



MCREA

Montgomery County Retired Employees' Association, Inc.

September 2016

⇒ **Retiree Open Enrollment October 17 to October 28, 2016**

You may change your future health insurance options as needed, see page 8.

MCREA ANNUAL MEETING SUMMARY

At 7:10 p.m. on June 1, 2016 President Carl Edelin called to order MCREA's annual meeting. He welcomed the approximately 60 attendees. He introduced Suzanne Hudson, Past President, John Hansman, Treasurer as well as past and current Board members. He noted that Shawn Y. Stokes, Director of the Office of Human Resources, was unable to attend at the last minute, but he expressed appreciation for her cooperation with MCREA. He then introduced the first guest speaker.

MCERP's Presentation

Linda Herman, Executive Director of Employee Retirement Plans (MCERP).

Linda's presentation included a Powerpoint handout (available at www.MCREAonline.com) and she made the following points:

- The current funded status of the Employee Retirement System (ERS) is 90% with 4,100 active members in the ERS and 1,400 in the Guaranteed Retirement Income Plan (GRIP) (cash balance plan) and 6,450 retirees and beneficiaries receiving benefits. The total assets are \$3.5 billion.
- The ERS's investment program is highly diversified across asset classes and its performance has been better than 75% of comparable retirement plans. The funded status of the ERS has increased by 2% to 90% from the previous year. The Board of Investment Trustees is pleased with the results. (*Jennifer Barrett represents the retirees on this Board.*)
- The Retirement Saving Plan (RSP), similar to a 401 K plan, has assets of \$311 million with 4,700 active and inactive participants.

- The Deferred Compensation Plan (DCP) has assets of \$340 million with 3,400 active and inactive participants.
- Fidelity is the recordkeeper for the RSP, GRIP and DCP. Call Monica Smith, Fidelity's MC on-site representative at **240 777 8288** to arrange a one-on-one meeting to change your investment elections, discuss asset allocation, or change your distribution options. You may also do the same anytime by calling the Fidelity at **1-800-343-0860** or accessing the Fidelity website at <http://plan.fidelity.com/MCG>. Fidelity has Investor Service Centers across the U.S. Retirees can meet with representatives wherever convenient.
- Participants of RSP and DCP are provided two types of personal financial goal planning and investment reviews through:
 1. National Planning Corporation (NPC): 2-hour sessions to assist in constructing a diversified portfolio to best meet retirement saving goals. Call 410-577-7300 for more information.
 2. Fidelity: 1 hour session as mentioned above and Fidelity.com planning tools. Call 240-777-8288 for more information.
- The next Social Security seminar for retirees (and employees) soon to turn 65 will be held Wednesday, October 19, 2016 in the EOB 15th floor large conference room from **10:00 to 12:00 am**. **(See page 7 for more on registering for this important information.)**
- The May 2015 to May 2016 consumer price index (CPI), which determines retirees' July 1st cost-of-living adjustment (COLA), will not be available until June 18th. *(Since the Annual Meeting the CPI showed an increase of 1.21% for the past year. This resulted in a pension increase adjustment which retirees should have noted by letter, pay advisory and deposit by July 1, 2016)*
- The Employee Retirement Plan's office number is **240-777-8230** or **311**.

OHR's Presentation

Belinda Fulco, Division Manager, Office of Human Resources Health and Employee Welfare; Karen Bass, Manager, Health Insurance Compliance and Administration; Joni Lozano, CVS/Caremark, Strategic Account Executive and Lissa Tarro, SilverScript Strategic Account Executive; and Mike Markowitz, representative of ACSIA Partners (LTC) .

Belinda Fulco reported the County is currently receiving responses to their request for proposal for health insurance carriers. She noted insurers must be able to provide access to health care nationwide. ***Update since MCREA's 6/2016 Annual Meeting: The County has selected CareFirst BlueCross BlueShield to administer the POS plan, and UnitedHealthCare and Kaiser Permanente to administer its HMO plans.***

Karen Bass made the following points:

- While OHR is planning an Open Enrollment for the retirees this fall, this is likely the last year it will be held. This is because retirees have the option of changing their health plan elections (medical, prescription, dental and vision) as needed throughout a given year. **(See the OHR article on page 8 for more information).**
- Indemnity Plan participants should evaluate if this is their best option for health and prescription coverage. **(See the OHR article on page 9 for more information.)**
- Retirees should also evaluate the standard and high option prescription plans to determine which option is the most cost effective for their current situation. **(See the OHR article on pages 9 – 10 for more information.)**
- Medicare participants were reminded that the County plans pay 20% of Medicare approved costs as Medicare is the primary insurer. If one's health provider is a non-Medicare provider, the retiree is responsible for the 80% balance. **(See page 5 of the May 2016 newsletter at MCREA's website: www.MCREAonline.com for more details.)**
- Retirees who become eligible for Medicare before they reach 65 years of age are requested to contact Karen Bass. The County is sending a Medicare enrollment information letter a few months before a retiree or a dependent reaches age 65.

Mark Markowitz, licensed long-term care (LTC) insurance agent with ACSIA Partners, presented information on long-term care insurance. His company, ACSIA Partners, underwritten by Life Secure Insurance Company, is the current LTC option for County employees and retirees under the age of 79. Call 1-877-403-1117 or go to <http://www.mcg-ltc.com> for information on this benefit.

The Prudential LTC Insurance Co plan is a closed to new applicants. Retirees who hold a current contract with Prudential will not be impacted.

Joni Lozano, CVS/Caremark/SilverScript pharmaceutical representative, provided a tutorial for using the new CVS/Caremark mobile app for managing the ordering and reordering of prescriptions. Retirees are encouraged to use the method they have found

most efficient and effective to managing their medicines, whether it is local pharmacy, mail order-phone, website, and/or mobile app.

MCREA's ANNUAL BUSINESS MEETING

Carl Edelin, president – 2014/2016, called MCREA's business meeting to order. He identified the Board members seeking reelection; they are Chuck Beard, Irm Damazo, John Hansman, Sara Harris, Suzanne Hudson, Barbara Kloc, Lillian Snyder, Rick Sullivan and Robert Vettori. A motion was made to accept these names; the motion was seconded and passed unanimously. Carl reported on MCREA's effective efforts seeking hearing aid coverage, now included in the current OHR RFP (Request for Proposal) for health insurance coverage. He reported that the MCREA Board meets about 3 times annually, in addition to an information exchange luncheon meeting with the County Council. He urged members in attendance to consider serving on the Board.

Treasurer's Report

At the annual meeting John Hansman referred to his handout "Balance Sheet Previous Year Comparison May 2016 / May 2015." As of July 1, membership dues payments are ahead of last year, \$7042 to \$6216. Over the past year, MCREA has negotiated important cost savings with the County on the production of the newsletter. As a result, MCREA's largest expense has been significantly reduced. With assets of \$61,492, the Association is in good financial condition and expects to maintain the membership dues at \$5 per year.

The MCREA Annual Meeting was adjourned at 8:56 p.m.

* * * * *

MESSAGE FROM OUR NEW PRESIDENT – Rob Klein

I was honored to be asked to take on the leadership of MCREA. I appreciate the opportunity to serve as the new president. In doing so, I benefit from the countless efforts of current and past board members and presidents in helping to protect our retirement benefits. In particular, I would like to point out past presidents Carl Edelin, Barbara Garrard, Suzanne Hudson and Margaret Knill.

MCREA tracks, shares, and promotes the interests of retirees. That mission entails much coordinating with County government, assessing issues, and disseminating information. Such tasks we do as volunteers and in coordination with County Governmental officials. Over time, the needs of all organizations shift. County retirement obligations and needs follow that organizational shifting. County retirees are increasingly composed of those in defined contribution plans rather than defined

benefit plans. In many respects protecting retiree health benefits has become as important as protecting pension funds. Over this coming year, I plan to explore ways that we can become more knowledgeable as to pension issues and County policies that affect the long-term fiscal viability of the retirement investments and health care funding.

Also as all of us receive or will be receiving social security benefits, County retirees should know of possible changes in that program, and as the new president of MCREA, I hope to increase the sharing of such information and general involvement with MCREA members. It is critical that changes in MCREA activities be done in concert with the active involvement of the MCREA Board.

Regardless whether or not you reside in Montgomery County, the security of your retirement relates to that of the County's. MCREA will keep MCREA members abreast of our outreach and of issues important to you.

I invite your comments to me and the Board. Feel free to contact us by email at PresidentMCREA@gmail.com or phone [240-848-4851](tel:240-848-4851).

2016-2017 MCREA BOARD OF DIRECTORS

Rob Klein – President	Sara Harris
Lillian Snyder – Vice President	Suzanne Hudson
Kathy Best - Secretary	Barbara Kloc
John Hansman - Treasurer	Margaret Knill
Charles (Chuck) Beard	Deborah Snead
Irm Damazo	Rick Sullivan
Michael Dennis +*	Robert (Bob) Vettori
Barbara Garrard	
+New Board Member	*Presidential Appt.

NEW BOARD MEMBER INTRODUCTION

Michael Dennis retired from the County's Office of Human Rights where he served from 1976 – 2008. During these years he served as an investigator, Compliance Director and finally retired as Director Pro Tem responsible for enforcing civil rights laws prohibiting discrimination in employment, public accommodations and real estate transactions. Early in his career 1971 – 1976 he worked as a police officer in Silver Spring and later served as a Personnel Analyst for recruiting and human resources actions. He has answered the call for volunteering and looks forward to serving his fellow retirees as a MCREA board member."

Change in Domestic Partner Benefits

Effective June 28, 2016 domestic partners, same or opposite sex, will no longer be eligible for group insurance. Per bill 16-16 anyone who is currently in a domestic partnership or has applied for group insurance coverage for their domestic partner prior to June 28, 2016 is grandfathered and benefits will continue. Employees and retirees who dissolve current domestic partnerships lose their grandfathered status and will not be eligible to add another domestic partnership in the future.

The history behind this is as follows: in 1999 the County extended health and insurance benefits to same-sex domestic partners of employees; in 2000 and 2001 benefits were extended to opposite-sex domestic partners for FOP and IAFF members respectively; in 2013 Maryland recognized same-sex marriages and in 2015 the Supreme Court held that the right to marry is a fundamental right that must be provided to same-sex couples.

Now that it is legal for same-sex partners to marry, the County will only recognize married couples and previously existing domestic partnerships.

There is a link to a brief presentation on this topic on the MCREA website at <http://www.mcreaonline.com/>

If you would like to read Bill 16-16 you can find it at the following link: http://www.montgomerycountymd.gov/COUNCIL/Resources/Files/bill/2016/20160628_16-16A.pdf.

NEWS from

MONTGOMERY COUNTY EMPLOYEE RETIREMENT PLANS (MCERP)

MCERP'S Mission Statement:

"To manage prudent investment programs for the Employee Retirement Plans to advance the financial security of its members. We endeavor to: encourage responsible funding of the plans, ensure sound investment practices, and educate members and stakeholders."

MCERP Staff handles the administration of the retirement plans, Employees' Retirement System, Retirement Savings Plan, Guaranteed Retirement Income Plan, and the County's Deferred Compensation Plan which includes: tracking of participation, contributions and benefit accruals, payment of retirement annuities, distribution of benefits, financial and tax reporting for the Plans and the members. In addition, Staff selects firms to invest the assets of the Employees' Retirement System and recommends investment options to the Board for the Retirement Savings Plan and the Deferred Compensation Plan.

How to Make Changes to the Employee's Retirement System

All changes related to addresses, direct deposit, Federal and Maryland state taxes need to be communicated in writing to MCERP. While address and Federal taxes may still be changed online using the MCERP website, you may also download forms to make any of these changes at <http://www.montgomerycountymd.gov/mcerp>, click on the tab Retirees and then click on Forms. If you do not have access to a computer, please call 1-877-613-5212 and a form will be mailed to you. MCERP cannot accept changes via the telephone. All changes must be made online or in writing and mailed to MCERP, 101 Monroe Street, 15th floor, Rockville MD 20850 or faxed to 301-279-1424.

Retirement Savings Plan & Deferred Compensation Plan

Need assistance with your financial plan? Have questions on the investment program for the retirement plans? Fidelity is available to respond to your questions. To arrange a one-on-one meeting with the Fidelity onsite representative Monica Smith, please call 240-777-8228. Located outside of the Maryland area? Call Fidelity at 1-800-343-0860 to find a Fidelity office near you. You may change your investment elections, discuss asset allocation, or change your distribution options at any time by calling the Fidelity at 1-800-343-0860 or accessing the Fidelity website at <https://nb.fidelity.com/public/nb/MCG/home>.

Social Security/Medicare Seminars

Social Security Administration (SSA) representatives will be conducting quarterly onsite seminars for retirees and employees in the EOB 15th Floor Large Conference Room from 10:00 a.m. to 12:00 noon. Of special importance to persons soon to turn 65 years of age, information will be provided about Social Security, Medicare, and the SSA's online services; questions will be addressed. The dates of future seminars are:

Wednesday, October 19, 2016

Wednesday, February 22, 2017

Wednesday, May 24, 2017

Thursday, August 10, 2017

To register to attend a seminar, please email MCERP at retirement@montgomerycountymd.gov or call 240-777-8230. See helpful *Parking Information* on MCREAonline.com.

NEWS from

OFFICE OF HUMAN RESOURCES (OHR)

Adult Hearing Aids – Do You Know about These Benefits?

UHC members can call *hi Health Innovations* toll free at 1-866-926-6632 9 a.m. to 5 p.m. Central Time, Monday through Friday with questions about getting hearing aids through the discount program. Discounts are from \$599-\$729 for behind the ear to \$799 for in the canal, depending on the recommended hearing aid model.

CareFirst members have access to discounted hearing aids through Beltone. Call Beltone at 1-866-530-9145 to schedule a free hearing evaluation. Show your CareFirst ID card and ask what discounts are available.

Kaiser Permanente covers hearing aids for Medicare-eligible retirees.

Did You Know? Comparing the CareFirst BCBS POS Plans

In both of our CareFirst BlueCross BlueShield Point of Service Plans (POS), 88% of our Medicare retirees are enrolled in the **High** Option POS Plan.

The difference between the High Option and Standard Option POS plans are the copayments. You pay higher premium dollars for lower copayments at the time you need service. However, once you are Medicare eligible, Medicare pays first, then the County plan pays second and there are no copayments left for the retiree to pay. So, if you are Medicare eligible and currently enrolled in the High Option POS, you may want to consider if the Standard Option POS would work better for you from an overall benefits/cost standpoint.

Now, you won't be going out and buying a new Ferrari with your savings. At the 30% cost share level for self only coverage, a Medicare retiree will save \$73.56/year (based on 2016 rates). But savings are savings, right?

If you wish to change your health plan at any time, all that is needed is a completed group insurance enrollment form. The form can be found online at <http://www.montgomerycountymd.gov/HR/Resources/Files/Benefits/2016%20Ongoing%20Retiree%20Election%20Form.pdf>. You can also call MC311 to request one be mailed to you. Forms received by the 10th of the month will be effective the 1st of the following month. The annual Open Enrollment period is approaching and changes can also be made during that time. Changes made during Open Enrollment are effective January 1, 2017.

Just the Facts: A Close Look at the Indemnity Plan

The County closed enrollment in the Indemnity plan many years ago, not allowing any new enrollments into this plan. Most likely, the providers most retirees use participate in the County's point of service (POS) plans. Below is a chart that demonstrates the monthly and annual savings a retiree could achieve if they were to switch plans and enroll in both the CareFirst POS Standard Option medical plan and the SilverScript Standard Option prescription plan.

	2016 Medicare Self Only - 30% Cost Share
CareFirst Indemnity*	\$176.89
CareFirst POS Standard Option Medical Plan	\$81.50
SilverScript Standard Option Prescription Plan	\$63.53
Monthly Savings for Changing out of Indemnity Plan	\$31.86
Annual Savings	\$382.32

*This plan includes prescription drug coverage. A retiree wishing to change from his/her Indemnity plan needs to elect to participate in a prescription drug plan if he/she wishes to have prescription drug coverage. ****Please note, if a retiree leaves the Indemnity Plan he/she cannot return.**

If you wish to change plans at any time throughout the year, all that is needed is a completed group insurance enrollment form. The form can be obtained online at <http://www.montgomerycountymd.gov/HR/Resources/Files/Benefits/2016%20Ongoing%20Retiree%20Election%20Form.pdf>. You can also call MC311 to request one be mailed to you. Forms received by the 10th of the month will be effective the 1st of the following month. The Open Enrollment period is approaching and changes can also be made during that time. Changes made during the Open Enrollment period are effective January 1, 2017.

Prescription Cost Savings Facts

Which Caremark Prescription Plan — the High Option or Standard Option — is best for you? The chart on page 10 provides an example of a retiree who has “self only” coverage, a 30% cost share, and Medicare coverage utilizing 2016 rates. Depending on your situation, you may want to consider changing plans based on the overall rates and benefits.

Example/Features	Caremark High Option Prescription Plan	Caremark Standard Option Prescription Plan
Rate 30% Cost Share/ Medicare/Self	Monthly \$284.99 Yearly: \$3,419.88	Monthly: \$63.53 Yearly: \$762.36 (\$2,657.52 per year <i>less</i> than the High Option Plan)
Copay (Up to a 90-day supply with Maintenance Choice Program; see below)	\$5 Generics \$10 Brand Name	\$10 Generics \$20 Preferred Brand \$35 Non-Preferred Brand Name
Deductible	None	\$50 1x/year per individual or family
Mail Order	Yes	Yes
Maintenance Choice (Fill maintenance medications at a 90-day/3- month supply for the price of one at CVS retail)	Yes	Yes
Drugs	Same	Same

Prescription Copays	How many prescriptions per <u>month</u> to exceed \$2,657.52 savings*
\$10 – Generic	22
\$20 – Preferred Brand	11
\$35 – Non-Preferred Brand	6

*Assumption that only that level of drug is being filled. The reality is that most people have drugs in all categories (generic, preferred brand and non-preferred brand name).

Like Us On Facebook

The Office of Human Resources is excited to announce that we are on **Facebook**. Stop by our page at www.facebook.com/MCGOHR and “Like Us” to stay informed of OHR news, activities and events.

New MC311 OHR Customer Service Center

On September 1, 2016, OHR and MC311 jointly launched the new MC311 OHR Customer Service Center in an effort to provide an improved experience when you call MC311 for HR-related matters. What does this change mean for you?

- **Faster service.** If you need assistance with an HR-related matter, call 240-773-OHR1 (240-773-6471) or toll-free at 1-877-613-5212 (TTY: 711) to receive quick support. The center is open Monday to Friday, 8 a.m. to 5 p.m.
- **Dedicated service.** When calling the new service line, you will speak with a customer service representative who has been specially trained to handle HR calls. In most cases, the representative will be able to answer your question by the end of your call. Issues that require extensive research will be routed to OHR staff via a service request.

Note: Your protection and security are our priority. MC311 customer service representatives have been specially trained to handle your call, keeping your personal information confidential and secure. To further protect your personal data, in some cases you will need to provide your birth date and home address in addition to the standard information requested by MC311 (your full name, reason for your call and whether you are an active, retired or participating agency employee).

For further details about the new MC311 OHR Customer Service Center, please visit:

<http://www.montgomerycountymd.gov/HR/MC311OHR/Collaboration.html>

Be sure to add the new number to your list of important contacts!

(Editor's note: the Important Contact Numbers, found on the back page of each new newsletter, are updated for your convenience. Consider saving the page until receipt of the following edition.)

IMPORTANT CONTACT INFORMATION

MCREA: 1-866-929-9339 or 301-929-9339; website: www.MCREAonline.com ; email: MCREAMembership@gmail.com or PresidentMCREA@gmail.com

Montgomery County Government MC311: 1-877-613-5212 or 240-777-0311 or 311 (local)
For Montgomery County Employee Retirement Plans: 1-877-613-5212 or 240-777-8230;
Fax: 301-279-1424; website: www.montgomerycountymd.gov/mcerp

Fidelity (Deferred Compensation Plan): 1-800-343-0860 or 240-777-8228
Massachusetts Mutual Life Insurance (Mass Mutual): 1-800-528-9009
For Group/Health Insurance: MC311 OHR Customer Service: local: 240-773-OHR1 (240-773-6471); toll free: 1-877-613-5212; TTY: 711; also see:
<http://www.montgomerycountymd.gov/HR/Benefits/HealthInsurance.html>

CareFirst Blue Cross Blue Shield: Member Services: 1-888-417-8385 www.Carefirst.com
Kaiser Permanente: Washington Area: 301-468-6000; Baltimore Area: 1-800-777-7902
<https://healthy.kaiserpermanente.org>

United Healthcare: Member Services: 1-800-638-0014 www.myuhc.com
Caremark: 1-866-240-4926 www.caremark.com
SilverScript 1-866-249-6167 www.mcg.silverscript.com
United Concordia (Dental): 1-866-851-7564 www.ucci.com/tuctcc (enter "Mont")
National Vision Administrators (NVA): 1-800-672-7723 www.e-nva.com
Prudential Long Term Care Insurance: 1-800-732-0416 www.Prudential.com
ACSIA Long Term Care Insurance: 410-455-4680 / 443-275-1764; www.MCG-LTC.com

This newsletter is published by: Montgomery County Retired Employees' Association, Inc.
P.O. Box 73, Rockville, Maryland 20848-0073. Editor: Irm Damazo. Suggestions welcomed.

MCREA

P. O. Box 73

Rockville, MD 20848-0073