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MCREA

Montgomery County Retired Employees' Association, Inc.

P.O. Box 73 • Rockville, Maryland • 20848-0073

YOUR VOICE IN ROCKVILLE

May 2007

OUR 30th YEAR

JUNE 6 IS MCREA'S ANNUAL MEETING

Come celebrate *MCREA's 30th Anniversary*. Meet and greet your Board members. Say hello to, and catch up with, former co-workers including those who may have recently retired.

The meeting will be held in the Third Floor Conference Room in the Council Office Building, in Rockville, Maryland. There will be a benefits update from Eric Wallmark, Benefits Manager, Office of Human Resources. The Business Meeting will include the Treasurer's Report, President's Report, and Election of Board Members. A reception will follow at the conclusion of the business meeting.

BOARD MEMBER NOMINATIONS

The Board of Directors consists of fourteen members who are elected to serve for two-year staggered terms. At every Annual Meeting, seven people are elected or re-elected to the Board. In addition to the elected members, there can be three Presidential Appointments. The Presidential Appointments are made yearly.

This is a volunteer organization and depends on its members to volunteer for short-term projects or on-going ones. We need retirees to indicate an interest in participating. An example of a short-term project is a review of our financial records. An on-going project example is monitoring the County Council agenda to identify items that might impact County retirees.

Current Board Members standing for re-election to two-year terms: *Carl B. Edelin, Jr., Albert Gruber, Margaret Knill Spengler, Carol Maryman, Bill Mitchell, Clara Shipe and Pat Scissors*. The Board of Directors meets four times a year at a Rockville location.

If you are interested in learning more about serving on the Board or expressing an interest in serving, please call *Carl Edelin, Jr.*, Nominating Chair, at 302-376-8270. Carl can also be reached through email at: PPMSFA@erols.com.

CATASTROPHIC HEALTH INSURANCE

A member wrote to us and offered this advice about the Blue Cross Blue Shield Catastrophic Health Insurance program. Make sure that you write a check each year for this insurance. Members have reported not receiving bills and, therefore, not paying for their insurance and getting cancelled. It is a huge problem to get people reinstated. It is suggested that people mark their calendars each year when this payment is due. If you do not receive a bill, call right away to get one OR send your check (indicate your account number) in with a letter indicating what the payment is for and your account number.

COUNTY COUNCIL LUNCHEON

The Board of Directors held its annual luncheon in March for the County Council at the Council Office Building. In addition to saying hello to returning Council members, the Board Members had the opportunity to meet the four new members and to provide a very brief history of MCREA.

ANNUAL CONTRIBUTION FOR POST EMPLOYMENT BENEFITS

On April 10, the County Council passed a resolution on a Five-Year Funding Schedule for County Agencies' Annual Required Contribution for Other Post Employment Benefits (OPEB). What this means is that the Council is committed to funding the difference between the pay-as-you-go contributions and an annual required contribution over a five-year period beginning with Fiscal Year 2008. Full pre-funding would cost \$240 million for the tax supported agencies. County Executive Leggett has recommended \$31.9 million in his proposed budget for the first year funding of the five-year phase-in plan plus the pay-as-you go amount (\$7 million). His proposed budget says...."The County is committed to the responsible fiscal management of the County's OPEB obligations..."

The County has created draft legislation to establish a Trust for OPEB benefits for the County government. The Maryland-National Capital Park and Planning Commission already has a trust, and the other agencies are moving to establish them for this purpose. The Internal Revenue Service is not clear about the tax impact of the Trust accepting "employee" contributions so only "employer" contributions will be made to the Trust. The County Government's share of the \$31.9 million first-year payment is \$14 million.

Still confused? First, this is not related to your pension or retirement income. Second, the words "Other Post Employment Benefits" refers to health and life insurance benefits for retirees. This article uses the information prepared for the Council packet by Stephen Farber, Council Staff Director, in his Memorandum of March 15, 2007. The five county tax-funded agencies are: County Government, Montgomery County Public Schools, Montgomery College, Washington Suburban Sanitary Commission, and the Maryland-National Capital Park and Planning Commission.

Background – An organization called the Governmental Accounting Standards Board (GASB) issued a Statement 45, Accounting and Financial Reporting by Employers for Post employment Benefits

Other Than Pensions (for local governments) in 2003. GASB said that better reporting and disclosure was needed for these benefits. The current pay-as-you go funding (annual funds) did not reflect fully the complete financial commitment. It primarily affects future retirees and the need for a plan to pay for them. The pay-as-you go annual funding pays for current retirees. A Multi-Agency Work Group of the five agencies was given the task to address this issue which they have done. Further, GASB does not require funding the accrued expense. However, credit rating agencies expect those jurisdiction with AAA bond ratings to do so. Montgomery County values its AAA bond rating. The first of the five-year phase in is FY 2008. Each subsequent year will see the dollar amounts increase until full funding is reached in FY 2012.

Agencies are moving forward to establish "trusts" where funds will be placed and invested. A consultant suggested that the Council make it clear that the increasing burden of retiree benefits will crowd out other parts of the budget. Marvin Weinman, President, Montgomery County Taxpayers League, wrote an article for the April 11, Gazette, on the whole proposed county budget for FY 2008. He noted that: benefit costs are increasing at an uncontrollable rate; firefighters will have retirement after 20 years and others will want it; budgets for labor contracts should show multi-year financial impacts; the real issue is sustainability and Council action on appropriations for labor contracts.

Over the years, there have been changes to the health care plans that are offered and adjustments have been made in response to the rising cost of health care. The County has an on-going effort to evaluate the number and types of plans offered. There are many changes that could be made to the plans to reduce the County's cost and/or increase the participant's cost.

Impact – Does this directly affect you right now? No. Could it affect you in the future? Maybe. How? Any change in health plans or types of plans offered could impact a retiree.

DUES REIMBURSEMENTS

The large green post card mailed out in the fall to all members had a three-fold purpose. First, it was a reminder about health insurance Open Enrollment. Second, over the address label was a "Paid Through 20--" date. Third, it said that some retiree's had paid membership dues far into the future, and asked if this was your situation, to please write and request a refund.

The Board of Directors thought that paying dues five years ahead was reasonable. But, it had been noted that some retirees had paid far ahead - for example, one retiree paid through 2034. We appreciate the dedication, but this was far too much. The Treasurer, Bob Wolpert, has made reimbursements to several members totaling \$190. So, each year as we receive your dues, we will return any dues that are considered to be over payment.

YOUR RETIREMENT ACCOUNTS!

If your retirement account (IRA, or other deferred plan) has at least one asset or transaction in 2006, you should have received a statement in January. The purpose is to inform you of the prior year's fair market value that was reported to the IRS. The IRS **tracks Required Minimum Distributions (RMD's)** and whether or not they are taken. If you are 70 or older and have never taken a distribution, pay attention! The IRS is now enforcing their old law, a 50% penalty on the amount that should have been taken. So, unless you like giving 50% of your hard saved money to the IRS, it is important that you get set up to take your distributions now if you are over 70 years old.

CELL PHONE INFORMATION....

Cell phone companies are charging us \$1.00 to \$1.75, or more, for 411 information calls when they don't have to. Most of us do not carry a telephone directory in our vehicle to look up phone numbers. When you need to use the 411 Information Option, simply dial 1 (800) FREE 411 – OR 1- 800 373-3411 without incurring any charge at all.

INFORMATION ABOUT CLOTHES DRYERS

The clothes dryer stopped drying. The repairman went to the dryer and pulled out the lint filter. It was clean. But, we always clean the lint from the filter after every load of clothes, said the residents. He told us that he wanted to show us something. Then, he took the filter over to the sink, and ran hot water over it.

I am sure you know what your dryer's lint filter looks like. WELL...the hot water just sat on top of the screen! The water did not go through it at all!

He told us that dryer sheets (fabric softener) cause a waxy film to build up over the screen. This does not let the air pass through it, so the heating unit overheats and burns out. You cannot SEE the film, but it's there. This is also what causes dryers to catch fire and potentially burn your house down!

The best way to keep your dryer working for a very long time (and to keep your utility bill lower because your clothes will dry faster) is to clean that filter after every load. Every three months, wash

it with hot soapy water and an old toothbrush (or other brush). That makes the life of the dryer last at least twice as long!

NOTE: I went to my dryer and tested my lint screen by running water on it. The water ran through a little bit but it collected mostly on the mesh screen. I washed it with warm soapy water and a nylon brush. I had it done in 30 seconds. Then when I rinsed it, the water ran right through the screen! There wasn't any puddle of water at all!

The above was from an email and asked to PLEASE PASS THIS ON TO OTHER PEOPLE IN YOUR ADDRESS BOOK. NOT ONLY COULD IT SAVE SOMEONE'S HOME, BUT IT COULD SAVE SOMEONE'S LIFE.

MEETING DATES

MCREA Executive Board meetings are scheduled on Wednesdays. If you plan on attending a meeting, please call MCREA to verify that the meeting has not been changed. Meeting dates for 2007: Annual Meeting June 6, 2007, future meetings to be announced. Meetings start at 6:30 p.m. They are held at 401 Hungerford Drive, Rockville, in one of the 1st Floor Conference Rooms. They are open to retirees and spouses.

IMPORTANT PHONE NUMBERS:

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

MCREA toll Free Phone number: 1-866-929-9339

Kaiser Permanente: Washington Area: 301-468-6000

Optimum Choice Member Services: 301-738-7920

United Concordia (Dental): 1-800-441-7150

National Vision Administrators (NVA): 1-800-672-7723

Prudential Long Term Care Insurance: 1-800-732-0416

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

CitiStreet: 240-777-5054

Baltimore Area: 1-800-777-7902

Caremark: 1-866-240-4926

Email: www.UCCI.com

E-mail: www.npanet.com

E-mail: www.Prudential.com

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 to help make this newsletter

MCREAs 30th ANNIVERSARY CELEBRATION

ANNUAL MEETING

Wednesday, June 6, 2007

7:00 - 9:00 p.m.

Third Floor Conference Room
County Council Office Building, Rockville, Maryland

A G E N D A

- Welcome and Self Introductions of the MCREA Board of Directors
- Benefits Update - Eric Wallmark, Benefits Manager, Office of Human Resources
- MCREA Business Meeting

Treasurer's Report - Bob Wolpert, Treasurer

President's Report - Suzanne Hudson, President

Election of Board Members – Carl Edelin, Jr., Nominating Chair

New Business

Member Reception