

# Retirees FYI



A PUBLICATION OF THE RICHMOND RETIREMENT SYSTEM FOR OUR RETIREES

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SPRING 2005

## Executive Director's Message

Welcome to the spring edition of *Retirees FYI*. I always look forward to sending you special greetings and informing you of issues relative to your retirement benefits.

As such, I am pleased to report that during the months of July 2004 through February 2005, the System's return on investments increased 11.5 percent. In concert with the Board of Trustees, measures have been put in place to maintain the financial strength and security of the plan. In this regard, we are hopeful that current investment strategies will produce even greater improvements to the funded status.

Additionally, the System has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association of the United States and Canada. The Certificate of Achievement is the highest form of recognition in the area of public employee retirement system accounting and financial reporting and its attainment represents a significant accomplishment. This is the 13<sup>th</sup> consecutive year that the System has attained this recognition.

We are very proud of these accomplishments and will continue our efforts to maintain excellence in these as well as other retirement-related issues.

Information concerning dental and health

insurance coverage is included in this newsletter. It is well to note that there are no changes to the premiums of either dental plan. **Please be reminded that deferred retirees who retired on or after July 1, 1995 are ineligible to participate in the health or dental plans.**



Clara B. Woody

Other articles in this edition of *Retirees FYI* include reminders to disability retirees and staff recognitions. We trust that you will find these articles to be informative and enlightening.

Recently, the System implemented a policy to discontinue mailing direct deposit stubs to retirees unless pension changes occur. However, to provide year-end information, a check stub will be mailed to all retirees in December. Should you require further information regarding deductions, please provide a written request and a prompt response will be provided.

Please know that the System exists for the exclusive benefit of our members. Therefore, I want you to be assured that your opinions, concerns and ideas are of great importance to us and are welcome at any time.

Feel free to call us at (804) 646-5958 or toll free at 1-888-288-2781, regarding any of your retirement needs.

### MISSION STATEMENT

*The mission of the Richmond Retirement System is to provide quality customer service to its members in an efficient, timely and caring manner, and ensure security, stability and continued growth of the System's assets for members' benefits.*

Richmond Retirement System  
900 E. Broad Street  
Room 400  
Richmond, VA 23219  
Tel: (804) 646-5958  
Fax: (804) 646-5299

INSIDE  
FYI

Dental Insurance  
Page 2

Health Insurance  
Pages 3 & 4

Disability Reminders  
Page 5

# It's time for dental open enrollment



The City Administration will again offer dental insurance through the following providers:

- **Dominion Dental Services, Inc.** – Dental Health Maintenance Organization (DHMO)
- **United Concordia Companies** – Indemnity Plan

**There will not be any benefit changes or increase in co-payments.** Open enrollment for both plans will be May 9 through June 3, 2005.

Following are the highlights of each plan:

## **Dominion Dental Services, Inc.**

- Network dentists must be used
- Co-payments are a set dollar amount
- Office visit co-payment is \$5.00 per visit
- No claim forms to file

## **United Concordia Companies**

- Co-payments vary, depending on procedure
- May use any licensed dentist
- Coverage for general anesthesia
- Restorative and orthodontics services have separate \$50.00 deductibles
- Annual limit per person for restorative service
- Maximum lifetime benefit for orthodontics
- Retiree may be required to complete and file claim forms

If you would like to meet with the representatives from the dental plans, they will be available **Monday, May 16 from 9 a.m. to noon and Thursday, May 19 from 9 a.m. to noon** at City Hall, 900 E. Broad Street, in the 9th Floor Conference Room and **Wednesday, June 1 from 9 a.m. to noon** at City Hall in the Retirement Office Conference Room, 4th floor, Room 400.

Dental representatives will also be available **Tuesday, May 17 from 9 a.m. to noon and Thursday, May 19 from 1 p.m. to 4 p.m.** at the **Richmond Police Training Academy**, 1202 W. Graham Road, Richmond, Va.

If you would like to contact member services for dental claims or other information, please call the following numbers: **Dominion Dental, 1-888-518-5338 or United Concordia, 1-800-332-0366.** ■

## **JULY 1, 2005 – JUNE 30, 2006 MONTHLY DENTAL PREMIUMS**

<b>STATUS</b>	<b>DOMINION DENTAL</b>	<b>UNITED CONCORDIA</b>
<b>Retiree</b>	\$13.22	\$22.18
<b>Retiree + One</b>	\$24.22	\$42.40
<b>Family</b>	\$31.68	\$72.22

The current contract period ends June 30, 2005 and the new contract period begins July 1, 2005. Because both dental plans are prepaid plans, the deduction from your June 30, 2005 pension check will pay for your July 1, 2005 coverage.

If you are currently enrolled in Dominion Dental or United Concordia and wish to continue coverage with no changes, **DO NOTHING**. If you would like to **enroll in Dominion Dental or United Concordia, you must complete an enrollment form**. If you wish to add or drop a dependent, cancel coverage or change dentists, you will need to complete a change form. If you would like to switch from one dental plan to another, you must complete a cancellation form for your current plan and complete an enrollment form for the new plan. Please call the Retirement Office at (804) 646-5958 or toll free at 1-888-288-2781 for brochures and enrollment/change forms. **All enrollment forms must be returned to the Retirement Office by Friday, June 3, 2005.**

# Changes noted in CIGNA coverage

The City Administration will continue to offer CIGNA HealthCare for the contract period, effective July 1, 2005 through June 30, 2006, with a **slight increase in premiums for retirees under age 65 and Medicare-eligible retirees with dependents under age 65**. The retiree-only premium for members over age 65 will remain the same. The City will offer the same CIGNA products listed below:

- **Health Maintenance Organization (HMO)** for non-Medicare retirees who live in the service area
- **Point-of-Service (POS) Program** for non-Medicare retirees, allowing access to any physicians/specialists
- **Point-of-Service Open Access (POSOA)** for Medicare-eligible retirees who live in the service area
- **Preferred Provider Organization (PPO)** for all retirees who live outside the service area
- **Indemnity Plan (COMP)** for all retirees who cannot enroll in the PPO product

**If you are enrolled in any of these products and you do not wish to make any changes, DO NOTHING.** If you need to cancel your coverage, you must complete a change form. **The enrollment period will be May 9 through June 3, 2005.** Please call the Retirement Office at (804) 646-5958 or toll free at 1-888-288-2781 for change forms.

The following major changes in CIGNA coverage will be effective July 1, 2005:

- The number of combined visits for chiropractic care and physical, speech or occupational therapy have been reduced from a 60 to 20 visit maximum.
- The number of genetic diagnostic tests covered will expand from approximately 3-4 tests to include 32 tests.
- A \$100 co-pay has been implemented for diagnostic MRI, CAT and PET scans for all plans other than the coverage for medicare-eligible retirees. The retiree co-pay will remain at \$50 for these diagnostic procedures.
- The following procedures will be excluded from CIGNA coverage, even if they are considered medically necessary: obesity/bariatric (stomach bypass/stapeling) surgery, breast reduction, varicose vein surgery, abdominoplasty (tummy tuck), panniculectomy (liposuction), removal of benign moles and other skin protrusions, erectile dysfunction medications/equipment and orthognathic surgery (correction of overbites/underbites).

**Please see Page 4 for the monthly premiums for Medicare retirees and COBRA participants and additional information concerning upcoming group meetings with representatives from CIGNA.**

## 2005-06 MONTHLY PREMIUMS FOR NON-MEDICARE RETIREES

STATUS	CIGNA HMO, PPO & INDEMNITY		
	25+ years	15-25 years	10-15 years
Retiree Only	\$84.95	\$137.81	\$190.68
Retiree + One	\$455.40	\$508.26	\$561.13
Family	\$751.82	\$804.68	\$857.55

STATUS	CIGNA POS		
	25+ years	15-25 years	10-15 years
Retiree Only	\$120.53	\$173.39	\$226.26
Retiree + One	\$535.45	\$588.31	\$641.18
Family	\$867.40	\$920.26	\$973.13

**\*If you retired prior to January 1, 2000, your monthly premium is the same as those persons who retired with 25 or more years of service. Otherwise, your monthly premium is based on your years of service.**

## 2005-06 MONTHLY PREMIUMS FOR MEDICARE-ELIGIBLE RETIREES

STATUS	CIGNA POSOA, PPO & INDEMNITY		
	25+ years	15-25 years	10-15 years
Years of Service*			
<b>Retiree Only</b>	<b>\$195.54</b>	<b>\$233.26</b>	<b>\$270.99</b>
<b>Retiree + One (Both Medicare Eligible)</b>	<b>\$542.00</b>	<b>\$579.72</b>	<b>\$617.45</b>
<b>Retiree + One non-Medicare on HMO</b>	<b>\$491.95</b>	<b>\$529.67</b>	<b>\$567.40</b>
<b>Retiree + One non-Medicare on POS</b>	<b>\$527.53</b>	<b>\$565.25</b>	<b>\$602.98</b>
<b>Family - One Medicare + Dependents on HMO</b>	<b>\$862.40</b>	<b>\$900.12</b>	<b>\$937.85</b>

\*If you retired prior to January 1, 2000, your monthly premium is the same as those persons who retired with 25 or more years of service. Otherwise, your monthly premium is based on your years of service.

## COBRA Coverage for Surviving Spouses/Dependents

Health insurance coverage for all surviving spouses/dependents (current and future) of deceased members continues pursuant to COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) for thirty-six (36) months after the death of the member. After that period of time, the coverage will be terminated and the surviving spouse/dependent may convert to an individual policy, if interested. The COBRA rates for surviving spouses/dependents are listed below.

### 2005-06 COBRA PREMIUM TABLE

STATUS	MONTHLY PREMIUM
<b>Surviving Spouse or Dependent with Medicare</b>	<b>\$346.44</b>
<b>Surviving Spouse or Dependent without Medicare on HMO</b>	<b>\$296.41</b>
<b>Surviving Spouse or Dependent without Medicare on POS</b>	<b>\$331.99</b>

## Premium Payments

In the event that your pension is not enough to cover the cost of your health insurance premium, your pension check will be credited toward your health insurance and you will be required to submit the balance. If you do not receive a pension check, you must pay for your coverage by personal check or money order. **Payments with or without an invoice must be received in the Retirement Office by the 15th of each month. Your check or money order should be made payable to "City of Richmond for CIGNA."**

## Meet with CIGNA Representatives

If you would like to meet with CIGNA representatives, they will be available **Monday, May 16 from 9 a.m. to noon and Thursday, May 19 from 9 a.m. to noon** at City Hall, 900 E. Broad Street, in the 9th Floor Conference Room, and **Wednesday, May 25 from 9 a.m. to noon and Wednesday, June 1 from 2 p.m. to 4 p.m.** at City Hall in the Retirement Office Conference Room, 4th floor, Room 400.

CIGNA representatives will also be available **Tuesday, May 17 from 9 a.m. to noon and Thursday, May 19 from 1 p.m. to 4 p.m.** at the Richmond Police Training Academy, 1202 W. Graham Road, Richmond, Va.

To contact CIGNA Member Services, please call 1-800-244-6224. The Retirement Office has CIGNA enrollment/change forms. Please contact the office at (804) 646-5958 or toll free at 1-888-288-2781 to request a form. **Forms must be returned to the Retirement Office on or before June 3, 2005.** ■

# Reminders for RRS disability retirees

## Deadline to report income from gainful employment is May 23, 2005

In accordance with Section 78-244(b) of the City Code, all disability retirees, prior to reaching the normal retirement age (general employees, age 65; firefighters and police officers, age 60), are required to submit to the Retirement Office a copy of their signed federal (Form 1040) or state (Form 760) tax return, along with copies of wage certificates (W2's), inventories and schedules in support thereof.

If you file a joint tax return, your spouse's wage certificates (W2's) must also be submitted in order to distinguish between the two incomes. Otherwise, all monies earned will be considered your income and your pension will be reduced, if applicable.

If you were not required to file tax returns, you must submit a notarized affidavit certifying that no returns were filed. You may call the Retirement Office at 646-5958 to obtain an affidavit.

Refusal to submit the requested information will result in the withholding of your disability benefits. If the refusal continues for a period of one year, any rights to future disability benefits shall cease.

**The deadline to submit this information is Monday, May 23, 2005.** You are exempt from this requirement if you are in receipt of Social Security disability (SSD) benefits.

### Social Security Disability Benefits

If you retired on a disability retirement, you are required to apply for Social Security disability benefits with the Social Security Administration (SSA) immediately upon retirement. You must also submit to the Retirement Office a copy of your letter of award or denial of SSD benefits. Failure to do so will result in the following:

1. An overpayment of benefits, which will be your responsibility to repay to the Richmond Retirement System (RRS), and

2. Withholding of your monthly pension allowance.

Upon receipt of your SSD award, RRS will reduce your monthly allowance immediately to the after age 65 allowance amount. If your award is retroactive, any overpayment of benefits will be recovered by the RRS.

If you were originally denied benefits by the SSA and appeal their decision, you must notify RRS of the results of your appeal. Failure to submit a copy of your subsequent award will result in an overpayment of RRS benefits, which will be your responsibility to repay to RRS.

Should you refuse to comply with RRS requests for information regarding SSD benefits, your retirement allowance will be withheld until such requested information is submitted to RRS.

### Election of a Survivor Option

If you retired on a disability retirement from the City of Richmond, you may elect a survivor option for your contingent beneficiary prior to reaching your normal retirement age (general employees, age 65; firefighters and police officers, age 60).

Electing a survivor option allows you to set aside a percentage (100%, 75%, 50% or 25%) of your retirement allowance to provide a monthly benefit for your spouse or designated beneficiary upon your death.

If you elect a survivor option, your monthly allowance will be reduced the first day of the month following your normal retirement age.

Contact the Retirement Office in writing with your contingent beneficiary's name and date of birth if you are interested in electing a survivor option. You may elect a survivor option at any time prior to reaching your normal retirement age. However, the survivor option **will not be effective** until the first day of the month following your normal retirement age. ■

# RRS staff exemplifies excellence

Annually, the Executive Director recognizes RRS staff for exemplary performance. For the year 2004, each employee received a Star Award. Two employees received special recognition.

**Joyce Carter**, a Retirement Benefits Coordinator I, received the 2004 Star Performance Award for consistently demonstrating a commitment to RRS and its members with a positive attitude. Joyce's longevity with the City extends over 32 years, in which time she has constantly displayed dedication and commitment. Joyce is a shining example of excellence in customer service.

Retirement Benefits Specialist **Amy Roaché** was presented the 2004 Distinguished Award for demonstrating the highest level of professionalism and a strong work ethic. Coupled with the devotion that Amy demonstrates to her daily job duties, she made major accomplishments in record-breaking time. We are glad to have Amy aboard.



Joyce Carter  
and  
Amy Roaché



## Staff Member Retires

**Mildred Smith** retired April 1, 2005. Mildred began her career with the City on March 31, 1980. She served as Executive Secretary to several Mayors and Sr. Assistant to the City Clerk. Throughout her tenure with RRS, Mildred served as Executive Staff Assistant, Retirement Benefits Coordinator I and Editor/Co-Editor of *Retirees FYI*. Happy retirement, Mildred!



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\*\*\*

Mrs. Clara B. Woody  
Executive Director

#### Retirees FYI

Editor

Karla E. Peters

Co-Editors

Judy L. Nicholas  
Mildred Smith

**Richmond Retirement System**  
City Hall, Room 400  
900 E. Broad Street  
Richmond, VA 23219