <input type="checkbox"/> Trust <input type="checkbox"/> Other_____							
<input type="checkbox"/> Individual <input type="checkbox"/> Corporation/Organization <input type="checkbox"/> Trust <input type="checkbox"/> Other_____							

TOTAL must equal 100 0%

B. Contingent Beneficiary(ies) -

Beneficiary Description (check one)	First Name	MI	Last Name	Address (include city, state, zip code)	Relationship/DOB	Social Security Number	% Share
<input type="checkbox"/> Individual <input type="checkbox"/> Corporation/Organization <input type="checkbox"/> Trust <input type="checkbox"/> Other_____							
<input type="checkbox"/> Individual <input type="checkbox"/> Corporation/Organization <input type="checkbox"/> Trust <input type="checkbox"/> Other_____							
<input type="checkbox"/> Individual <input type="checkbox"/> Corporation/Organization <input type="checkbox"/> Trust <input type="checkbox"/> Other_____							

TOTAL must equal 100 0%

3. Trust Designation – Please attach a copy of the Trust Agreement. Complete if a Trust has been named as a beneficiary in Section 2.

Trustee's Name (First, MI, Last)	Address (include city, state, zip code)

And successor(s) in trust, as Trustee(s) under _____ dated _____ as amended and executed by me and said Trustee.
Title of Agreement
Date of Agreement

Signature

Date

Employee/Retiree must sign and date this form. The signature date must be the date the employee/retiree actually signed the form.

IMPORTANT INFORMATION ABOUT BENEFICIARY DESIGNATIONS

The information on this form will replace any prior beneficiary designations, if made. You may name anyone or any entity as your beneficiary and you may change your beneficiary at any time by completing a new Beneficiary Designation/Change form. Common designations include individuals, estates, corporation/organizations and trusts. **Payment will be made to the named beneficiary(ies).**

DEFINITIONS – You may find the following definitions helpful in completing this form:

Designation of Beneficiary(ies) - Unless otherwise provided, where two or more beneficiaries, primary or contingent, are named, payment will be made in equal shares to the named beneficiaries.

Primary Beneficiary(ies) – The benefit proceeds from the plan will be paid to your designated primary beneficiary(ies). However, if one of your primary beneficiaries predeceases you, the benefit proceeds from the plan will be paid to the remaining primary beneficiaries in equal shares or all to the sole remaining primary beneficiary.

Contingent Beneficiary(ies) – If all of your primary beneficiaries predecease you, your contingent beneficiary(ies) will receive the benefit proceeds. In the event that a designated contingent beneficiary predeceases you, the benefit proceeds will be paid to the remaining contingent beneficiaries in equal shares or all to the sole remaining contingent beneficiary.

INSTRUCTIONS FOR DESIGNATING PRIMARY AND/OR CONTINGENT BENEFICIARY(IES)

1. Employee Information - All information in this section is required.

2. Beneficiary(ies) Designation(s)

- You may name more than one primary and more than one contingent beneficiary. If you need additional pages to list your beneficiaries, please use additional forms.
- Please indicate the percentage share designated to each primary beneficiary. The total for all primary beneficiaries must equal 100%. If no percentages are specified, the proceeds will be split evenly among those named. Payment will be made to the named beneficiary(ies). If there is no named beneficiary, or the named beneficiary predeceased you, settlement will be made in accordance with the terms of the plan. Percentages for contingent beneficiaries must also equal 100%.
- You can name an individual, corporation/organization, trust or an estate as a beneficiary. The following examples may be helpful in designating beneficiaries:

Individual: “Mary A. Doe”

- ⇒ Each name should be listed as first name, middle initial, last name (Mary A. Doe, not Mrs. M. Doe)
- ⇒ Include the address, relationship and Social Security Number for each individual listed.
- ⇒ Indicate the percentage to be assigned to each individual.
- ⇒ If a minor child is named as a beneficiary, you should make your designation as follows: “_____ as custodian for _____ under the _____ State Uniform Transfers to Minors Act”. You must use the name of the state in which the minor child resides. This would apply to all States in the U.S.A. except for South Carolina.

Estate: “Estate of the Insured”

- ⇒ Select “Other” as the Beneficiary Description and write “Estate” in the blank space provided.
- ⇒ Indicate the percentage to be assigned to the Estate of the Insured.

Corporation/Organization: “ABC Charitable Organization”

- ⇒ Select “Corporation/Organization” as the Beneficiary Description.
- ⇒ Write the legal name of the corporation/organization in the space for Beneficiary’s First Name
- ⇒ You must provide the address, city and state of operation for each corporation/organization listed.
- ⇒ Indicate the percentage to be assigned to the corporation/organization.

Trust: “The John B. Doe Trust. A Trust with a trust agreement dated 1/1/1999 whose Trustee is Jane Smith.”

- ⇒ Select “Trust” as the Beneficiary Description.
- ⇒ Indicate the percentage to be assigned to the trust.
- ⇒ Complete Section 3, Trust Designation.

3. Trust Designation(s)

- Complete this section if you have named a trust as a primary or contingent beneficiary in Section 2. Fill in the name and address for each trustee.
- Fill in the title and date of the Trust Agreement in the space provided. A copy of the Trust must be provided with this form.

4. Authorization/Signature

The employee must read, sign and date the authorization. The form must be on file prior to the death of the participant/employee.

Submit the completed form to the Office of Human Resources, 101 Monroe Street, 7th floor EOB, Rockville MD 20850 and keep a copy for your records

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** www.myuhc.com

Caremark: **1-866-240-4926**

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

National Vision Administrators (NVA): **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**

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