FALL 2015

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The District of Columbia Retirement Board's mission is to prudently invest the assets of the Police Officers, Firefighters, and Teachers of the District of Columbia, while providing those employees with total retirement services.

From the Chairman of the Board

As we near the close of another year, I would like to reflect on the changes that 2015 has brought to the District of Columbia Retirement Board (the “Board” or “DCRB”). I am pleased to advise you that DCRB has completed a recovery of historical employee/participant data and a review of potential pension information systems. This work was preliminary to our issuing a Request for Proposal (“RFP”) to establish our own pension information management system. This system will result in improved services to all members. Sadly, this year, DCRB lost a long-serving trustee and good friend, George R. Suter, Jr.

2015 Investment Results

During the fiscal year ended September 30, 2015, DCRB saw a decrease in the total market value and on the returns on the assets of the D.C. Police Officers and Firefighters’ Retirement Fund and the D.C. Teachers’ Retirement Fund (collectively referred to as the “Fund”). Investments for pension funds generally were negatively affected by the downturn over the last fiscal year. As of September 30, 2015, the Fund’s total assets stood at $6.13 billion after the payment of all benefits and administrative expenses, which is a decrease of approximately $200 million compared with September 30, 2014. The Fund generated a gross return of -3.9%, underperforming the Policy Benchmark by 1.5%. However, since its inception in October 1982, the Fund has achieved an annualized average rate of return of 8.7%, surpassing the actuarial investment return target of 6.5%. Despite the negative investment performance for fiscal year 2015, I am pleased to announce that, together, the Plans continue to be fully funded.

Update on Technology Projects

The Data Reclamation Project, which began during calendar year 2013, was completed in 2015. That project involved reviewing and reclaiming historical service and earnings data for approximately 4,500 active Plan participants. The cleaned and reclaimed data will form the foundation of information which will be used by DCRB in the future to provide members with annual benefits statements and to calculate benefits when members retire. Earlier this year, DCRB issued a Request for Information (“RFI”) to technology firms asking for input regarding the scope, cost, and effort needed to install a new pension information management system. Information gleaned from responses to that RFI has been presented to the Board. An RFP to begin the process of implementing a new system will be released shortly.

The Board Says Good-Bye to a Long-Serving Former Trustee

It is with great sadness that DCRB acknowledges the passing on June 22, 2015, of former DCRB trustee, George R. Suter, Jr. Mr. Suter served on the Board with distinction as the elected retired police officer trustee from 1997 until he resigned in June 2013 due to ill health. During his tenure on the Board, Mr. Suter served as Chair of the Benefits Committee from 1999 through 2007, and again from 2009 until he left the Board in 2013. Mr. Suter served with the DC Metropolitan Police Department from April 1, 1952, until his retirement on October 1, 1977. He was an Inspector and Director of the Police/Fire Clinic at the time of his retirement.
Information Especially For Retirees

Calendar Year 2015 Tax Information
Retirees and survivors who received taxable pension income from the District of Columbia Police Officers and Firefighters’ Retirement Plan and the District of Columbia Teachers’ Retirement Plan during tax year 2015 will receive tax form 1099-R at the end of January 2016, from the U.S. Treasury Department’s Bureau of the Fiscal Service. Most annuitants will receive only one 1099-R form. However, those of you who are both a retiree and a survivor will receive more than one. All 1099-R forms that you receive should be filed with your 2015 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 from your benefit payment will be enough to cover your tax obligations for the 2015 tax year. Since you may be receiving retirement income from multiple sources, you may choose to have no Federal taxes withheld. On the other hand, if you are withholding amounts for your taxes and you find that the withholding is not sufficient, you may change your withholding amount. In any event, changing your withholding does not affect the amount of taxes you are required to pay. Retirees who want to update their withholding amount should complete a Form W-4P and send it to DCRB’s Member Services Center (MSC) at the address listed on page 5. Blank forms can be requested from the MSC, or you can print one from the DCRB website at www.dcrb.dc.gov (under Forms for Members, then Tax Forms) or the IRS web site at www.irs.gov. Active District employees who wish to make withholding changes need to file a Form W-4 through their PeopleSoft Employee Self-Service account.

Change of Address or Direct Deposit Account
If you moved to another residence during the year or you plan to do so between now and January, you should provide the DCRB Member Services Center (MSC) with your new address (and bank change information, if applicable) as soon as possible. That updated information will assure that you receive your benefit payments and tax information promptly. You can reach the MSC by calling (202) 343-3272 or toll free at 1-866-456-3272, if you live outside of the Washington Metropolitan area. You can also receive forms for making address or direct deposit changes by accessing DCRB’s website at www.dcrb.dc.gov and printing out the form(s) you need (under the headings indicated earlier). The completed forms should be mailed to the MSC at the address listed on page 5.

2015 Retired Firefighter Representative Election
In mid-August, DCRB began to prepare for the election of a retired firefighter representative to serve as a Trustee on the Board. That process officially started with our mailing the Nomination of Candidate form on September 4 followed by the distribution of ballots on October 19 to all retired firefighters who are eligible to vote in the election. Please note that the deadline for the submission of either paper or telephone ballots is November 16. Election results will be certified by the Board on November 19 and published in the DC Register on December 4, 2015. The candidate who wins the election will begin his/her term on the Board on January 28, 2016.

For more information on DCRB’s Board of Trustees, including election information, Trustee biographies, Board meeting minutes, and Board rules, please visit DCRB’s website at www.dcrb.dc.gov.
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 will take place between Monday, November 9 and Monday, December 14. During that period, members of the District of Columbia Police Officers and Firefighters’ Retirement Plan and the District of Columbia Teachers’ Retirement Plan, who are eligible to participate in the health plans available to District and Federal employees and retirees, will have an opportunity to change their health plans.

Packets containing information about the plans and the dates of health fairs that are scheduled to take place during the open enrollment period were mailed to eligible members in early November. For more information on District and Federal health care plans and open season enrollment, please see the “Open Enrollment and Open Season” page on DCRB’s website, linked through our homepage at www.dcrb.dc.gov. There, you will find information about the plans offered and premiums charged, as well as dates and locations of health fairs that DCHR will host during the Open Enrollment period (also see page 5 of this newsletter).

As in past years, the OPM website has a feature that allows eligible participants to enter their ZIP Code, and it will identify health plans that have facilities close to where they live. The program also lets participants select several health plans that interest them, and then it illustrates the plans in a comparison chart of provisions, costs, and premiums. The website, www.opm.gov (under “Insurance,” then “Compare Plans”) also lists premiums for 2016 and a fact sheet summarizing changes for next year.

Active District employees should submit any changes they wish to make online via their PeopleSoft Employee Self-Service account. Your Human Resources office can assist you with any questions you may have. Police/Fire and Teachers’ Plan retirees and survivors who have health care coverage through District or Federal programs should forward their completed change forms to the DCRB Member Services Center at the address on page 5 of this newsletter. The cut-off date for changes is close of business on December 14, 2015.

Federal Employees’ Health Benefits Program Self Plus One Coverage

The Federal Employees’ Health Benefits (FEHB) Program will begin offering a Self Plus One coverage type beginning next year. The first opportunity to enroll in this benefit category will be during the Federal Open Season period, from November 9 to December 14, 2015. Any changes become effective on January 1, 2016.

Self Plus One coverage allows you to cover yourself and one eligible family member that you designate to be covered. That family member can be your spouse or an eligible child up to age 26. Children age 26 or older can qualify if they are incapable of self-support due to a physical or mental disability that existed prior to age 26. Unlike the District Government, the Federal Government does not recognize domestic partners, so they cannot qualify as family members for this new coverage type.

Additional information on the new Self Plus One coverage option can be accessed on www.opm.gov, under the “Insurance” page, then “Changes in Health Care Coverage.”
Important Information About Medicare Part B

On October 15, 2015, the Social Security Administration announced that as a result of lower consumer prices during the past year, there will be no automatic cost-of-living adjustment (COLA) for Social Security recipients in 2016. This has occurred only twice before, in 2010 and 2011, since COLAs were first introduced 40 years ago.

Because the District’s police officers, firefighters and teachers do not participate in Social Security, you might feel that the lack of a COLA for Social Security next year is not of concern to you. However, that may not be the case, since you do participate in Medicare, and you may be impacted.

Although there is no Social Security COLA in 2016, there are premium increases to Medicare Part B in 2016. The Social Security Act’s “hold harmless” clause protects many Social Security recipients from Medicare increases when there is no Social Security COLA. For those recipients who are enrolled in both Social Security and Medicare Part B, and who have their Part B premiums deducted from their Social Security benefits, for any year in which there is no Social Security COLA, there will also be no increase in the Part B premium. This is not the case for everyone.

This special “hold harmless” clause does not apply to:

- Social Security recipients who do not have their Medicare Part B premiums deducted from their monthly Social Security payments (or who are not eligible to receive Social Security payments).
- Higher-income Medicare recipients.
- New beneficiaries who enroll in Medicare Part B for the first time in 2016.

For those not protected by the “hold harmless” clause, the standard Part B monthly premium was scheduled to increase from $104.90 to $159.30 per month, approximately 52%. In addition, all beneficiaries would see their Part B annual deductible for outpatient care increase by $76 in 2016.

On October 28, 2015, Congressional leaders and the White House reached a budget agreement that will reduce the Part B increase from 52% to 17%. Under the agreement, Medicare Part B premiums for those who are not covered by the “hold harmless” clause will increase from the current $104.90 per month to $120.00 per month and the deductible is estimated to increase about $20 per month, rather than $76. In addition, a $3 surcharge will be added that will continue for five years to cover the cost of the reduction.

Federal Employees’ Group Life Insurance Program Premium Changes and Open Season

Premium Changes
The Federal Office of Personnel Management (OPM) has announced premium changes for the Federal Employees’ Group Life Insurance (FEGLI) Program, effective January 1, 2016. Most premium rates for Options A, B and C will decrease, although older age bands of Options B and C will increase. Premium rates for Post-Retirement Basic Insurance with 50% Reduction and No Reduction will increase. There will be no changes in the premium rates for Basic Insurance for active employees. A notice, including the premium changes, was published in the Federal Register on August 7, 2015, and can be accessed at:

OPM will post the new premiums on its website, www.opm.gov, when they become effective in 2016.

Open Season
At the same time that it indicated the impending changes in FEGLI premiums, OPM also announced that there will be a FEGLI Open Season during the month of September 2016. Although eligible active employees may elect to increase their life insurance during a FEGLI Open Season, annuitants can never do so. Under FEGLI laws and regulations, the effective date for changes to FEGLI coverage under an Open Season election will be delayed one full year to the beginning of the first full pay period on or after October 1, 2017. Since this FEGLI Open Season is still a year away, we will provide you with additional information in our spring 2016 newsletter.
**Our Member Services Center Can Help You**

- **Electronic Funds Transfer (EFT):** New annuitants must use EFT to receive annuity payments. For an enrollment for Electronic Funds Transfer Authorization, please visit the DCRB website at [www.dcrb.dc.gov](http://www.dcrb.dc.gov). You may also contact the Member Services Center to request an enrollment form or ask any questions you may have.

- **Beneficiary Updates:** It is important that you ensure that your beneficiary information is current, especially if you have divorced. To update your beneficiary information related to your pension benefits, you can print out forms from the DCRB website (address indicated above) or you may contact the Member Services Center.

- **Life Event Changes:** Changes in your status may have an effect on your pension benefits or those of your family members. If you get married, divorced, become widowed, or if you have a change in your child student status, you should report such events to DCRB.

Information on our website can also answer many of your questions. Visit us at [www.dcrb.dc.gov](http://www.dcrb.dc.gov) and click on the “Retirement” tab to view and print useful forms, view the Summery Plan Descriptions (SPDs), and read helpful brochures regarding special topics. Also, for your information and convenience, there is a retirement calculator and a glossary of benefits terms.

**DCRB Member Services Center**

900 7th Street, NW, Second Floor, Washington, DC 20001 • (202) 343-3272

Toll free: (866) 456-3272 • TTY (800) 877-8339 • Fax: (202) 566-5001 • Email: dcrb.benefits@dc.gov

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**Open Enrollment Fairs**

During this year's Open Enrollment period (from November 9, 2015 through December 14, 2015), the District of Columbia Office of Human Resources (DCHR) will be hosting nine benefits fairs at different locations throughout the District. These fairs will provide eligible active and retired participants with an opportunity to meet one-on-one with Human Resources specialists and benefits providers for assistance with questions and to learn more about any changes that will be occurring next year. The dates, times, and locations of the fairs are as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
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<tbody>
<tr>
<td>November 9 (Monday)</td>
<td>10:00 a.m. to 3:00 p.m.</td>
<td>One Judiciary Square, 441 4th Street, NW</td>
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<tr>
<td>November 14 (Saturday)</td>
<td>9:00 a.m. to 12:00 noon</td>
<td>DC Public Schools Central Office, 1200 First Street, NE</td>
</tr>
<tr>
<td>November 17 (Tuesday)</td>
<td>10:00 a.m. to 3:00 p.m.</td>
<td>DC Housing Authority, 1133 N. Capitol Street, NE</td>
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<tr>
<td>November 18 (Wednesday)</td>
<td>10:00 a.m. to 3:00 p.m.</td>
<td>Office of the Chief Financial Officer, 1101 4th Street, SW</td>
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<tr>
<td>November 19 (Thursday)</td>
<td>10:00 a.m. to 3:00 p.m.</td>
<td>Saint Elizabeth's Hospital, 1100 Alabama Avenue, SE</td>
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<tr>
<td>December 1 (Tuesday)</td>
<td>10:00 a.m. to 3:00 p.m.</td>
<td>Frank D. Reeves Center, 2000 14th Street, NW</td>
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<tr>
<td>December 2 (Wednesday)</td>
<td>10:00 a.m. to 3:00 p.m.</td>
<td>John A. Wilson Building, 1350 Pennsylvania Avenue, NW</td>
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<tr>
<td>December 3 (Thursday)</td>
<td>10:00 a.m. to 3:00 p.m.</td>
<td>Child &amp; Family Services Agency, 200 I Street, SE</td>
</tr>
<tr>
<td>December 9 (Wednesday)</td>
<td>4:00 p.m. to 7:00 p.m.</td>
<td>DC Public Schools Central Office, 1200 First Street, NE</td>
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**Note:** Two additional fairs that are only for Police/Fire and Teachers’ Plan annuitants will be held at DCRB’s offices at 900 7th Street, NW, on November 13 and December 7 from 10 a.m. to 3 p.m. There, you will be able to speak with DCRB and DCHR benefits specialists regarding questions you may have about the District or Federal plans. Since there is limited seating, please call the DCRB Member Services Center to register. Also, DCRB will have benefits specialists available at the DCHR fairs on November 9, November 14, and December 1 to assist retirees with participation and enrollment.
An Important Tip about Medicare Sign-up

If you are under age 65 and either retired or otherwise not working when you reach Medicare eligibility age, the U.S. Department of Health and Human Services (HHS), the federal agency that administers Medicare, will not contact you to let you know that you need to enroll. Unlike the application process for Social Security, you will need to contact HHS. You can do so by accessing www.medicare.gov to sign up online, or you can call 1-800-MEDICARE.

The initial Medicare enrollment period begins three months before your 65th birthday, includes the month you turn 65, and ends three months after you turn 65. If you do not enroll during that seven-month period you will incur a late enrollment penalty of 10% for each 12-month period that you were not enrolled and that amount will apply toward your premiums for as long as you are enrolled in Part B.

If you continue to work past age 65, and you are covered under a group health plan with your employer, you have a special enrollment period to sign up for Part A and/or Part B that starts the month after your employment ends and continues for eight (8) months. You will not incur a penalty as long as you enroll during that period.