



Retirees *FYI*

www.richmondgov.com/retirement

Spring 2010

What Does the Health Care Reform Act Mean for Retirees on Medicare?

The Patient Protection and Affordable Care Act (PPACA), signed by President Obama on March 23, 2010, expands Medicare services to cover free preventative screenings and lowers prescription drug costs. The Act also establishes an optional long-term care insurance program and lowers premiums on most Medicare plans by decreasing overpayments to private plans. Here's a look at how the health reform bill will impact retirees on Medicare.

- **Free Preventative Services.** Currently, those in Medicare must pay a portion of the cost of many preventative services. Under the new law, patient cost-sharing for recommended preventative services will be eliminated on January 1, 2011. The increased Medicare services will also include a free annual wellness visit with a comprehensive health-risk assessment and a personalized prevention plan.

- **Reduced Prescription Drug Costs.** Most Medicare Part D prescription drug plans require beneficiaries to pay the entire cost of their prescription drugs once a coverage gap is reached. The gap begins once a beneficiary has spent \$2,830 on prescription drugs in 2010 and continues until they have spent \$4,550 out-of-pocket on medications that qualify them for catastrophic coverage. The health care reform act will gradually reduce

the out-of-pocket amount that qualifies a beneficiary for catastrophic coverage under Medicare Part D beginning in 2014 through 2019 until it is completely eliminated in 2020.

Medicare beneficiaries who reach the Part D coverage gap in 2010 will receive a \$250 rebate. The new law will also provide a 50% discount on brand-name prescriptions in the Medicare Part D coverage gap beginning in 2011, and will include federal subsidies for generic prescriptions in 2013.

- **Long-Term Care Insurance Program.** The PPACA will establish an optional long-term care insurance program called Community Living Assistance Services and Supports (CLASS). Individuals participating in the program will become eligible for community living assistance services if they become unable to perform daily living activities for a period of 90 days or more, and have

Continued on page 2

No COLA in Mayor's Proposed Budget

Richmond Mayor, Dwight Jones, introduced his proposed Fiscal Year 2011 budget on March 22, 2010 without a recommendation for a Cost-of-Living Adjustment for Richmond Retirement System (RRS) retirees. City Council is currently reviewing the budget and will vote on adoption of the final budget at the May 24, 2010 council meeting. At this time it is unlikely that there will be a COLA for the upcoming period of July 1, 2010 through June 30, 2011. You can find the latest retiree news on important issues by visiting our web site at www.richmondgov.com/retirement. ❖

What's *Inside?*

Executive Communiqué.....	2
Did You Know?	2
New Faces at the RRS	3
Insurance Open Enrollment Update	3



Executive Communiqué

Philip R. Langham
Executive Director

Welcome to the latest issue of “Retirees FYI”. In this edition we put our focus on providing you with a comprehensive overview of the changes to Medicare as a result of the recently passed Patient Protection and Affordable Care Act. We also highlight information about enrolling in Medicare as you approach your 65th birthday (or if you are certified as disabled by the Social Security Administration), and introduce a new feature entitled “Did You Know” which reviews the requirements of disability retirements this issue.

If you stopped by our offices lately, you may have noticed several new faces in the Fiscal Unit. In this issue, you will meet our Fiscal Unit Manager, Frank Jackson; Senior Accountant, Linda Goodman; and Actuarial Accountant, Sheila Lewis. I am pleased to welcome them to the Richmond Retirement System.

The “Retirees FYI” newsletter is available on our web site at www.richmondgov.com/retirement. I encourage you to visit our web site to check out the many resources available and the latest news on the retiree home page.

Did You Know?

Disability Retirement

Disability retirements come with special requirements for those who have not reached normal retirement age. As a disability retiree, it is important that you understand and fulfill these requirements in order to get the most from your pension. These requirements include the following:

- Disability retirees, who have not reached age 65, must notify the RRS upon receipt of a Social Security Disability or Workers’ Compensation award.
- Disability retirees, who have not reached normal retirement age (age 65 - general employee; age 60 - public safety employee), must submit a copy of their federal or state tax filings, including all forms and attachments, to the RRS annually.

The RRS conducts annual Social Security Disability audits, Excessive Income audits, and monthly Workers’ Compensation Audits. Disability retirees are notified of their required participation in these audits in February of each year.

More information about disability retirement can be found online at <http://www.richmondgov.com/Retirement/RetireesDisabilityGuidelines.aspx>. ❖

Health Care Reform Act continued from page 1
paid premiums into the program for at least five consecutive years. The payouts will vary based on the type of living assistance services needed, however payouts will average at least \$50 per day with no lifetime maximum.

- **Medicare Advantage Plans.** The new legislation prohibits private Medicare Advantage plans from assessing more expensive cost-sharing requirements than those charged for traditional Medicare. Medicare Advantage plans will

be required to spend at least 85% of the health insurance premiums collected on providing health care to their customers beginning in 2014. Private insurers who offer Medicare Advantage plans cannot reduce guaranteed Medicare benefits; however, extra benefits such as contributions toward eyeglasses or gym memberships are likely to be cut.

Further information about the PPACA can be found on the official White House web site at www.whitehouse.gov/healthreform. ❖

New Faces at the Richmond Retirement System

The RRS Fiscal Unit added three new team members over the last twelve months to fill the roles of Fiscal Unit Manager, Senior Accountant, and Actuarial Accountant.



Pictured from left to right; Shelia Lewis, Frank Jackson and Linda Goodman

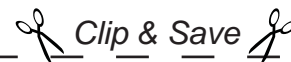
The RRS recently welcomed Frank Jackson as the Fiscal Unit Manager. He has more than twenty years of experience as a financial controller in the hospitality industry, and holds a Bachelor of Science degree in Accounting from Radford University. His responsibilities include managing retiree payroll and overseeing investment accounting. Mr. Jackson looks forward to serving our retirees and the challenges of the position.

Linda Goodman joined the RRS team as a Senior Accountant in May of last year. She holds a Bachelors of Science degree in Accounting from Strayer University and has more than thirty years of experience as an accounting professional. She comes to us from Land America, where she served

as a Senior Accountant. Her daily responsibilities include working behind the scenes on the agency budget and account payables. Ms. Goodman is “excited about her work with RRS, and excited to be working with such a wonderful team of people.”

In December of 2009 Shelia Lewis joined the RRS staff as an Actuarial Accountant. She previously spent 31 years with Circuit City and held various positions throughout the Payroll and Human Resources departments. She is responsible for managing member records for those participating in the Defined Benefit and Defined Contribution Plans, as well as reconciling retirement plan contributions. Ms. Lewis enjoys working with others as much as she enjoys working with data, which makes her role with the RRS seem ideal.

Retirees may not interact with Mr. Jackson, Ms. Lewis or Ms. Goodman on a regular basis, but their efforts are critical to RRS operations and retiree benefit payments. ❖



Health and Dental Insurance Open Enrollment

The City of Richmond will conduct a health and dental care open enrollment period in the late spring 2010 for the upcoming period of July 1, 2010 – June 30, 2011. Eligible retirees may drop or change coverage for health and dental benefits during the annual open enrollment period. Be sure to check our web site at

www.richmondgov.com/retirement over the next several weeks for an important announcement regarding the open enrollment period, eligibility requirements, and rate information for the upcoming plan year. ❖

2010		Benefit Payment Schedule
Month	Date	
April	30th	
May	28th	
June	30th	
July	30th	
August	31st	
September	30th	

Pension payments are made on the City's last working day of each month.

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Richmond Retirement System
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What You Should Know As You Become Medicare Eligible

As a retiree, you should familiarize yourself with the following information about enrolling in Medicare as you approach your 65th birthday or if you are approved or certified as disabled by the Social Security Administration (SSA). This information will help you make the most of your benefits and avoid extra costs.

Health insurance coverage with the City of Richmond ends for retirees once they become Medicare eligible. If you are retired and will turn 65 soon, call the SSA to sign up for Medicare Parts A and B during your initial enrollment period. This is the seven month period that includes the 90 days before and after your 65th birthday month. You could also become eligible for Medicare when you are younger than 65 if you are certified as disabled by SSA.

Your Medicare coverage includes:

- Part A (hospital insurance) – you usually don't pay a monthly premium for Part A coverage if

you or your spouse paid Medicare taxes while working.

- Part B (medical insurance) – you pay a monthly premium for Part B.

You do not need to enroll in Medicare until you stop working, even if you are 65. If you do not take Medicare when you are first eligible because you or your spouse are working for the City of Richmond and have group health plan coverage through the City, you can sign up when you retire during your "Special Enrollment Period" through the SSA. This period includes:

- Any time you are still covered by the employer group health plan, or
- The eight months after the month the employer health plan coverage ends or when the employment ends (whichever is first).

More information about Medicare can be found online at www.ssa.gov and www.medicare.gov. ❖