



DCRB Report

FALL 2018

Inside

- 2 Information Especially for Retirees
- 2 2018 Board of Trustees Elections
- 3 Health Care Open Season
- 3 New Medicare Cards

From the Chair of the Board

Change in Board Membership

When Jeffrey Barnette resigned his position as the District's Deputy Chief Financial Officer/Treasurer to serve as DCRB's Chief Investment Officer in August 2018, the District hired Bruno Fernandes to serve in Jeffrey's former position. In that position, Bruno also replaces Jeffrey as the Office of the Chief Financial Officer's ex officio member on the Board. Mr. Fernandes previously served as Vice President-Treasurer at ICF International of Fairfax, Virginia and, before that, he worked in senior financial positions with Computer Sciences Corporation and Intelsat.



Bruno C. Fernandes



Joseph W. Clark

Upgrade in District Credit Rating

On July 3, 2018, the District's Chief Financial Officer, Jeffrey DeWitt, announced that Standard & Poor's and Fitch bond rating services upgraded the District's general obligation bond rating from AA to AA+. Later that month, on July 12, 2018, Moody's Investors Service upgraded the District's general obligation rating to Aaa from Aa1, stating that "the upgrade reflects continued strengthening of the District's economy, finances and overall credit profile." Moody's also stated that "the District has exemplary fiscal governance, and its updated four-year financial plan is its strongest ever." Moody's highlighted the fact that "The District already has among the lowest pension liabilities of any large city and has pre-funded its other postretirement benefits (OPEB) liability, which affords it significant financial flexibility."

Investment Returns

During the twelve months ending September 30, 2018, the District of Columbia Police Officers and Fire Fighters' Retirement Fund and the District of Columbia Teachers' Retirement Fund (collectively referred to as the Fund) grew by \$448 million to a total market value of \$8.2 billion. The growth is net of all benefit payments and administrative expenses.

The Fund's 5.4% (gross of fees) return for the fiscal year was positively impacted by the continued growth in equity markets in the U.S. and foreign developed countries. Fund performance was driven by strong returns in domestic equity, absolute return, private equity, and real estate investments. Fixed income investments were flat for the period overall, but were highlighted by the Fund's noninvestment grade fixed income investments, which exceeded their passive benchmark by more than 6%.

Since its inception in October 1982, the Fund has achieved an annualized gross rate of return of 8.8%, substantially exceeding the Board's annual actuarial return target of 6.5%.

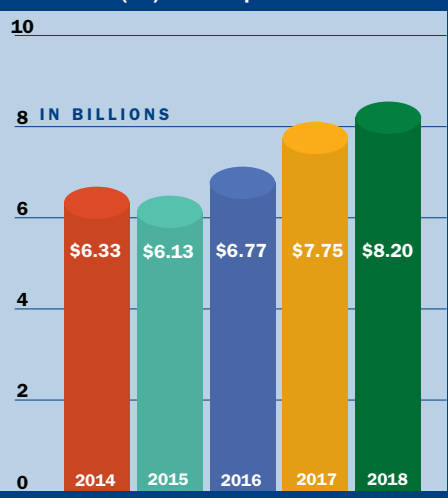
Improvements Benefiting our Members

Over the past year, DCRB has been steadfast in implementing notable improvements for its members; important among them is the production of Benefit Statements

Continued on page 4

The mission of DCRB is to prudently invest the assets of the District of Columbia Police Officers and Fire Fighters' Retirement Fund and the District of Columbia Teachers' Retirement Fund for the exclusive benefit of the members of the District of Columbia Police Officers and Firefighters' Retirement Plan and the District of Columbia Teachers' Retirement Plan and to provide Plan members with total retirement services.

Total Fund Market Value at the end of the Fiscal Year (FY) as of September 30



Information Especially For Retirees

Calendar Year 2018 Tax Information

At the end of January 2019, the U.S. Department of the Treasury's Bureau of the Fiscal Service will issue 1099-R forms for the payments that retirees and survivors received from the District of Columbia Police Officers and Firefighters' Retirement Plan and the District of Columbia Teachers' Retirement Plan during tax year 2018. Most annuitants will receive only one 1099-R form. However, those of you who are both a retiree and the survivor of a retiree will receive two forms, both of which should be filed with your 2018 tax return.

Check Your Tax Withholding Amounts

This time of year is an excellent time to check your earnings statement to assure that the amount of taxes being withheld will cover your tax obligations for the coming year. You have the right to change your withholding amount or to have no federal taxes withheld. Changing

your withholding, however, does not affect the amount of taxes you are required to pay. To update your withholding amount, you should complete a Form W-4P and send it to DCRB's Member Services Center (MSC): at District of Columbia Retirement Board, Member Services Center, 900 7th Street, NW, Second Floor, Washington, DC 20001. Blank forms can be requested from the MSC by calling (202) 343-3272 or toll-free at 1-866-456-3272, or you can print forms from the DCRB website at www.dcrb.dc.gov (under Member Forms) or the IRS website at www.IRS.gov. Active members who wish to make withholding changes need to file a Form W-4 with their payroll office.

Change of Address or Direct Deposit Account

If you plan to move or you have already done so, you should contact the DCRB MSC with your new address (and bank change information, if applicable) as soon as possible, to assure that you continue to

receive your benefit payments and tax information promptly. You can reach the MSC by calling the numbers listed above. You can also retrieve forms for making address or direct deposit changes by accessing DCRB's website (see prior paragraph) and printing out the form(s) you need. The completed form(s) should be sent to the MSC at the address noted above.

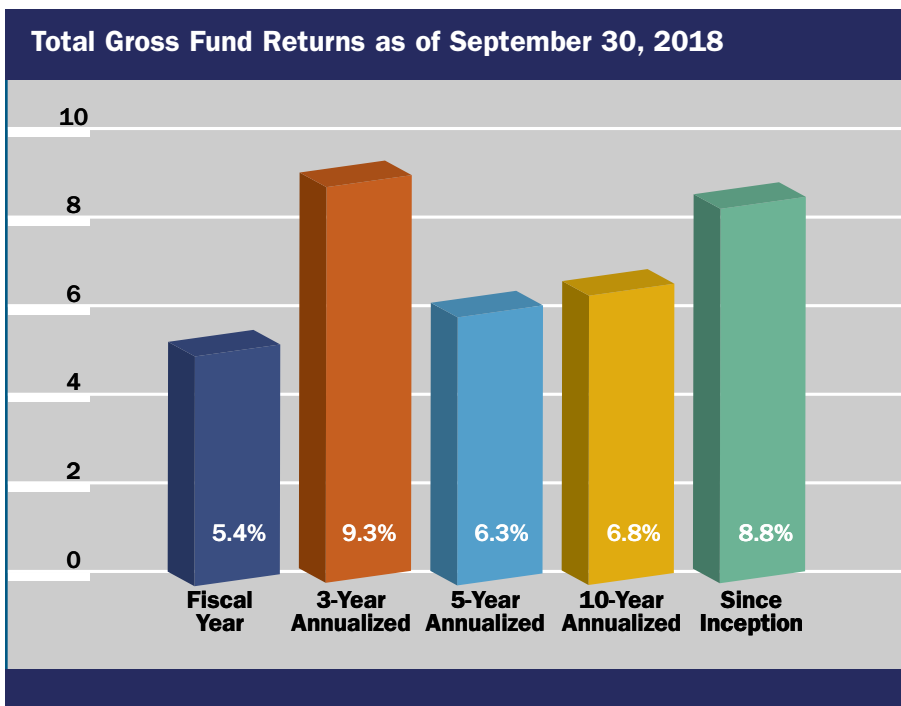
2018 Board of Trustees Elections

An election is in progress for the Active Police Officer Trustee term that will begin January 28, 2019. Initial materials were sent to eligible active police officers by DCRB's new election official, Election-America, Inc., on August 31, 2018. This year's election will permit eligible members to cast their ballots via paper, telephone, or online. The winner of this election will be certified at the December 2018 Board meeting.



Additionally, due to a vacancy on the Board, DCRB is holding a special election to fill the Active Teacher Trustee seat on the Board. This election began on November 7, 2018. The winner of this special election will be certified at the January 2019 Board meeting and will serve from January 28, 2019 through January 27, 2021, the end of the current term.

If you did not receive a ballot or you have any questions about the elections, you should call Election-America, Inc. at 866-877-3125.



Health Care Open Season

The District of Columbia Office of Human Resources (DCHR) and the Federal Government's Office of Personnel Management (OPM) have announced that their respective health care open enrollment periods are taking place between Monday, November 12 and Monday, December 10, 2018. This is your annual opportunity to review your current benefit elections and make any desired changes.

Open Enrollment informational packets, which were mailed to eligible members during the week of November 9, contain details about the health plans, premium amounts, and dates of health fairs scheduled to be held in various locations during the enrollment period. For more information on District and federal health care plans and open season enrollment, please visit DCRB's website at www.dcrb.dc.gov, and click through the "Health Benefits Open Season" announcement at the top of the homepage. There, you will find information about how to enroll in the plans, changes in the plans offered, the required premiums, and extra information for Medicare eligible retirees.

As in past years, the OPM website has a feature that allows eligible participants to enter their zip code to identify health plans that have facilities close to where they live. Participants may also take advantage of a feature that allows them to select plans of interest and to have a comparison chart compiled displaying the plans' provisions, costs, and premiums. The OPM website, www.opm.gov (under "Insurance," then "Compare Plans") also lists the premiums for 2019.

Police/Fire and Teachers' Plan retirees who have coverage through District or federal programs may submit their materials to DCRB in a variety of ways.

You may:

- email us at DCRB.benefits@dc.gov
- fax us at (202) 566-5001, or
- mail your completed change forms to the DCRB Member Services Center at 900 7th Street NW, Washington, DC 20001.

Please note: all submitted materials must be dated or postmarked no

later than the close of business (5:00 p.m. ET) on December 10, 2018.

Active District employees should submit any changes online via the District's PeopleSoft Employee Self-Service portal, and should contact their Human Resources office with any questions.

Alert For Retirees—New Medicare Cards

In April of this year, the Centers for Medicare & Medicaid Services (CMS) began mailing new Medicare cards to all people with Medicare coverage. By substituting a Medicare Number that is unique to each person for the previously used Social Security Number, the new card is intended to protect identities and keep personal information more secure.

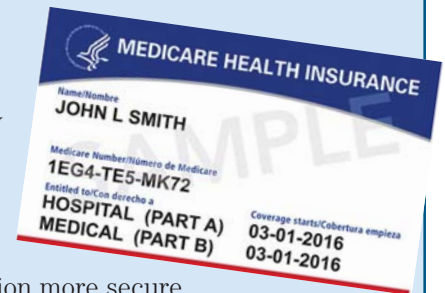
Medicare is automatically mailing the new cards, at no cost to the covered person, to the address on file with Social Security. So, making sure that your address is up-to-date is very important. You can update your address by calling the toll-free Social Security number at 1-800-772-1213 between 7 a.m. and 7 p.m. ET Monday through Friday or by signing into Social Security at <https://www.ssa.gov> and creating a my Social Security account.

CMS has requested that we advise our members to do three important things when they receive their new Medicare cards:

1. Destroy your old Medicare card right away.
2. Use your new card. Doctors, other health care providers, and plans approved by Medicare know that Medicare is replacing the old cards. They are ready to accept your new card when you need care.
3. Beware of people contacting you about your new Medicare card and asking you for your Medicare Number or personal information, or to pay a fee for your new card. Treat your Medicare Number just like you treat your Social Security or credit card numbers.

Also, you should be aware that Medicare will never contact you uninvited to ask for personal information.

For more information about the new Medicare card, you can visit <https://www.medicare.gov/newcard>. You can also visit www.Medicare.gov for more tips to prevent Medicare fraud.



DC Retirement Board

900 7th Street, NW
 Second Floor
 Washington, DC 20001



Pre-Sorted
 Standard
 US Postage
PAID
 Permit #349
 Washington, DC

Inside this DCRB Report

**District and Federal Health Care
 Open Season Enrollment, Year End
 Information, Trustee Elections, and
 more**

From the Chairman of the Board

Continued from page 1

(Statements). In mid-September, Statements were distributed to members of the Teachers’ Plan, and in late October, Statements were mailed to members of the Police/Fire Plan. These Statements provide our members with benchmarks of the amount of the benefit they have earned currently, and the amount they might expect to receive at their earliest retirement date. DCRB expects that this information will be useful to you and your family in planning for your retirement. As noted in previous newsletters, these Statements will be provided to our members annually.

In addition to the Statements, in late spring, members of each Plan were provided with a new Summary Plan Description (pension booklet), which are updated every five years.

With this update, booklets were sent to active members electronically. And, beginning with this newsletter, active members will only receive newsletters electronically rather than paper versions. Finally, in early fall, DCRB upgraded its telephone system to add features and flexibility that will make your contacting us easier and more efficient.

Awards

Once again, we are happy to advise you that DCRB has received the Public Pension Coordinating Council’s (PPCC) Recognition Award for Funding for 2018. This award is for meeting professional standards for plan funding as set forth in the Public Pension Standards. Also, for the first time, DCRB received PPCC’s Recognition Award for Administra-

tion for 2018. PPCC is a confederation of the National Association of State Retirement Administrators (NASRA), the National Conference on Public Employee Retirement Systems (NCPERS), and the National Council on Teacher Retirement (NCTR). DCRB has received PPCC’s funding award each of the past nine years.

In addition to the above awards, DCRB received the Government Finance Officers Association’s Certificate of Achievement Award for Excellence in Financial Reporting for FY 2017. We have received this award for ten consecutive years.

These awards reflect DCRB’s commitment to its members and its adherence to the required professional standards and maintenance of best practices expected of public retirement systems.

TRUSTEES				DC Retirement Board
Janice M. Adams <i>Mayoral Appointee</i>	Mary A. Collins <i>Elected Retired Teacher</i>	Vacant <i>Elected Active Teacher</i>	Michael J. Warren <i>Council Appointee</i>	900 7th Street, NW, 2nd Floor Washington, DC 20001 Voice (202) 343-3200 Fax (202) 566-5000 www.dcrb.dc.gov Sheila Morgan-Johnson <i>Executive Director</i> Joan M. Passerino <i>Editor</i>
Lyle M. Blanchard <i>Treasurer Council Appointee</i>	Gary W. Hankins <i>Vice Chair/Secretary Elected Retired Police Officer</i>	Edward C. Smith <i>Elected Active Firefighter</i>	Lenda P. Washington <i>Mayoral Appointee</i>	
Joseph M. Bress <i>Council Appointee</i>		Thomas N. Tippet <i>Elected Retired Firefighter</i>	Bruno C. Fernandes <i>Ex-Officio, Non-Voting</i>	
Joseph W. Clark <i>Chair Mayoral Appointee</i>	Darrick O. Ross <i>Elected Active Police Officer</i>			