



Retirees *FYI*

www.richmondgov.com/retirement

Fall 2008

Record Crowds Expected on Election Day Options to Help Make Your Voting Experience Easier

November 4th is fast approaching! The deadline to apply for absentee voting is October 28th. Those who have disabilities or caring for those with disabilities, traveling or out of the United States on November 4; may apply to vote absentee. You have the option of voting absentee in person at your local election office prior to the Election Day or you can mail in your absentee ballot. Those wishing to vote absentee may do so by dropping off the absentee ballot at their local election office by Saturday, November 1st. Mailed absentee ballots must arrive at local election offices by 7 p.m. on November 4th. Further information about absentee voting is available on the Virginia State Election Board web site at www.sbe.virginia.gov or call toll free **1-800-552-9745**.

Polling facilities conform to Federal ADA compliance standards and have aides to help the disabled vote on Election Day. In addition, if you are over the age of 65, you are eligible to vote using curb side voting machines. These machines can be brought directly to your vehicle by an election official so that you will not have to leave your vehicle to vote.

Speaking of transportation, if you do not have access to transportation to your polling place on Election Day, there are several organizations willing to offer it to you for free. Both the Republican and Democratic Parties of Virginia are offering free transportation to the polls. To arrange transportation with the Republican and Democratic Parties of Virginia call **1-804-780-0111** or **1-804-644-1966** respectively. More information about transportation arrangements can be found at the party web sites; www.rpv.org and www.vademocrats.org. For your specific voter questions, you should contact your local election office. ❖

RRS and the Recent Market Declines

The financial credit crisis, housing debacle, and fears of inflation all have taken their toll on the U.S. economy and has affected the global economy as well. Make no mistake, there is fear and talk everywhere about the future. Yet, you should know that the Richmond Retirement Systems' (RRS) defined benefit pension fund is structured to reduce risk and the effects of market volatility.

The RRS is governed by a Board that is comprised of City Council and Mayoral representatives including local citizens with years of financial experience. The Board frequently consults with its Investment Advisory Committee and utilizes an outside professional investment consulting firm to assist in the overall structure and monitoring of the System. It's outside professional money managers manage the assets of the System on a day-to-day basis.

When the capital markets are flooded with what may be perceived as "bad news," it is important to remember that RRS pension payments are protected by "legislation" that sets forth the level of benefits and the overall structure of the System. As always, we will continue to work diligently, yet prudently, in these unnerving times to protect the assets of the System so that you can continue to receive your Richmond Retirement System benefit.

FY 09 COLA Update

A 1.5 percent retiree cost-of-living allowance (COLA) was approved by Richmond City Council on May 27, 2008 as part of Council's Fiscal Year 2009 City Budget. As of October 7, the COLA issue continues to be on indefinite hold as the Mayor and City Council discuss their options and the FY09 budget impasse.

Should the budget outlook change, we will notify all retirees immediately. Please keep in mind, any FY09 COLA is expected to be paid retroactively to July 1, 2008. The Richmond Retirement System is actively monitoring this situation, and will provide further information when forthcoming. You may also check for updates on our web site. ❖

What's *Inside?*

Executive Communiqué.....	2
Valued Member Surveys.....	2
Smooth-Out Option.....	3
Managing Your Income in Retirement.....	4



Executive Communiqué

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Executive Director

Living on a “fixed income” can be challenging for many City retirees particularly when the U.S. economy “feels” like or is headed towards a recession. This Fall edition of the “Retirees FYI” newsletter contains information to help you stay in touch with events affecting the Richmond Retirement System and you. You should know that the Retirement System remains sound and this year ending June 30, 2008, our “funded status” improved slightly from 71.1% to 71.2% as a result of “smoothing” the prior year investment returns when the investment markets were providing better results.

The Richmond Retirement System’s Board of Trustees and staff continues to work tirelessly to ensure the System stays solvent to protect your retirement benefit.

Inside this edition is information to help you manage your income in retirement and details on the City’s new dental service provider (Delta Dental). Also, you will find information regarding absentee voting and voting assistance for this November’s National Election.

The economy is weak however, the country has seen stressful times before. All are counting on the strength of our leaders and citizens to weather the storm.

Mail-in Surveys Provide Valuable Feedback
RRS Members can now provide customer service feedback via yellow Valued Member Survey

If you have stopped by the Richmond Retirement System office during the last year, you have probably been asked to complete a green Customer Satisfaction Survey card. These cards allow you to provide immediate feedback to us about our service delivery so that we can make improvements to make your next experience even better.

We recently augmented our green cards with a new mail-in Valued Member Survey. The new survey has been specifically designed to give those who communicate with us via mail the opportunity to provide feedback as well. A yellow survey form is included in all mailings requested by members.

Like our in-house Customer Satisfaction Survey, we monitor and analyze our customer opinions and comments received. Thus far, on a 1 (lowest) to 5 (highest) scale, you have rated our service 4.5 over the year and we consider that a success. We are pleased that you believe we are serving your needs. Thus, the next time you are asked to complete a survey, please know that someone is at home watching and caring if you are receiving quality service. ❖

The RRS Internet Web Site is Convenient, Informative, and Easy



Don’t waste your time or gas looking for a parking space downtown in order to obtain forms or information from the Richmond Retirement System (RRS); log on to the RRS web site, www.richmondgov.com/retirement, to find the forms and information you need without leaving your house.

The Richmond Retirement System’s web site is constantly updated with news and information about the System and your benefits. It’s your first source for information about health and dental insurance rates and the best place to get forms and contact information.

The Richmond Retirement System’s web site, www.richmondgov.com/retirement, is a great resource for the internet links that matter most to you, like the **Social Security Administration** and **AARP**.

Visit www.richmondgov.com/retirement today and enjoy the ease and convenience of accessing the Richmond Retirement System at home. ❖

2008 2009		Benefit Payment Schedule
Month	Date	
October	Oct. 31st	
November	Nov. 26th	
December	Dec. 31st	
January	Jan. 30th	
February	Feb. 27th	
March	Mar. 31st	
Pension Payments are made on the City’s last working day of each month.		

Understanding the Effects of Social Security on Your "Smooth-Out" Benefit Payment Option

The Smooth-Out Benefit Payment Option is a feature that allowed a retiring member under the age 65 to receive an increased benefit upon retirement until age 65. The benefit reduction at age 65 is sometimes startling for some who after a number of years have gotten used to living on the increased benefit; forgetting that they chose the option upon retirement. For those who have taken the Smooth-Out option, you must remember that your RRS benefit is being reduced by your projected full (at age 65) Social Security benefit that was calculated at the time of your retirement. Therefore, if you have not already applied, it is very important that you consider applying for Social Security to offset the reduction in your RRS retirement benefit.

Considerations to remember for those who selected the Smooth Out Benefit Payment Option are:

- Do I need to apply for Social Security before I reach full Social Security Age or can I afford to let it increase?
- Align expenses with the expected income you will receive at age 65 when your smooth out benefit reduces.

You should review your financial situation carefully. You may also want to seek the advice of a financial professional before you make any decision regarding your Social Security benefit. Additional information about Social Security can be found at www.ssa.gov.

New Dental Service Provider for City of Richmond Retirees

Effective January 1, 2009, Delta Dental of Virginia will replace Dominion Dental Services, Inc., and United Concordia Companies, Inc., as the dental service provider for City of Richmond employees including retirees. The City has changed its provider in an effort to continue to offer employees and retirees its lowest cost option for dental services.

The Richmond Retirement System (RRS) is conducting an Open Enrollment period for retirees until October 31, 2008. All individuals wanting to continue or begin receiving dental services using the City's dental plan must participate in open enrollment. In September RRS sent all qualifying retirees Delta Dental enrollment packages that include enrollment forms. These forms must be completed and received in the RRS office prior to October 31st to ensure dental coverage.

Delta Dental offers two plan options from which you can choose. They include the DeltaCare Program and Delta Dental PPO Plus Premier Plan. For more information regarding the new dental plan provider and plans, please visit their web site at: www.deltadentalva.com.

1099-Rs To Be Mailed In January

Is it a Good Time to Review Your Tax Withholding?

City Retirees should expect a Federal 1099-R tax form to be mailed to them in January in time to file your annual taxes. If you do not receive a 1099-R by February 15th, please contact the Richmond Retirement System and request a duplicate copy.

Tax season is also a good time to make changes in your Federal and/or State tax withholding. To change your Federal or State tax withholding, visit the "Forms" section of the Richmond Retirement System web site, www.richmondgov.com/retirement, and fill out the appropriate Federal or State tax form. It is always advisable to speak with a tax professional before making changes to your withholding. Federal tax information is also available at www.irs.gov, and State tax information at www.tax.virginia.gov.

America's Most Affordable Cities for Retirees

Columbus, Ohio was named as the most affordable city to retire to according to Forbes Magazine. The recently released list of most affordable cities to retire cited the home city of the Ohio State Buckeyes for its low inflation, reasonable housing costs, high employment rate for those over 65 years of age, and continued growth.

Dallas, Texas ranked second most affordable for its robust economy and low tax rates according to Forbes. Dallas isn't the only Texas city to make the list, Houston with its affordable housing and booming economy made the list at number four. Sandwiched between the two Texas entries is Minneapolis, Minnesota. Renowned for its low cost of living and vibrant culture, Minneapolis makes a great place for retirees to make a fresh start.

Rounding out the top five is Salt Lake City, Utah. Utah's capital city boasts an astounding 16 doctors per thousand people and offers world-class medical facilities. You can view the entire list of affordable places on Forbes Magazine web site, www.forbes.com.

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Managing Your Income in Retirement

City retirees . . . Is it time to start thinking about how you are going to manage your funds so that they carry you through your entire retirement? For many retirees, retirement age marks the point when they will have access to the largest amount of assets in their lives. Deciding how much of your assets to draw down each year to make them last may be overwhelming at first; however, by putting together a plan at the outset of your retirement can help guide you to a more secure retirement.

You may want to consider speaking to a financial professional. Often retirees have funds coming from a number of different sources; like IRA's, pensions and Social Security. Understanding what to do with each income stream and their tax implications can be challenging. Having a financial professional to help guide you may be worth the cost, depending on the size of your assets.

Though professionals may advise you to withdraw no more than 5% of your investments unless you are certain of your future income and expenses, your defined benefit should be factored into their advice. The key is, consider your assets and expectations and devise a workable plan with those you trust to help you make a decision. Consider not having only cash or all stocks. Instead move

some of your investments into safer options like CD's, Money Market Funds, some defensive mutual funds, and Bonds. These types of investments are safer than investing in stocks, but they continue to make your money work for you, and in the long run may help offset your retirement spending.

You may want to consider long-term health care insurance. Even the healthiest of retirement plans can be derailed by health care emergency. Long-term health care insurance helps ensure that your retirement plans will not be thrown off track.

If you have yet to access your Social Security benefit, take time to consider what plan of action will work best for you. Taking Social Security early means that you will have a reduced benefit for a longer period of time. The longer you wait to access your Social Security benefit, the larger your benefit will be.

Finally, consider working in retirement. More and more retirees are going back to work both full and part-time. Look at the hobbies and activities that interest you and see if there may be an opportunity for you to turn that hobby into your new career. ❖