

Retirees FYI

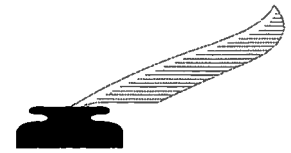


A PUBLICATION OF THE RICHMOND RETIREMENT SYSTEM FOR OUR RETIREES

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WINTER 2005/06

From the Desk of the Executive Director



Clara B. Woody

Greetings!

On behalf of the Richmond Retirement System, this newsletter is published semi-annually to update you on developments in your retirement system. To that end, I would like to take this opportunity to share several new developments since our last publication.

First, the trust fund realized an investment return of 11.9% for the fiscal year ended June 30, 2005; however, the System's funded status for the same period was at 60%. Given this decline in the funded status, in conjunction with the Mayor's administration and City Council representatives, the Board has been exploring new measures to improve the overall funded status of the System. The Board's objective is to improve the funded status to 80% over the next five years to ensure the continued solvency of the System. We will keep you informed of our progress in this area.

Second, as you are aware, a cost-of-living adjustment (COLA) was not granted to retirees in 2005. In consideration of a proposed COLA for this year, the Board recently adopted an administrative policy for recommending future COLAs. Based upon this policy, the Board recommended a 2.61% COLA effective July 1, 2006 for persons retired prior to July 1, 2005. However, the Mayor's budget does not include a COLA for retirees. A public hearing on the proposed budget will be held on Monday, May 1, 2006 at 6:00 p.m. in the City Council Chambers. If you wish to speak before Council on the subject of a COLA for retirees, please call the City Clerk's Office at 646-7955 to register to speak.

Third, the City Administration is in the process of reviewing health insurance provisions. As new developments occur, we will advise you accordingly. In the interim, CIGNA HealthCare will continue for eligible retirees.

In closing, please do not hesitate to call the Retirement staff to assist you with your retirement related questions at (804) 646-5958 or toll free at 1-888-288-2781.

New Board Member

As a new member of the Board of Trustees of the Richmond Retirement System, Ronald L. Tillett brings more than 28 years of executive financial management experience in public sector as the current Managing Director of Public Finance at Morgan Keegan and Company, Inc. Prior to that, Mr. Tillett served in the Cabinet of two former Virginia Governors as Secretary of Finance. Prior to those appointments, he served as the Treasurer of Virginia. In the early part of his career, Mr. Tillett served as a Senior Fiscal Advisor to the House Appropriations Committee of the Virginia General Assembly and a Senior Analyst with the Joint Legislative Audit and Review Commission, also of the Virginia General Assembly. In addition, he has served on numerous boards and authorities, receiving gubernatorial appointments to such bodies as the Governor's Commission on Competitive and Equitable Tax Policy and The College of William and Mary Board of Visitors. He was elected to the Board of Directors of Union Bankshares Corporation in 2003 and serves as Chairman of the Audit Committee. Most recently, he served on the Financial Review Committee of Mayor L. Douglas Wilder's Transition Team. *(Continued on page 2)*



Ronald L. Tillett

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.

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New Board Member *(Continued from page 1)*

Mr. Tillett is an active member of the Virginia Blood Services Board of Directors and the Board of Trustees of the Virginia Commonwealth University Foundation.

Mr. Tillett earned a Bachelor of Science in Urban and Regional Planning from Virginia Commonwealth University. He also completed the Governor's Executive Education Program at the Virginia Institute and graduated from the Strategic Planning and Management Executive Education Program at the University of Pennsylvania's Wharton School. He is a licensed securities professional.

General Employee Representative Appointed to the Board

Mr. Garland W. Williams was appointed by Mayor Wilder to serve on the Board of Trustees as a general employee representative. Mr. Williams currently serves as a Sr. Budget and Management Analyst in the City's Budget Office. His budgetary analysis skills and intimate knowledge of the City's budget will enable him to be an invaluable asset to the Board.

Reminders for RRS Disability Retirees



Social Security Disability Benefits

In accordance with Section 78-244(a) of the City Code, **ALL** retirees in receipt of an ordinary or service-related disability retirement allowance are required to apply for Social Security Disability (SSD) benefits with the Social Security Administration (SSA) immediately upon retirement.

You are required to submit a copy of your letter of award or denial of SSD benefits to the Retirement Office. Failure to do so may result in the following:

1. An overpayment of benefits which will be your responsibility to repay to the Richmond Retirement System (RRS), and/or
2. Withholding of your monthly pension allowance.

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

If you are originally denied benefits by the SSA and subsequently appeal their decision, you must notify the RRS of the result of your appeal.

Election of a Survivor Option

If you retired on a disability retirement from the City, 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.



Medicare Part D



New prescription drug coverage in 2006

As you were previously notified by the City's Department of Human Resources, effective January 1, 2006, Medicare is offering prescription drug coverage Part D for those persons eligible for Medicare benefits. The initial enrollment in Medicare Part D will continue through May 15, 2006.

Medicare-eligible retirees who have CIGNA HealthCare insurance coverage (Point-of-Service Open Access) through the City of Richmond do not have to enroll in Medicare Part D. The City of Richmond will continue to offer prescription drug coverage through CIGNA HealthCare. An independent actuary completed a comparative analysis of the CIGNA plan and Medicare Part D and determined that the current CIGNA coverage is "creditable coverage."


If you have any questions regarding Medicare Part D, please call Medicare at 1-800-633-4227 or visit the website at www.medicare.gov. For questions regarding CIGNA HealthCare, please call member services at 1-800-244-6224.

Retiree Associations

This is to advise you that several associations are available for participation by City of Richmond retirees. For your information, we have obtained the names and contacts of the following associations:

Association	Contact(s)	Telephone Number
Richmond Association of Retired Employees (RARE)	Ray Jackson	(804) 329-0098
Fraternal Order of Police (F.O.P.) John Marshall Lodge No. 2	Officer Mary Paulette Officer Tommie Adkins (Retired)	(804) 233-0523
Police Benevolent Association (PBA)	Lt. Matt Sasser Captain Linda Samuel	(804) 646-6726 (804) 646-5142
Richmond Retired Police Officers' Association (RRPOA)	Officer Lynda Cooksey (Retired)	(804) 730-4172
Richmond Firefighters' Association	Lt. David Pulliam (Retired) Union Hall	(804) 353-5363
Richmond Retired Firefighters' Association	Lt. Nelson Boykin (Retired)	(804) 270-3921

As we learn of other associations in which City retirees may participate, we will include them in future newsletters.



**Remaining
RRS pension
pay dates
for 2006**

Friday, March 31
 Friday, April 28
 Wednesday, May 31
 Friday, June 30
 Monday, July 31
 Thursday, August 31
 Friday, September 29
 Tuesday, October 31
 Thursday, November 30
 Friday, December 29



Retiree reminders

All retirees (service or disability) who have Medicare Parts A and B and are participating in the City's health insurance program should be enrolled in a CIGNA supplemental Medicare health plan. To apply for Medicare, please contact the Social Security Administration at 1-800-772-1213 or your local Social Security branch. Once you are enrolled in Medicare Parts A and B, please contact the Retirement Office for a CIGNA enrollment form.

If a life-changing event such as marriage, divorce, remarriage or loss of a loved one has happened in your life, you may need to update your beneficiary form for the retirement death benefit. Please call the Retirement Office at 646-5958 for a form.

Direct deposit statements are only mailed in the event there is a change in the amount of your pension or a change in your pension deductions, such as federal or state taxes, health insurance premiums, etc. However, you will receive a direct deposit statement each December.



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Retirement
System**

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