



Retirees FYI

A Biannual Newsletter for Richmond Retirement System Retirees

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Meet the New Executive Director

The Board of Trustees announced in February 2007, the appointment of Philip R. Langham as its Executive Director of the Richmond Retirement System.

Mr. Langham's first day on the job was March 17. He serves as the System's administrator, who directs the fiscal management of more than \$500 million and delivers a monthly pension payroll of approximately \$4 million for about 3,800 retirees.

"The Board is pleased to have attracted such a talented and skilled individual to lead the System into the future," said Ronald Tillett, Chairman of the Board.

"We are confident that this dedicated public servant will maintain the sound management of



PHILIP R. LANGHAM

- Former Deputy Director to the Retirement Boards, Fairfax, Va.
- Retired Air Force Lt. Colonel
- Served in the Office of the Secretary of Defense and The Joint Staff at the Pentagon
- Obtained the Advanced Investment Management Program Certificate from The Wharton School, University of Pennsylvania.

the System's administration and investments and move this system forward," Tillett said.

Previously, Mr. Langham served as Deputy Director at the Retirement Administration Agency in Fairfax County, Va. There, he supervised the daily operations and activities for three retirement systems serving employees in the Fairfax County Government and Public Schools.

Fairfax County Retirement Systems have assets totaling nearly \$4.7

billion serving more than 27,511 active employees, terminated deferred-vested, and retired members.

A graduate of the University of South Carolina, Mr. Langham holds master's degrees (MBA and MPA) from Troy State University and Pacific Lutheran University.

Mr. Langham's immediate goals are to help "educate employees on their retirement benefits and make the office more assessable."

MEDICARE ADVANTAGE VENDORS

Contact one of the health care companies listed below for information on supplemental Medicare plans:

Aetna
1-800-307-4830
www.aetna.com

Anthem
1-800-551-1186
www.anthem.com

Humana
1-800-714-0160
www.humana.com

Optima
1-866-872-7550
www.optimahealth.com

SecureHorizons
1-866-477-3966
www.securehorizons.com

WellCare
1-866-238-9898
www.wellcare.com

City's Medicare Plan Ending

Recently, the City of Richmond announced that it will no longer offer health insurance coverage to Medicare-eligible retirees, effective July 1, 2007. However, there is good news regarding your options for supplemental coverage.

Due to recent changes in Medicare, you may elect to enroll in a Medicare Advantage plan at a lesser premium (\$0 to \$69 for single coverage) than the amount you currently pay each month for health insurance. Because of its small

number of Medicare-eligible retirees, the City cannot offer premiums as low as those now available under the Medicare Advantage plans offered by insurance companies like Aetna, Anthem, Humana, Optima, and others.

The transitioning process for Medicare-eligible retirees began in March. However, the deadline to ensure that you have coverage is now only days away. Coverage with the City will no longer be an option after June 30.

Therefore, please make sure that you select a new plan as soon as possible. Listed at left are the vendors

that participated in the transitional meetings. It is also recommended that you call Medicare toll free at 1-800-633-4227 or visit the Medicare web site at www.medicare.gov to explore your options under the Medicare Advantage plans.

The Web site also has a listing of the Medicare-eligible plans available in your area.

Please be reminded that if you

have a non-Medicare eligible spouse or child on your plan, he/she can remain on the

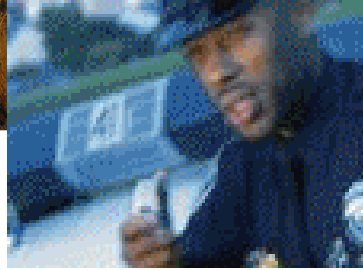
Effective
JULY 1, 2007
the City of Richmond will no longer offer a supplemental Medicare plan.

City's health plan until he/she becomes Medicare eligible, unless COBRA provisions apply. The existing premium policies and cost will continue to apply.

If you elect to enroll in a Medicare Advantage plan, you remain a Medicare member and continue to pay Medicare premiums — currently \$93.50 a month. You will receive your Medicare benefits through a private insurance company that is under contract with and authorized by the federal government to administer Medicare.

Pension Protection Act Offers Tax Breaks

The Pension Protection Act, which was signed into law last August, includes an important Fraternal Order of Police-backed provision — the Healthcare Enhancement for Local Public Safety (HELPS) Retirees Act.



This provision applies only to sworn police and fire retirees who retired after attaining the normal retirement age of 60 (service retirement) or retired due to disability.

The Act will allow eligible retired public safety officers to use up to \$3,000 per year from their qualified government retirement plan, on a pre-tax basis, to pay for health insurance

premiums. The premiums must be paid directly from the retiree's pension fund to a health insurance company.

This provision went into effect January 1, 2007. All eligible retirees will receive the pre-tax benefit for all premiums paid during the calendar year 2007.

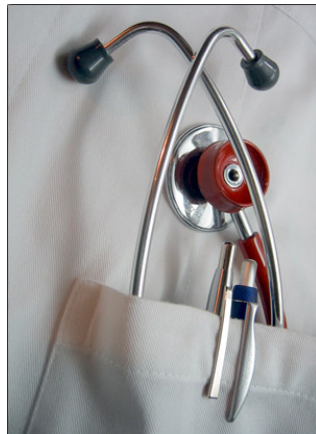
In order to receive this benefit, the retiree must make a one-time election. Election forms will be mailed during the first week of June.

City Health, Dental Contracts Under Negotiation

The City will continue to offer health and dental coverage to retirees not affected by the cancellation of the supplemental Medicare plans.

However, the City is currently negotiating these contracts with vendors. A separate mailing regarding the health and dental plans is forthcoming.

Please be reminded that



the City amended its health insurance policy last May to allow **retirees under the age of 65** the option of canceling their health insurance coverage and

returning to the City's health insurance program at a later date. The amended policy applies to current participants in the City's health insurance program.

If a retiree cancels coverage and elects to enroll again in the City's health insurance program, he/she must provide proof of continued coverage from the date of withdrawal to the date of re-enrollment in the City plan.

Time for Tax Withholding Checkup



IT'S ON THE INTERNET

Here are some Web sites that you may find helpful and interesting:

AARP
www.aarp.org

Administration on Aging
www.aoa.gov

Elder Care Locator
www.eldercare.gov

Internal Revenue Service
www.irs.gov

Minnesota Life
www.minnesotamutual.com

www.senior.com

Social Security Administration
www.socialsecurity.gov

Va. Dept. of Taxation
www.tax.virginia.gov

When April 15 arrived, did you owe money to the IRS or did you receive a refund?

Now is the time to adjust any tax withholding or estimated payments of taxes for your 2007 income. This could mean more money for you.



The federal and state tax withholding forms that you submitted with your retirement application lets the Richmond Retirement System know how much tax you want withheld from your benefit each month.

If you do not remember your tax withholding amount, check the Form 1099-R you received from

the System in January. This form shows your annual taxable income in the taxable amount box.

To ensure that you do not have too much or too little income tax being withheld from your benefit, visit www.irs.gov and use the “IRS Withholding Calcu-

lator” link to calculate your withholding. To access the calculator, use the search engine on the Web site and type in “calculator.”

If you would like to change your tax withholding at any time, please contact the System at 804.646.5958 to request federal and/or state withholding forms.



RRS PENSION PAY DATES 2007

As a reminder, pensions paid at the end of the month are for that month.

For example, an electronic deposit made at the end of

June is your June payment.

The same is true for those retirees who receive their pension payment via mail.

Remaining pay dates

- May 31
- June 29
- July 31
- August 31
- September 28
- October 31
- November 30
- December 31

Deadline to report gainful employment income

In accordance with Section 78-244(b) of the City Code, all disability retirees, prior to reaching normal retirement age (general employees, age 65; firefighters and police officers, age 60) are required to submit to the Richmond Retirement System 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 re-

turn, your spouse's wage certificates also must 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 obtain an affida-

vit from the System by calling 804.646.5958.

If you refuse to submit the

Deadline to report income from gainful employment:
THURSDAY, MAY 31, 2007

NOTE: You are exempt from this requirement if you receive Social Security disability benefits.

requested information, your disability benefits will be withheld.

Failure to comply for a period of one year will result forfeiting your rights to any future disability benefits.

Disability Retirement and Social Security Disability Benefits

If you retired on a disability retirement, you are required to apply for Social Security disability benefits immediately upon retirement.

You also must submit to the Retirement System a

copy of your letter of award or denial of SSD benefits.

Upon receipt of your SSD award, the System 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 System.

Failure to submit your SSD information may result in your pension from the System being withheld.

Survivor Option Election Available to Disability Retirees under Age 60, 65

Disability retirees may elect a survivor option for your contingent beneficiary prior to reaching your normal retirement age.

Electing a survivor option

allows you to set aside a percentage of your retirement allowance to provide a monthly benefit for your spouse or designated beneficiary upon your death.

Please note the survivor option **will not be effective** until the first day of the month following your normal retirement age. Contact the System for more information.

Beware of Scams Targeting Seniors

Seniors are the prime target of many scams and lost significant sums of money each year. Don't become a victim of a scam. Educate yourself to recognize some of the most frequent scams used by criminals.

Investment scams promise you riches in everything from day trading, to oil and gas leases, to gold and gems, and FCC licenses and more.

Foreign-money cons, such as the "Nigerian scam," are letters or e-mails that offer you the chance to share in millions of dollars that an alleged government official is attempting to transfer from a foreign country in exchange for money or your banking information.

Home-improvement scams are done by criminals who come to your

door offering to do home maintenance or odd jobs. Instead they perform part or none of the task, charge you a large sum, and disappear. Some seniors are asked to pay for services upfront.

In phishing schemes, you may receive a call from someone claiming to your bank representative asking for personal financial information. Never give this out!



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