



MCREA

Montgomery County Retired Employees' Association, Inc.

September 2009

OPEN ENROLLMENT

IT'S OPEN ENROLLMENT season. Health Insurance packets will be mailed out starting about October 16. So look for yours in the mail. There are no changes to the medical plans for 2010 except you will notice higher costs - a 10 percent increase on average overall. For those in the High Option Prescription Drug Plan, 2010 is the second year of the three-year phase-in of the increased cost. Please note that cost increase. REMEMBER, if you do nothing with the forms, your plan carries over to 2010 as is. Also, within the "Guide" materials there is a customer communications survey. Please fill it out and return it. This is our opportunity to let the Benefits Team hear from us.

An Open Enrollment flier was mailed to you along with your pension statement from Aetna. Refer to it for Health Fair dates, times, and places. Also, go to the MCREA (mcreaonline.com) website or the county's (montgomerycountymd.gov/ohr) for information.

FLU VACCINE – HINI SWINE FLU

If you are interested in this flu shot, refer to your medical plan below:
Carefirst BCBS – The H1N1 vaccine is covered under the County's plans.

Kaiser anticipates these shots will be handled in the same way as the seasonal flu shots - no charge. Detailed information can be found on www.kp.org/flu <<http://www.kp.org/flu>>

United Healthcare - The vaccine is covered under the County's plan. The provider can bill for the cost to administer the vaccine subject to the plan copay for a PCP visit. More information is available online to members via www.myuhc.com <<http://www.myuhc.com/>>

See the recommendations below by the Center for Disease Control:

1. Pregnant women because their risk of complications is higher and being vaccinated can potentially provide protection to infants who cannot be vaccinated.
2. Household caregivers for children younger than six months old because younger infants are at higher risk of influenza-related complications and cannot be vaccinated.

3. Health care and emergency medical services personnel.
4. Children from 6 months through 18 years old because they're often in close contact with others in day care or school, which increases the chance that H1N1 flu could spread.
5. Young adults ages 19 through 24 years old because the CDC has seen many cases of H1N1 flu in these healthy young adults and they often live, work, and study in close proximity.
6. Adults ages 25 through 64 years old who have health conditions associated with higher risk of medical complication from influenza (for example, ongoing conditions such as asthma, diabetes, heart disease, and immune deficiencies).

ABOUT THAT COST OF LIVING ADJUSTMENT IN 2009

For the first time since its inception, the mandated Cost-of-Living Adjustment (COLA) for most retirees was a negative amount. This sent off a shock wave among retirees, who are accustomed to receiving an increase, even when it was small. The recession is to blame.

MCREA wrote letters to both County Executive Ike Leggett and Council President Phil Andrews asking them to forgive the negative COLA. They cannot because it is in the law. To help understand the situation, the following explains how this happened: The Montgomery County Code, Section 33-44(c)(5) specifies that:

"pension benefits are subject to decreases in the Consumer Price Index. In no instance shall a retired member or beneficiary receive less than the amount of pension benefits for which eligible at the time of the member's retirement."

The County Code has always required that calculation of the COLA for County retirees be based on the May to May change in the *Consumer Price Index for All Urban Consumers issued for the Washington, D.C. Metropolitan Area*. This year that number was a negative for this time period.

The Office of Human Resources tracks the change in cost-of-living on a month-to-month basis because employees retire every month. Every monthly segment can be different. So employees that retired during that month of the year between July, 2008 and June, 2009, joined the system at that time. If the COLA increases from the date they retired to the end of the period in June, 2009, they receive an increase. If the COLA decreases from the date they retire to June, 2009, they do not receive a decrease. If the COLA has a net decrease over the entire 12-month period, then retirees, who retired before the start of the period, will have a decrease, or negative COLA.

Some retirees noted that Montgomery County Public School retirees received a COLA increase and did not understand how they could get an increase and the County

Government retirees get a decrease. Well, here's how. Their COLAs are based on Maryland State law. The State uses a national index - the Consumer Price Index for All Urban Consumers (United States/city average, all items), and bases its adjustment on the change from December to December. The COLA is paid in July, and in many cases is capped at 3%.

For most years, the Washington, D.C. index the County uses has been higher than the National index used by the State. While that is not true this year, over time, our retirees have received higher COLA's based on the Washington, D.C. area index. Remember, in 2008, County employees got a 5% COLA and State retirees got 2.852%.

HOW TO BE ASSURED THAT YOUR RETIREMENT IS CORRECT

Each year, a Comprehensive Annual Financial Report of the trust funds of Montgomery County, Maryland is prepared by the Board of Investment Trustees. Included in the Annual Report is an independent auditors report from Clifton Gunderson LLP who are the current auditors. You can see the report on the Board of Investment Trustees website at:

www.montgomerycountymd.gov/bittmpl.asp?url=/Content/BIT/Retirement/ERS/ers_reports.asp.

In addition, the OHR Benefits Team performs an audit of your retirement calculation after you have received your final payment as an employee. The audit ensures that your gross monthly pension amount is accurate by verifying that each piece of the formula used to calculate your pension is correct.

FINANCE - SPENDING DISCLOSURE BILL

The County Council recently enacted Bill No. 1-09, Finance-Spending Disclosure, that takes effect September 1, 2010. This law:

"requires the County to develop and operate a website that includes information on certain County payments to contractors and grantees; providing guidelines for public access to the information on the website; and generally amend the County law governing public access to information about County payments."

The law establishes a system whereby a "Payee" who receives an aggregate payment of \$25,000 or more from the County in any fiscal year will have that information published on a website.

MCREA wrote *Council President Phil Andrews* thanking the Council for the exception of..."a County retiree with respect to a County retirement pension." This was absolutely necessary so that our retirement pension amounts would not be made public. In this era of so much personal information being available through the internet, it is a

terrific safeguard not to have our pensions made public. Also, this exception applies to County employees.

For the retiree who asked about health benefit dollar amounts being published, the Council's attorney on this law says that benefit information is not included. Plus, benefits are not funds paid directly to us. Hope that answers satisfies your question.

LETTERS

A retiree wrote thanking us for our article on Catastrophic Health Insurance with Blue Cross Blue Shield. She described her experience of six or seven years of not receiving a bill from them for her insurance. She has made a note to always check the first of the month the payment is due. Make a note of your account number along with the Customer Service number (202-484-9100) and address (840 First Street, NE, Washington, D. C. 20065) and due date. Things change so bill payments may be going to an Owings Mills address. If you need to, call the Maryland Insurance Administration with complaints (1-800-492-6116). Thank you *Lynn Wulff*.

Another retiree raised the question of domestic partners on our health insurance. The County Council some years ago passed legislation to cover domestic partners of the same sex. They did not choose to extend that benefit to opposite sex partners because they could marry. As we know there are a lot of reasons for opposite sex partners not to marry but that is the current law. MCREA investigated this several years ago, and did not find support for a change in the law. The MCREA Board of Directors will revisit this issue.

Also, a retiree has written the Benefits Manager, in the Office of Human Resources, expressing his view that the COLA calculation should be continuous by connecting the time he was an employee to the time as a retiree. A nice idea but there is a total change in status from an employee to a retiree. Part of the issue gets handled by employees who time their retirement dates to maximize their employee COLA.

Finally, a thank you note from *Nancy Hogan, artist extraordinaire*, saying that she enjoys the newsletters with their helpful information. She is proud to have worked for Montgomery County Government. She would like a directory for retirees. (Note: MCREA has published two directories in the past and will consider another in the future.)

MCREA ANNUAL MEETING

The Annual Meeting was held on June 4, 2009 at the Council Office Building. Both the Montgomery County Employees Credit Union, CareFirst Blue Cross/Blue Shield, and ING (deferred compensation) had information tables. The Program Speaker was *Steven*

Wright, Regional Field Manager for ING, presenting information about the County's Deferred Compensation Program.

He mentioned that the required minimum distribution (RMD) may be deferred until April 1 after the year in which you turn 70½. There is a penalty for not taking an RMD. There was a law passed that eliminates the RMD for 2009, but only for that year, because of the recession. If a member is not taking out enough to meet the RMD rule, ING will issue a supplemental check in December so that you will not be assessed a penalty.

Mr. Wright is available in the Executive Office Building, 7th Floor, for counseling. Now is a good time to consider asset allocation. There are investment seminars held on a regular basis and anyone can attend regardless if you pre-register or not. For more information: <http://montgomerycountymd.ingplans.com>

Our Treasurer, *Bob Wolpert CPA*, reviewed an income and expense statement. Most expenditures continue to be for the newsletter and telephone. There was an annual audit review of the books: everything is in perfect order and all laws are being followed. It was noted that a separate line item has been established for the accounting of donated funds for legal expenses as these funds will be used for legal expenses only.

President Suzanne Hudson reported that the High Option Prescription plan had an increase in enrollment for 2009. The cost is slightly higher for 2009, and it will increase again for 2010 and 2011. The Board of Directors is not taking any legal action at this time related to this plan change. But, there is a three-year window (until 2011) to weigh in and exercise our option to initiate any legal action.

It was mentioned that the County has a discount prescription card that is used by less than 50% of retirees who have coverage with the CareFirst Indemnity Plan. MCREA suggests that you use your discount card and other discount programs that are available, i.e., Wal-Mart, Costco, Sam's Club, CVS, Giant, etc.

Elections were held for Board members. The following were elected for two-year terms, ending June 2011: *Carl Edelin, Jr., Al Gruber, Margaret Knill Spengler, Carol Maryman, Pat Scissors, Deborah Snead, and Joe Sparacino. Presidential appointments made are: Marilyn Mitchell, Michael Suter, and Louis Smith.*

It was noted that *Bill Mitchell* was leaving the Board. He was thanked for his years of service and his expertise in the area of human resources and benefits.

FEDERAL WITHHOLDING TAXES

Earlier this year, the Federal withholding tax table changed for everyone. What this mean to you is under certain circumstances, you may have to return stimulus dollars to the government. Here's why:

People working for a living received the "Making Work Pay Credit", which is a reduction of payroll withholding taxes equal to \$400.00 per individual and \$800.00 if married for this calendar year. This is an increase in net pay reflected on their payroll checks using the new Federal Tax Withholding Tables put out by the IRS.

Here lies the problem! Apparently, the IRS did not realize that pension checks also have Federal tax withheld, and non-working retired individuals receive a different stimulus amount via social security or when filing their tax return for 2009.

Retirees receive a different stimulus amount under the "Economic Recovery Payment". It is a one-time payment of \$250.00, and the government will automatically send this one-time payment to a retiree if they receive social security benefits. If a retiree is not yet receiving social security benefits and does not work (retired before social security eligible) then that retiree will take a \$250.00 credit on his/her 2009 Federal tax return.

The tax implication arises because retirees are receiving more money now due to lower Federal tax withholdings, and they will receive the one-time payment. However, when they complete/file their 2009 tax return they will be required to repay the money. For example, if a retiree normally receives a tax refund of approximately \$200.00 this year, he/she will have to pay at least \$200.00 to make up for the incorrect stimulus amount received. This will double if married and the spouse also receives a pension with Federal taxes withheld.

If you think this tax change may affect you, check with your accountant or tax preparer and adjust your withholdings accordingly.

CAREFIRST LOCAL OFFICES

Anyone who is a member of CareFirst can walk into one of the offices listed below if they have claims issues or questions about their plan. The public hours of operation are 8:00 a.m. to 4:00 p.m. Some times, it is nice to be able to go in person to have claims resolved or questions answered – particularly if you live nearby one of these offices.

Annapolis District Office

Sales and Service
151 West Street Suite 101
Annapolis, MD 21401
(410) 268-6488

Washington DC Office

Sales and Service
840 First Street NE
Washington DC 20065
(202) 479-8000

Hagerstown District Office

Sales and Service
182-184 Eastern Blvd. North
Hagerstown, MD 21740
(301) 733-2935

Owings Mills Office

Sales and Service
10455 Mill Run Circle
Owings Mills, MD 21117
(410) 581-3000

Salisbury District Office
Sales and Service
224 Phillip Morris Dr., Suite 106
Salisbury, MD 21804
(410) 742-3274

FILE OF LIFE ~ FREE MEDICAL ID ALERT WALLET CARDS

In an emergency situation, you may not be able to speak and give vital information concerning your health. Medical providers must sometimes treat accident victims without having any basic medical information about the individual or any way to contact someone who could provide crucial information. A medical information card would prove to be invaluable in providing treatment by attending medics or other medical personnel.

Go to <http://medids.com> to create a personalized Medical ID Wallet Card that you can generate and update by typing in your medical information from your computer keyboard. There is nothing to download or install. Just fill out the form and print out the wallet size card. Look for the words: "Make your Free Medical Wallet Card on Your Computer" in the center of the home page.

GET TO KNOW YOUR BOARD MEMBERS

Louis F. Smith lives in Leisure World with his wife Terry. She is retired from the Federal Government. Louis worked for The People's Court for Montgomery County from 1970 to 1971. The People's Court became part of the District Court of Maryland. He remained under the County leave and retirement system until he retired in 2007.

In his leisure time, Louis enjoys fly fishing, bass fishing, golf, photography and spending time with his wife. They have two grown sons who live in the area. He is a transplanted native having lived in Montgomery County since 1944.

FLU PREVENTION

Remember to get your flu shot early. Protect yourself by following these four simple steps: cover your mouth when you cough, sneeze into your sleeve (or elbow), stay home if you are sick or not feeling well, and be sure to wash your hands frequently.

SHINGLES VACCINE

For anyone who has had chickenpox, you are at risk of getting shingles later in life, age 50 and over. Shingles is caused by a virus. It can be painful. There will be a tingling sensation in the skin with a rash appearing on one side of the body. The rash will be

red, itchy, watery blisters that will appear. See your doctor right away if you suspect shingles.

Retiree *Estelle Alexander* wrote us inquiring about the shingles vaccine. The Benefits Team responded to the question: Is the vaccine, Zostavax, covered in our medical plans? Answer:

CareFirst Blue Cross and United Healthcare - The Shingles Vaccine is also known as Zoster. This is an approved medical benefit for anyone age 60 and older. The provider must supply the serum for this injectible drug and the patient may obtain the injection at the provider's office.

Kaiser – This vaccine is a covered benefit if your physician deems it medically necessary.

Caremark Prescription Plan - The shingles vaccine is not considered a prescription and, therefore, is not covered by the plan.

SENIORS IN THE WORKPLACE

Are you thinking about returning to work to supplement your retirement income? Or perhaps you just need a little diversion in your current life style and being employed sounds appealing!

Good News - Employers agree that seniors make good employees and have significant benefits over younger people - Surprised? - read on...

1. Seniors have a lifetime of experiences, skills and abilities to bring to any employment situation.
2. Having been in the workplace for a long period of time, seniors generally need little direction to get the job done and done well.
3. Because Seniors have health insurance coverage, employers view them as less expensive.
4. Senior's life styles provide employers with generally more stable, flexible and more available work schedules.

Check out www.AARP.org for more information regarding employment for seniors.

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
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;
www.HCBO.com for online claims information.
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** www.caremark.com
United Concordia (Dental): **1-800-851-7564**; Email: www.ucci.com
National Vision Administrators (NVA): **866-468-2393**; E-mail: www.e-nva.com
Prudential Long Term Care Insurance: **1-800-732-0416**; E-mail: www.Prudential.com
Aetna Toll Free Number: **1-800-952-2700**
ING (CitiStreet): **240-777-5054** or Hartford: **301-512-0852**

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

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Mark Your Calendar!

Open Enrollment is the time of year you can make benefits changes for 2010, and it's right around the corner...

Open Enrollment for 2010: **October 26 to November 13, 2009 at 5:00 p.m.**

⇒ *Open Enrollment materials mailed to your home in late October*



"Making the Most of Your Prescription Plan" Caremark Seminar For Retirees

Wednesday, November 4, 2009

9:00 a.m. – 10:30 a.m. in the EOB Lobby Level Conference Room
Caremark representatives, including a Caremark pharmacist, will be available after the seminar to answer your questions.



Open Enrollment Health Fairs

Monday, November 2, 2009	11:00 a.m. – 2:00 p.m.	EOB Cafeteria
Tuesday, November 3, 2009	10:00 a.m. – 1:00 p.m.	EOB Cafeteria
Tuesday, November 3, 2009	2:30 p.m. – 4:30 p.m.	UpCounty RSC
Wednesday, November 4, 2009	11:00 a.m. – 2:00 p.m.	EOB Cafeteria
Thursday, November 5, 2009	10:00 a.m. – 1:00 p.m.	EOB Cafeteria
Thursday, November 5, 2009	2:30 p.m. – 4:30 p.m.	UpCounty RSC
Friday, November 6, 2009	11:00 a.m. – 2:00 p.m.	EOB Cafeteria

Special Events Locations

Executive Office Building (EOB)
101 Monroe St.
Rockville, MD 20850

UpCounty Regional Service Center
12900 Middlebrook Rd.
Germantown, MD 20874

If you cannot attend: After Open Enrollment begins, a copy of all Caremark and Open Enrollment-related materials will be available online:

www.montgomerycountymd.gov/ohr