



PENSION NOTES

Winter 2014 Retiree Member Newsletter

A Message from the Executive Director

Dear members,

Greetings for the holiday season. We thank you for your support through the year as we were able to evaluate several solutions for the Fund based on their ability to deliver real value to our financial position and provide security for our members.

As part of our ongoing effort to maximize value and service to our members in a financially responsible manner, the Health Benefits Department led a cost and service review of our medical plan offering. Based on this review and with the benefit of your experience, we found that we could offer our members access to highly rated, quality facilities throughout the country at an affordable price. Members would no longer have to compromise quality of care for cost, and that matters.

While the Fund subsidizes greater than 50% of the cost of health benefits for our members, we want to ensure that you are getting the best value for your health care dollars. The Fund selected United Health Care as our new vendor for their affordable access to a national network of doctors and hospitals and enhanced resources. Prescription and dental benefits will continue to be offered through the current providers of Caremark and Guardian.

We are pleased with the responses from our recent Open Enrollment sessions as we learned the network access and affordable cost were well embraced. Additional sessions will be offered during the year to help members take advantage of the new services available for wellness, disease management and recovery support. Should you have questions, please contact the Fund at 312-603-1200 or visit our website www.cookcountypension.com.



We continue to monitor relevant legislation as structural solutions to pension solvency are still being evaluated at the State level and by the courts. There are no pending changes to our Fund at this time.

This fall also marked the re-election of Trustee Brent Lewandowski from this year's County Active Member election. This represents the sole election for the year. We welcome Trustee Lewandowski as he resumes his responsibilities as Vice President of the Board.

Sincerely,
Nickol R. Hackett, Executive Director

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Health Benefits Update

New Benefits for 2015 offered by UnitedHealth Care

- Hearing Aids
- Nutritional Counseling
- Wigs
- Acupuncture
- Foot Orthotics

2015 Health Benefits Monthly Premiums

	Choice Plan	Choice Plus Plan
Single w/Medicare	\$195	\$170
Single w/o Medicare	\$451	\$627

A summary of all benefits offered can be found on our website (coverage costs include Pharmacy benefits)

Plan Coverage Options

You have a choice between two plans, one has copays and one has coinsurance. Let's review the differences between the two.

The **Choice** plan requires copays and has no deductible. A copay is a fixed amount you pay whenever you use a particular type of healthcare service. For example, you might have a \$15 copay to see a primary care doctor, and a \$10 copay to fill a prescription. Your copay for that particular service does not change, no matter how much the doctor charges, or how much your prescription costs.

The **Choice Plus** plan has an annual deductible of \$300. That means you pay the first \$300 of healthcare services before the plan starts to pay anything. Unlike the fixed amount of a copay, with coinsurance you pay

a percentage of the cost of the service. For example, if you have a 15% coinsurance for hospitalization, you pay 15% of the cost and our health plan pays the remaining 85%.

If your coverage is secondary to Medicare the coinsurance applies to any amounts remaining after Medicare has paid their portion. For example, if there is \$20 remaining, your portion would be 15% of that, which is \$3.

For both plans, once you have paid \$1,500 in copays or coinsurance, the plan pays 100% of the cost for the rest of the year, so you are protected from high costs in the event of a serious illness.

Open Enrollment Recap

The Fund's annual Open Enrollment period was from November 1st to November 30th. This year, with the change to UnitedHealthcare as our plan administrator, we held three meetings, with total attendance of over 1,500 members.

Many thanks to those who attended an event. Our focus during these meetings was about moving into the new program, and learning about the new benefits and services that will be available in 2015. We also learned that you value your health and well-being and feel that the Fund should continue to make an effort to invest resources into health and disease prevention.

Remember, unless you want to add a dependent, or switch plan types, no application is necessary for the move to UnitedHealthcare. You will receive your new ID cards in late December and a welcome packet in early January. If you requested a change to your health benefits, but do not receive a confirmation notice by mid-December, please contact our health benefits team to confirm your elections.

Tax Forms and January 1 Payments

January 1st Payments

Your monthly annuity will likely change as of January 1, 2015 to reflect the cost-of-living adjustment (COLA), changes in your health benefits premium for 2015, and updated federal income tax withholding rates.

Form 1099-R

The Fund sends 1099-R tax forms every year in late January. If you don't receive your 1099-R by February 12, 2015, please contact our office so that we can reissue it for you.

IMPORTANT: We can only issue a 1099-R to the address we have on file. If you have moved or changed your address in the last year, be sure to complete a change of address form. Forms are available on our website or by calling the office.



Understanding Your 1099-R

Box 1

Reports your gross annuity paid during 2014

Box 2a

Reports your taxable amount paid during 2014

Box 4

Reports your federal tax withheld during 2014

Box 5

Reports your non-taxable amount paid during 2014

Your non-taxable amount paid during 2014 is determined by any post-tax contributions you made to the Fund prior to your retirement. $\text{Box 1} - \text{Box 2a} = \text{Box 5}$

Tax Withholding

You are entitled to change the federal tax withholding on your annuity at any time. To do so, download the federal tax withholding change form from our website or call (312) 603-1200 to request a form by mail.

If you are among the majority of members who receive an annuity via direct deposit, you will receive a January 1 advice that reflects the gross annuity, deductions, and net payment amount for 2014. Keep this advice in your records for future reference.

Time to Update Your Beneficiary Form?

Most retirees completed a beneficiary form when they retired. But life changes can happen at any time. If you've gotten married or divorced, had a child, or lost a family member, it may be time to update your beneficiary information. Download a new form from our website, www.cookcountypension.com, or request one by calling the office.

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Diahann Goode

Robert Janura

Patrick Nester

Samuel Richardson, Jr.

Lawrence L. Wilson, CPA

Office Closed

December 25 & December 26
January 1, January 19,
February 16, March 2

Upcoming Board Meetings

January 8, February 5
March 5, April 2, May 7