

Retirees FYI



A PUBLICATION OF THE RICHMOND RETIREMENT SYSTEM FOR OUR RETIREES

VOL. 26 No. 24

SPRING 2006

Executive Director's Farewell Message

Dear Retirees,

After 22 memorable years serving as the Executive Director of the Richmond Retirement System (RRS), I announced that I will retire effective September 1, 2006. Serving the members of the RRS and overseeing the investments of the System have been both rewarding and challenging. Throughout my tenure, the System experienced many years of positive returns. Foremost of my achievements was ensuring that the Retirement funds were managed appropriately. To that end, under my leadership, the System has consistently received no material audit comments from annual audits, which means that all funds were accounted for accurately.

We can be very proud that the RRS has received annual awards of a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. This certificate, which recognizes conformance with the highest standards for preparation of state and local government financial reports, has been awarded to the RRS every year since first applying in 1991.

Once appointed Executive Director in 1984, I worked untiringly with past and present members of the Board of Trustees to improve our System. As such, many goals have been achieved and many other accomplishments have been made for which I am very proud.

Like most pension funds across the country, RRS currently faces a decline in the funded status. I believe that with the dedicated professionals serving the System, coupled with the diversified investment strategies employed by

the Board, this obstacle will be overcome and the RRS will grow to be an even stronger System. I would like to commend current and past members of the Board of Trustees for the monumental services provided to the System during my leadership. The commitment of the Board, supported by a dedicated staff, made my success possible.



Clara B. Woody

In my capacity as Executive Director, I especially enjoyed the opportunity to publish the Retirees' FYI, semiannually, to help keep you informed of issues regarding your retirement. Although this is my last edition, I trust that the FYI publications will continue to provide you with useful information.

Please know that I sincerely appreciate all of the input that you offered during my tenure as we moved the System forward. Providing quality service to you was one of my primary objectives. Now, I go with the utmost certainty that I have made a difference and that the System is in capable hands.

I thank the Board of Trustees for the opportunity to serve you for the past 22 years. It has been gratifying! I look forward to joining you in retirement.

Sincerely,

Clara B. Woody, AIF®
Executive Director

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
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RRS Board Elects New Officers

On May 16, 2006, the RRS Board of Trustees elected Mr. Ronald L. Tillett as Chairman and re-elected Mr. Matthew O. Puccinelli as Vice Chairman. Please join us in congratulating Mr. Tillett and Mr. Puccinelli on their elections. Mr. Tillett replaces the former Chairman, Mr. Gregory A. Schnitzler, who served on the Board for fourteen years and four months in various capacities. We thank Mr. Schnitzler for all of his years of dedicated service to the Board.



Roland L. Tillett



Matthew O. Puccinelli

Health Insurance Policy Change

The Retirement Office is pleased to announce that on May 16, 2006, the City Administration amended its health insurance policy to allow **retirees under the age of 65** the option of canceling their health insurance coverage and re-enrolling at a future date in the City's health insurance program under certain terms and conditions. The amended policy applies to current participants in the City's health insurance program. Upon re-enrollment, retirees will receive any applicable City contribution towards their monthly health insurance premium.

The provisions for re-enrollment are as follows:

1. Retirees would be permitted re-entry, at anytime, **with proof of continued coverage (Certificate of Coverage)** from date of withdrawal to date of re-entry to the City's plan.
2. Re-entry would be permitted to the same or lesser tier at the time of withdrawal. (Example: Retiree with single coverage may only re-enroll with single coverage.)
3. Retirees under the age of 65 who withdraw from the program and wish to return after reaching the age of 65 would be allowed back.
4. Re-entrants would be required to show proof of insurance for the time that they were not covered under the City's insurance carrier.

If you wish to cancel your coverage, you must complete a change form. Please call the Retirement Office at (804) 646-5958 or toll free at 1-888-288-2781 if you have any questions and/or to request change forms.

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Health and Dental Insurance Updates

Current participants in the City’s health insurance program were previously advised that the City Administration would continue to offer CIGNA HealthCare for the contract period, effective July 1, 2006 through June 30, 2007. Consequently, a reminder that 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 physician/specialist
- **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

Be sure to complete a change form if you need to make a change or to cancel your coverage. Please call the Retirement Office at (804) 646-5958 or toll free at 1-888-288-2781 for change forms.

The new monthly premium will be deducted from pension checks as of the July 31, 2006 payroll. 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 as indicated in the applicable rate table below:

2006-07 MONTHLY PREMIUMS FOR NON-MEDICARE RETIREES

STATUS	CIGNA HMO, PPO & INDEMNITY		
	25+ years	15-25 years	10-15 years
Years of Service			
Retiree Only	\$104.21	\$161.89	\$219.57
Retiree + One	\$522.82	\$580.50	\$638.18
Family	\$857.78	\$915.46	\$973.14

STATUS	CIGNA POS		
	25+ years	15-25 years	10-15 years
Years of Service			
Retiree Only	\$144.42	\$202.10	\$259.78
Retiree + One	\$613.28	\$670.96	\$728.64
Family	\$988.38	\$1,046.06	\$1,103.74

2006-07 MONTHLY PREMIUMS FOR MEDICARE-ELIGIBLE RETIREES

STATUS	CIGNA POSOA, PPO & INDEMNITY		
	25+ years	15-25 years	10-15 years
Years of Service			
Retiree Only	\$195.54	\$233.26	\$270.99
Retiree + One (Both Medicare Eligible)	\$542.00	\$579.72	\$617.45
Retiree + One non-Medicare on HMO	\$530.48	\$568.20	\$605.93
Retiree + One non-Medicare on POS	\$570.69	\$608.41	\$646.14
Family - One Medicare + Dependents on HMO	\$949.09	\$986.81	\$1,024.54

Note: The City's health/dental insurance programs are not available to deferred retirees with an effective retirement date of July 1, 1995 or later.

2006-07 COBRA PREMIUM TABLE

STATUS	MONTHLY PREMIUM
Surviving Spouse or Dependent with Medicare	\$346.44
Surviving Spouse or Dependent without Medicare on HMO	\$334.94
Surviving Spouse or Dependent without Medicare on POS	\$375.15



Dental Open Enrollment



As previously advised, the City Administration will again offer dental insurance through Dominion Dental Services, Inc. - Dental Health Maintenance Organization (DHMO) and United Concordia Companies - Indemnity Plan. The open enrollment period ended June 9, 2006 and the new contract period will be effective July 1, 2006 through June 30, 2007. **There are no benefit changes or rate increases. However, the Dominion Dental plan co-payments have increased for basic and major services.**

2006-07 MONTHLY PREMIUMS

STATUS	DOMINION DENTAL	UNITED CONCORDIA
Retiree Only	\$13.22	\$22.18
Retiree +One	\$24.22	\$42.40
Family	\$31.68	\$72.22

Because both dental plans are prepaid plans, the deduction from your June 30, 2006 pension check will pay for your July 1, 2006 coverage. If you are required to mail in your monthly premium, your first payment must be received in the Retirement Office by June 15, 2006 for your July 2006 coverage.

You must complete a change form if you need to make a change or to cancel your coverage. Please call the Retirement Office at (804) 646-5958 or toll free at 1-888-288-2781 for change forms.



CIGNA Tel-DRUG



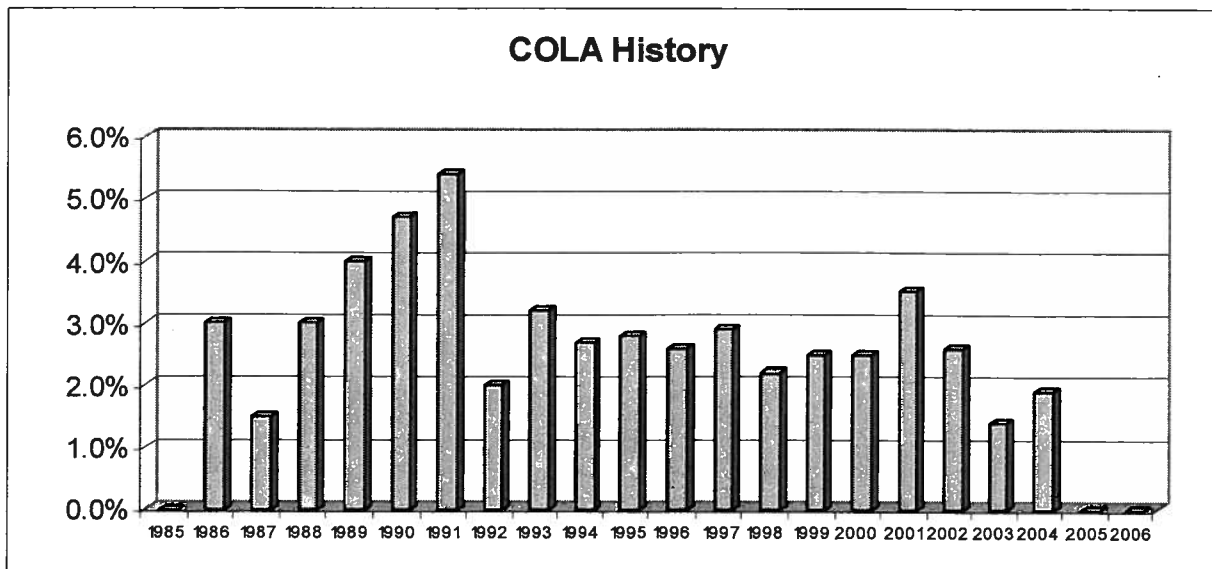
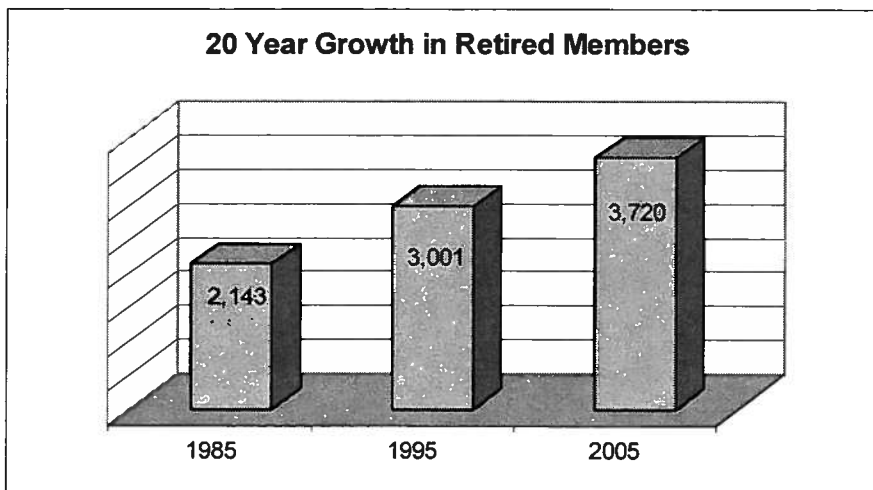
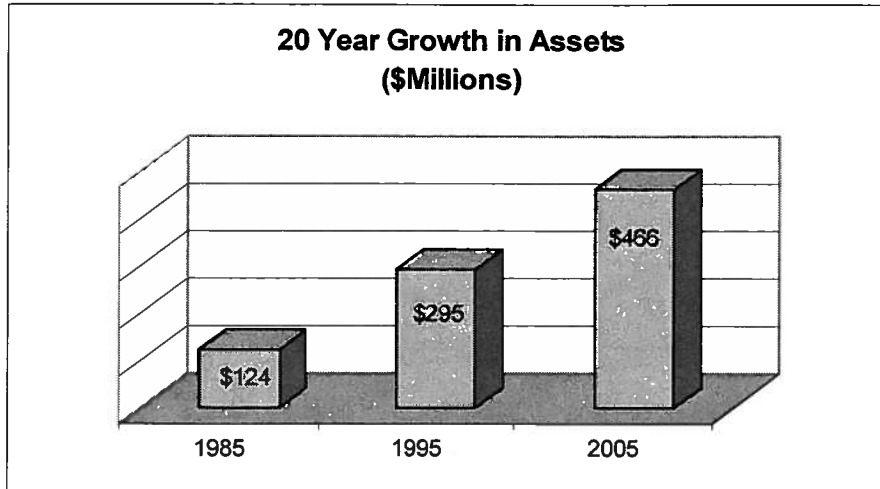
With the high cost of prescription drugs, it is good to know that you can save with CIGNA Tel-Drug. This service, provided by CIGNA HealthCare, allows you to place or refill a prescription order for home delivery. Orders may be placed through the mail (sending the original prescription to CIGNA Tel-Drug), by phone or online. CIGNA Tel-Drug dispenses the same medications as your local pharmacy. The FDA approves all medications through CIGNA Tel-Drug.

As with most pharmacies, CIGNA Tel-Drug also screens your requested prescription for interactions with other medications filled at other participating retail pharmacies. Each person who uses CIGNA Tel-Drug must provide information about his/her allergies and health conditions.

CIGNA Tel-Drug provides prompt, confidential shipping by mail, with no service charges and no charge for regular shipping. For more information about CIGNA Tel-Drug and the cost of co-payments for your individual prescriptions, please contact CIGNA Tel-Drug at 1-800-835-3784 or online at www.CIGNA.com.

Richmond Retirement System: Then and Now

Over the past 20 years, the demographics of the System have changed greatly. Summary snapshots of the assets, number of retirees and cost-of-living adjustments (COLA) are shown below.



Board Chairmen Reflect on Clara Woody's Service

Former RRS Board of Trustees Chairman, William H. Hall, Jr., stated, "When the Board hired Clara back in 1984, we asked ourselves whether we should hire such a young person to take on this big job. Because we were so impressed, we agreed to give her a chance. Since that time, she's proven to be an outstanding leader. She has the same sharp mind and she continues to amaze the Board and to this day, I stand in awe. She certainly exceeded all of my expectations."

Immediate past Chairman of the Board, Gregory A. Schnitzler stated, "Working with

Clara has been a pleasure – she is a professional in every way. The Board will greatly miss her visionary leadership and we face no easy task in finding her successor."

The current Chairman of the Board, Ronald L. Tillett stated, "During my tenure on Mayor Wilder's Transition Team – Financial Review Committee, we found that the management of the RRS was indeed sound. This success is attributed to Clara Woody's strong leadership. We will miss her at the helm of the RRS."



**Richmond
Retirement
System**

Board of Trustees

**Mr. Ronald L. Tillett
Chairman**

**Mr. Matthew O.
Puccinelli
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**Mr. W. Massie
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**Mr. Garland W.
Williams**

**Mrs. Clara B. Woody
Executive Director**

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