

# Retirees FYI



A PUBLICATION OF THE RICHMOND RETIREMENT SYSTEM FOR OUR RETIREES

VOL. 28 No. 26

FALL 2006

## From The Chairman of the Board of Trustees....

Greetings and best wishes are extended to you throughout the upcoming holiday season!

I am happy to report that with the corroborative action of the Mayor, City Council and the Board, improvements have been made to the System's funded status. As a result of investment returns over the past three years in the double-digits, coupled with the recent amendments to the Retirement Code, the System's funded status increased to approximately 70% for the fiscal year ending June 30, 2006, with assets totaling \$500.5 million.

As you were previously informed, the Board adopted an administrative policy for recommending future cost-of-living adjustments (COLA) which considers a percentage of the Consumer Price Index (CPI) as of October each year, in addition to the System's funded status. Pursuant to its policy, the Board voted on November 21, 2006 to recommend a 0.79 percent COLA effective July 1, 2007 for persons retired prior to July 1, 2006. The recommended COLA will be forwarded for consideration as part of the System's proposed budget for fiscal year 2007-2008. We will notify you of City Council's public hearing date on the proposed budget.

Concerning the Executive Director position, the Board is in the process of seeking a replacement for Mrs. Clara B. Woody, who so diligently served in that capacity for 22 years. We truly appreciate Mrs. Woody for the faithful and dedicated leadership she provided to the System. Once we have chosen an individual to succeed Mrs. Woody as Executive Director, you will be notified accordingly.



Ronald L. Tillett

In closing, I trust that the information provided to you in this newsletter by the retirement staff is beneficial. However, should you have any questions or need assistance with any retirement-related matter, please feel free to contact the Retirement Office at (804) 646-3830 or toll-free at 1-888-288-2781.

Again, best wishes from the Board of Trustees and the staff of the Retirement Office. May your holiday season be safe and enjoyable!

### 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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## Federal and State Withholdings

Pursuant to federal regulations, the Richmond Retirement System is required to remind retirees annually of their options regarding federal tax withholding. Therefore, this is to advise you that:

1. If federal income tax has been withheld from the pension payments you are currently receiving and you do not wish to have tax withheld, you should notify the Retirement Office;
2. If you do not have enough federal income tax withheld, you may be responsible for payment of estimated tax; and

3. If your withholding and estimated tax payments are not sufficient, you may incur penalties under the estimated tax rules.

You may want to review your withholding information for the 2007 tax year and submit a new W-4P Form (Withholding Certificate for Pension or Annuity Payments), which will be available from the Retirement Office after December 31st.

Additionally, if you move out of state, you will need to complete a new Form VA-4P claiming state tax exemption status.

## Distribution of Annual Tax Reporting Information

Your Form 1099-R (Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, etc.) for the 2006 calendar year will be mailed to you by the end of January 2007. This form provides important information that you will

need to file your federal and state tax returns, if applicable.

If you do not receive your Form 1099-R, please contact the Retirement Office at (804) 646-3830 or toll-free at 1-888-288-2781 for a duplicate copy.

## Retirees' 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 Lt. Brian Russell	(804) 646-1412 (804) 646-6747
Police Benevolent Association (PBA)	Lt. Matt Sasser Captain Linda Samuel	(804) 646-6726 (804) 646-5142
Richmond Retired Police Officers' Association (RRPOA)	Lynda Cooksey, Dept. of Emergency Communications	(804) 730-4172
Richmond Firefighters' Association	Lt. David Pulliam (Retired) Union Hall	(804) 353-5363
Richmond Retired Firefighters' Association	Nelson Boykin	(804) 270-3921

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

# Reminders for Disability Retirees

## Social Security Disability Benefits

Pursuant to 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. Upon receipt, a copy of your letter of award or denial of SSD benefits must be submitted to the Retirement Office.

## Reporting Income from Gainful Employment

In accordance with Section 78-244 (b) of the City Code, all disability retirees, prior to reaching their 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 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 were not required to file tax returns, you must submit a notarized affidavit certifying that you were not required to file. You may call the Retirement Office at 646-5958 to obtain an affidavit. All retirees in receipt of Social Security disability benefits are exempt from this requirement.

## 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. 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.

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## Applied for Medicare?

Have you celebrated your 65<sup>th</sup> birthday? Do you have Medicare Parts A and B? If not, you need to apply as soon as possible. Your entitlement to Medicare will have an effect on the amount you are currently paying for health insurance coverage and will determine which health insurance plan you should be enrolled in with the City.

To apply for Medicare, you may contact the Social Security Administration at 1-800-772-1213 or the local branch nearest you. If you receive a Medicare Parts A and B card, forward a copy to the Retirement Office immediately. All retirees who have Medicare Parts A and B and are participating in the City's health insurance program should be enrolled in the CIGNA Point-of-Service Open Access Plan. If you need an enrollment form, please contact the Retirement Office.

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## Issuance of Check Stubs

In addition to retirees paid by check, all retirees paid by direct deposit will receive a check stub for the December 29, 2006 payroll. The stubs will contain year-to-date totals for your pension and all payroll deductions. It is very important for you to keep this stub for your records if you need the total amount of health and dental insurance premiums paid during the calendar year for tax filing purposes.

## 2007 Pension Pay Dates

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



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Mrs. Clara B. Woody  
Executive Director  
(Interim)

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