



# MCREA

Montgomery County Retired Employees' Association, Inc.

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MARCH 2009

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## **SPECIAL CONTRIBUTION FUND**

MCREA wishes to thank its members for their generous outpouring of financial support for legal fees. We acknowledge and thank the Montgomery County Police Alumni Association, Inc. and the Police Association of Montgomery County for their generous contributions to this fund also. Contributions as of January exceed \$17 thousand dollars. This is tremendous support to assist us in paying attorney fees that were not budgeted. You may recall that MCREA retained an attorney to help us determine if the County can legally take the action that it has regarding the High Option Prescription Drug Plan. MCREA Board members Suzanne Hudson and Stephen Lansing and retiree Art Spengler continue to work closely with our legal counsel to gather information and review our legal options. MCREA has three years in which to make a decision about a legal challenge, or until 2011. *Thank you very much for your contributions!*

## **DISABILITY RETIREMENT**

In the last few weeks, there have been several articles in the Washington Post and other newspapers regarding the disability retirement system in Montgomery County that focused mainly on police officers. The County plans to look at all disability retirees who have not reached the age threshold during the next year.

If you followed the rules that were in place at that time, and retired on disability, and the County approved your disability retirement; then there is no problem. What is happening now is that the County is requesting follow-up medical examinations. This has always been in the County Code. The County may require a yearly follow up physical examination during the five-year period following retirement, and once in every three-year period thereafter, until age 55. The County stopped doing this for whatever reason years ago. However, this information was provided at retirement and is on your retirement forms.

The County has sent notices to retirees from the Police Department, MCGEO, non-represented, and IAFF (Fire Department) members requesting medical documentation and scheduling follow-up medical examinations. You should cooperate with the County's request for medical documentation and their physical examination. The location for the physical examination is in Lutherville, Maryland.

If you live outside the State of Maryland, you should contact the County's Occupational Medical Services Division at 240-777-5118 for information and referrals.

The eligibility standards are not changing. Your status and eligibility will be determined using the same rules that were in place at the time you retired. For those affected by this action, I hope this answers your questions.

**USE YOUR DISCOUNT PRESCRIPTION CARD** (*Indemnity Plan Members Only*)

A reminder that all Indemnity participants have a discount prescription card with Caremark. It is not the same as the stand alone Caremark prescription plans; there are no co-pays. Show your discount card to any participating pharmacy nation-wide. The discount amount is applied to the full cost. On your receipt you should see a "cash price" and then "amount due" that is lower and reflects the discount. Half of all retirees are not using the discount card. If the prescription discount card is used, it would help keep prescription drug costs down. You may also obtain discounted medication through Caremark's Mail Order program.

**SHOP AROUND FOR YOUR BEST PRESCRIPTION COST** (*Indemnity Plan Members Only*) Helpful hint. Call or take your prescription to several different pharmacies and compare the cost. They can be different--very different. It will save money. And, at membership based stores, i.e., COSTCO and SAMS Club, you are permitted to use the pharmacy (according to Federal law).

**CAREMARK WEBSITE**

Remember that you can go to Caremark's website [www.caremark.com](http://www.caremark.com) for account information. You can check on the same site for drug interactions.

**IRA WITHDRAWAL CHANGE – Minimum Required Distribution**

On December 23, 2008, a bill titled "Worker, Retiree and Employer Recovery Act of 2008," had a provision that provides relief from the Minimum Required Distributions from retirement accounts for **2009**. It waives any required distributions in 2009 from plans, i.e., 403(b), 401(k), IRAs, SEPs. This applies to retirees who are 70 ½ or older. It does not apply to 2008 nor to 2010. Just 2009!

What this means is that if you participate in one of these plans, you do not have to take a withdrawal for 2009. ING sent out a statement to all deferred compensation participants which you may have received. Fidelity Investments, the third-party administrator for the County's Retirement Savings Plans, has issued a statement and will be mailing it to participants. For more assistance with this, contact your financial advisor, tax preparer, or call the IRS at 800-829-1040.

**UPDATE ON HEALTH INSURANCE ISSUES**

Several retirees who live in Florida noticed a recent change in the Blue Cross Blue Shield (BCBS) Network Lab provider. Two retirees using the same lab they have used for years (prior covered), were billed for hundreds of dollars. After questioning BCBS, they learned that the New Network lab provider is Quest Diagnostics in their area. The retirees were not notified prior to using their usual lab.

Call the BCBS provider number 1-800-810-2583 to find the name of a covered lab in a specific Florida area.

### **BOARD OF INVESTMENT TRUSTEES – Annual Report – Fiscal Year 2008**

The Board allocates Employees Retirement System (ERS) assets to a broad array of investment sectors as follows: domestic equities 35%, international equities 20%, private equity 6%, domestic fixed income 25%, global inflation index bonds 11%, and real estate 3%. The ERS' total fund return for the one year period ending June 30, 2008 ranked in the top third, or better than 70 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 1999-2008 fiscal year decade, the annual rate of return on the ERS' investments was 6.34% 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 2008 annual report, please call 240-777-8220, or logon to the Board's website at [www.montgomerycountymd.gov/bit](http://www.montgomerycountymd.gov/bit).

### **UPDATE ON BOARD OF INVESTMENT TRUSTEES**

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 in 2006 after being nominated by MCREA.

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. The financial markets were challenging in 2008, and as we begin 2009 the economy continues to struggle. Shown below are some of the Board's major initiatives during the past year:

- **Employees' Retirement System** - Continued implementation of a revised strategic asset allocation which will result in further diversification of the fund by adding new investment strategies, better management of the total portfolio's risk and increased investment returns.
- **Retirement Savings Plan** - Expanded the number of onsite investment counseling sessions available to participants.

- **Deferred Compensation Plan** - Lowered the fee (expense ratio) for the BGI lifecycle funds by 20 basis points.

For more information on the financial markets and Board activities, I would suggest you log on to the Board's website at [www.montgomerycountymd.gov/bit](http://www.montgomerycountymd.gov/bit) or contact the Board's staff at 240-777-8220.

### **TOO MUCH MAIL? TOO MANY PHONE CALLS? HERE'S A SOLUTION!**

Donotcall.gov	1.888.382.1222 Blocks telemarketers
Catalogchoice.org	Stops catalogs by individual titles
Optoutprescreen.com	1.888.567.8688 - Deals with credit cards/insurance offers
Greendimes.com	Stops junk mail and catalogs. Fee for membership

### **RECYCLING/GREEN SITES**

Eiae.org	location of centers for recycling by state
Freecycle.org	nonprofit organization with 6 million members. Focus is on local reuse and reduction of landfill space.

### **REMEMBRANCES:**

*James P. Gleason*, the County's first executive, died on September 14, 2008. He was 86. Mr. Gleason filled a County Council vacancy in 1968 and in 1970 was elected to the Office of County Executive. He served two terms. His federal public service included: legislative aide to Sen. Richard Nixon; NASA; and U.S. Department of Transportation; Chairman of the Transit Commission (when Metrorail was being planned); and Deputy Chief Administrative Judge at the Nuclear Regulatory Commission. Also, he taught classes at Harvard University, the University of Maryland, and the University of the District of Columbia. A major accomplishment was Metro and the Red line. He was responsible for initiating many social programs in the County that continue to this day. He was a member of MCREA.

His wife, Georgette, three daughters, two sons, seven grandchildren and six great-grandchildren survive him.

*Jerome Baylin*, former MCREA Board member and Director of the Department of Liquor Control passed away on Tuesday, November 18, 2008. Jerry served on the Board until 2006. His wife Phyllis Baylin, two sons, a daughter, and seven grandchildren survive him.

*Clara L. Shipe*, founding MCREA Board member died on December 6, 2008 of a severe stroke. She was 90 years young. Clara will be missed by all of us. She retired from the Health Department. She was involved in many volunteer organizations but a favorite was the Glenview Mansion in the City of Rockville. Her husband Harry predeceased her.

*Maurice B. K. Edmead*, passed away January 28, 2009 following a brief battle with cancer. Maurice retired from Montgomery County Government in 2003 following 32 years of County service. He was a Computer Analyst/Programmer III in DIST. He was

a member of the Board of Directors of Montgomery County Employees Federal Credit Union for over 25 years where he served as Treasurer and a member of MCREA. His wife Jeanette preceded him in death in 2001.

### **ACKNOWLEDGEMENT TO RETIREES WHO WRITE US**

We want to acknowledge all the retirees who send us letters: of support and thanks for a job well done; about issues; about their experiences. Since we are a volunteer organization, we cannot always respond to all letters but they all get read. Some times we address them with articles in the newsletter. Some times we discuss your issues at our Board Meetings. But, we want you to know that we appreciate your taking your time to write us. Please continue to do so. We like hearing from you.

### **ANNUAL MEETING – SAVE THIS DATE**

Our Annual Meeting will be held on Thursday, June 4, 2009.

Place: Council Office Building, Cafeteria, Second Floor

Time: 7 pm

There will be more information in the next newsletter.

**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 240-777-5131 (Fax) or via email - [benefits@montgomerycountymd.gov](mailto:benefits@montgomerycountymd.gov)

CareFirst Blue Cross-Blue Shield: Indemnity Plan; and Point-of-Service (POS) Plan.

Member Services: Toll Free number is **1-888-417-8385**; [www.Carefirst.com](http://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](http://www.myuhc.com)

Caremark: **1-866-240-4926** [www.caremark.com](http://www.caremark.com)

United Concordia (Dental): **1-800-851-7564**; Email: [www.ucci.com](http://www.ucci.com)

National Vision Administrators (NVA): **866-468-2393**; E-mail: [www.e-nva.com](http://www.e-nva.com)

Prudential Long Term Care Insurance: **1-800-732-0416**; E-mail: [www.Prudential.com](http://www.Prudential.com)

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

ING (CitiStreet): **240-777-5024** or Hartford: **301-512-0852**

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 **MCREAonline.com**. We welcome your thoughts and suggestions on our newsletter.

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**2009 MEMBERSHIP AND DUES APPLICATION**

**(Please Print 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 (\_\_\_\_\_) \_\_\_\_\_ Cell (\_\_\_\_\_) \_\_\_\_\_

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.