



# Retiring Times

New Directions for MCPS Retirees

VOLUME 8 • NUMBER 3

WINTER 2012

## 2012 Cost-of-Living Adjustment

The MCPS pension and retirement plans include a provision for an annual cost-of-living adjustment (COLA) each January 1. The annual COLA is applied according to the yearly Consumer Price Index (CPI), with participants in the pension plan subject to a maximum 3.0 percent cap. This year's CPI totals 4.38 percent. The adjustment you receive will depend on your retirement date, your plan membership, and the economic circumstances that caused a reduced COLA two years ago.

Keep in mind, if you are a member of the State core plan, the yearly COLA determination for your State core benefit is made each spring and is effective on July 1. For additional information, please visit the Maryland State Retirement Agency website at <http://www.sra.state.md.us/>.

### MCPS Pension Plan Members

Due to the 3.0 percent cap, pension plan members who retired between January 1, 2010, and July 1, 2011, will receive a COLA of 3.0 percent.

If you retired on or before December 1, 2009, your COLA for 2012 will be 2.73 percent. This slightly lower amount is due to the final offset of the 2010 negative COLA.

In 2010, retirees encountered a negative CPI of 1.68 percent, and thus a negative COLA. At that time, the Board of Education approved a resolution to mitigate any negative change in the CPI by allowing the negative COLA to accumulate from

year to year and to be offset against future positive adjustments rather than to decrease retirees' pension payments.

In 2011, a positive change to the CPI occurred. Those retirees who experienced the negative COLA in 2010 (anyone who was retired on or before December 1, 2009) offset that negative amount against the 2011 positive adjustment. However, the amount was not enough to fully offset the previous year's negative COLA, resulting in a remaining negative COLA of .27 being carried forward to 2012.

If you retired after July 1, 2011, your COLA is calculated slightly differently, due to changes in the plan, effective July 1, 2011. You will

*continued on page 4*

### DID YOU KNOW?

#### Submit Benefits Changes

**Submit your benefits changes by the 5th of the month for them to take effect on the 1st of the following month.**

Occasionally, you may experience a life event that enables you to make changes to your benefits outside of the annual Open Enrollment period. For example, if you divorce, you may remove your former spouse from your plan and reduce your health care premiums without waiting for Open Enrollment. You must submit your change to the Employee and Retiree Service Center by the 5th the month in order for your change to take effect on the 1st of the following month.

Learn more on our website: [www.montgomeryschoolsmd.org/departments/ersc/retirees](http://www.montgomeryschoolsmd.org/departments/ersc/retirees).

#### MCPS Pension Plan Members Who Retired On or Before December 1, 2009

2010 CPI	+	2011 CPI	=	2011 COLA	+	2012 CPI	=	2012 COLA capped at 3%
-1.68%	+	1.41%	=	-0.27%	+	4.38% (capped at 3.0%)	=	3.0%-0.27% = 2.73%

#### MCPS Pension Plan Members Who Retired Between January 1, 2010, and July 1, 2011

2012 CPI	=	2012 COLA capped at 3%
4.38%	=	3.0%

#### MCPS Pension Plan Members Who Retired After July 1, 2011

You will receive a letter in January with details about your 2012 COLA.

#### IN THIS ISSUE:

- 2012 Cost-of-Living Adjustment
- Submit Benefits Changes
- How to Update Your Beneficiaries
- Your MCPS Employee ID Number
- Good Habits Can Reduce Your Risk of Osteoporosis and Bone Fractures
- Medicare, Disability, and Your MCPS Retiree Benefits
- Make Future Health Care Choices Now with an Advance Directive

### How to Update Your Beneficiaries

A new year is a great time to take stock of the year's changes and reflect on any updates you may need to make. Don't forget about updating your beneficiary information as listed below, including beneficiaries for your life insurance, 403(b) and 457(b) plans, and pension plans.

While ERSC is the first stop for some of your beneficiary paperwork, we are not able to report or confirm the beneficiaries on your existing plans. If your decisions are in question, submit a new beneficiary form to be certain that your wishes are in line with your beneficiary records.

#### To change your life insurance beneficiaries:

- Submit MCPS Form 455-22: *Retiree Benefit Plan Enrollment*.
  - Indicate your desire to change your beneficiaries in Section

II and indicate your changes in Section VII of this form.

#### To change your 403(b) or 457(b) plan beneficiaries:

- Contact your vendor. If you do not know how to contact your vendor:
  - Visit [mcps.yourplan.info](http://mcps.yourplan.info).
  - Click on the "Vendors" tab.
  - Select your vendor from the list to see information on updating your beneficiaries.

#### To change your pension plan beneficiaries:

- MCPS Core and/or Supplement pension plan:
  - Submit MCPS Form 455-5: *Designation of Beneficiary/Beneficiaries* to ERSC.
- State Retirement and Pension System of Maryland:
  - Submit State Form MSR004 to ERSC.

All forms are available on the ERSC website at [www.montgomeryschoolsmd.org/departments/ersc/retirees/forms](http://www.montgomeryschoolsmd.org/departments/ersc/retirees/forms). ■

### Good Habits Can Reduce Your Risk of Osteoporosis and Bone Fractures

An estimated 10 million Americans have osteoporosis, a gradual weakening of the bones that makes them more susceptible to fracture. Keeping your bones healthy and reducing your risk of fractures is very important throughout life, and especially as you age. These simple steps can help you safeguard against osteoporosis and bone fractures.

1. Make sure you get enough calcium and vitamin D. Calcium helps maintain strong bones. Some examples of food that are high in calcium are dark green leafy vegetables like spinach and broccoli, almonds, milk, yogurt, and cheese. Vitamin D helps your body absorb calcium. Egg yolks, saltwater fish, and 15 minutes of daily exposure to the sun are great sources of Vitamin D.
2. Limit bad choices such as smoking and heavy alcohol use. These can actually lead to decreased bone density.
3. Discuss your risks with your health practitioner. Tell your health practitioner if you have a close relative with osteoporosis or are taking a medicine that can weaken your bones. Your health practitioner can tell you the best ways to protect yourself from osteoporosis. ■

Sources:

*National Institutes of Health* [www.niams.nih.gov/Health\\_Info/Bone/Osteoporosis/default.asp](http://www.niams.nih.gov/Health_Info/Bone/Osteoporosis/default.asp)

*International Osteoporosis Foundation* [www.iofbonehealth.org](http://www.iofbonehealth.org)

#### DID YOU KNOW?

### Your MCPS Employee ID Number

When you call or e-mail ERSC, our staff needs to know your MCPS employee ID number.

Providing your employee ID number helps ERSC provide you with the best possible customer service by verifying your identify without asking for your Social Security number. It also allows us to track your inquiries so that we can follow up with you as necessary. Don't know your MCPS employee ID number? If you are a member of UnitedHealthcare health insurance, your employee ID number is listed on your insurance card as your Member ID number. For your convenience, your employee ID number also has been added to the mailing label of publications received from ERSC, including this issue of *Retiring Times*. Look for the four- or five-digit number located in the top corner of the label. Please refer to this number when contacting ERSC. ■

## Medicare, Disability, and Your MCPS Retiree Benefits

### Do you or your spouse (or other covered dependent) receive disability benefits from the Social Security Administration?

If you or your dependent has received disability benefits from the Social Security Administration for 24 months, regardless of age, then you are eligible for Medicare Parts A and B. As a requirement for continuing to carry MCPS health benefits, any person eligible for Medicare Parts A and B must enroll in **both** parts—A and B—when first eligible or the person will lose his or her MCPS coverage.

Medicare Parts A and B are effective on the first day of the 25th month of your Social Security

disability benefits entitlement. About three months before the Medicare-effective date, the Social Security Administration will automatically enroll you in Medicare Parts A and B and mail you a Medicare ID card. While Social Security gives you the option to decline Medicare Part B, you **must** keep Part B if you wish to continue your MCPS benefits.

Your MCPS benefits cost is reduced when you enroll in Medicare Parts A and B. Medicare becomes your primary medical coverage and your MCPS plan becomes your secondary medical coverage, thus reducing the amount you must pay for your MCPS plan. When you

become Medicare eligible, you must notify the Employee and Retiree Service Center to reduce your medical premiums.

### REMEMBER:

*You **must** enroll in Medicare Parts A and B when you and/or your spouse or dependent are first eligible or risk the termination of your MCPS benefits. Don't wait until your benefits are in danger!*

If you or your dependent are Medicare eligible, notify ERSC at ERSC@mcpsmd.org or 301-517-8100. ■

## Make Future Health Care Choices Now with an Advance Directive

As you coordinate your affairs for the new year, consider creating an advance directive. Advance directives, sometimes called living wills, provide guidance to your loved ones regarding your health care preferences should you become incapacitated and unable to advocate for yourself.

### What can I do with an advance directive?

You can specify your treatment preferences and elect a person to serve as your health care agent, someone who will make health care decisions for you in the event that you are not able to make decisions for yourself.

### How do I create an advance directive?

First, have a conversation with your loved ones and others you

trust such as religious or legal advisors. Make certain that you know your preferences and that your loved ones know as well. Then, create a document that details those preferences. If you live in Maryland, you do not have to use any specific document nor does it have to be notarized. However, you do need to sign your directive in the presence of two witnesses, who also must sign the document. Your named health care agent cannot be one of your witnesses.

The following sources can provide you with forms and additional information to assist you in creating an advance directive:

- Maryland Attorney General's Office  
1-888-734-0023 or  
[www.oag.state.md.us/healthpol/adirective/pdf](http://www.oag.state.md.us/healthpol/adirective/pdf)

- Caring Connections  
1-800-658-8898 or  
[www.caringinfo.org](http://www.caringinfo.org)

- Aging with Dignity  
1-800-594-7437 or  
[www.agingwithdignity.org](http://www.agingwithdignity.org)

### What comes next?

Copies of your advance directive are just as valid as the original. Therefore, make sure you provide your loved ones with copies to which they can refer if necessary. You should also provide a copy to your doctor, who will place it in your medical file. In the event that you experience a health emergency and your doctor certifies in writing that you are not capable of making your own health care decisions, your advance directive then will take effect. ■

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## Retiring Times

*continued from page 1*

receive a letter in January at your home address with details about the two pieces (credited service earned before and after July 1, 2011) that are used to calculate your COLA amount.

### MCPS Retirement Plan Members

Retirement plan members who retired after January 1, 2010, will receive a COLA of 4.38 percent, in line with this year's CPI.

Retirement plan members who retired prior to January 1, 2010, will receive a COLA of 4.11 percent. As is the case with pension

plan members, the lower COLA is due to the final offset to the 2010 negative COLA of 0.27 percent. The negative COLA in 2010 was offset against the 2011 positive adjustment. However, the amount was not enough to fully offset the previous year's negative COLA, resulting in a remaining negative COLA of .27 being carried forward to 2012. ■

#### MCPS Retirement Plan Members Who Retired After January 1, 2010

2012 CPI	=	2012 COLA
4.38%	=	4.38%

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-1.68%	+	1.41%	=	-0.27%	+	4.38%	=	4.38%-0.27% = 4.11%

## Retiring Times

News from the Employee and Retiree Service Center

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