

# RETIREE Report

A Semi-Annual Publication from the  
Fairfax County Retirement Administration Agency  
*Designed for County Government & County Schools Retirees*

[www.fairfaxcounty.gov/retirement/](http://www.fairfaxcounty.gov/retirement/)

## Social Security Update

Effective January 1, 2011

The Social Security Act provides that Social Security benefits increase automatically each year **IF** there is an increase in the Bureau of Labor Statistics' Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of the last year to the third quarter of the current year. As determined by the Bureau of Labor Statistics, there is no increase in the CPI-W from the third quarter of 2008, the last year a COLA was determined, to the third quarter of 2010, therefore, under existing law, there will be no COLA for 2011.

With consumer prices down over the past year, monthly Social Security benefits did not automatically increase in 2011. This is the third year without an automatic Cost-of-Living Adjustment (COLA) since they went into effect in 1975. For more information on Social Security, please visit their web site at [www.socialsecurity.gov](http://www.socialsecurity.gov). ★

## Retirees with County Health Insurance



Retirees who carry their health insurance through Fairfax County, by now, should have received their new insurance cards in the mail. Even if you did not change plans for 2011, you should have received a new ID card.

Since emergency room co-pays as well as specialist co-pays have changed, all ID cards needed to be replaced -- make sure to replace your old card with the new. If you have not yet received a new ID card, please contact your insurance provider directly.

*See page 4 for additional information and Online Tools*

## County Government Life Insurance Benefit Offers New Features



Two new benefits are tied to Minnesota Life policy holder life insurance benefits.

Please see page 2 for additional information.



## New DEFERRED COMP Vendor

Selected for Fairfax County Government Employees/Retirees

In 2010, the county Department of Human Resources (DHR) released a Request for Proposal to consolidate the vendor relationships for the Fairfax County Deferred Compensation Plan (the Plan) to a single contract. After months of dedicated effort by the Selection and Technical Advisory Committees (SAC/TAC), T. Rowe Price has been selected to be the new and sole vendor for the Plan. As one of the county's incumbent vendors, T. Rowe Price has been a deferred compensation plan provider for the county since 1989. Over time, the firm has become the leading vendor in terms of the number of active contributors.

The SAC and TAC, both of which were made up of subject matter experts, employees and retiree representatives, focused on selecting the company that could provide the "best of the best" in terms of both administration and investments. The consolidation, along with T. Rowe Price's service capabilities, will mean:

- Improved tools and education capabilities for participants;
- Significant reductions in participant expenses;
- The ability to add much-requested features, including self-directed investment arrangements, enhanced financial planning and education services, and account management services; and
- Superior recordkeeping and reporting capabilities.

*continued on page 2*

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## Deferred Comp *continued from page 1*

In the coming weeks, all participants (including active employees as well as retirees and other former employees) with deferred compensation accounts, will receive a number of communications from DHR regarding the conversion to T. Rowe Price as well as details on the new fund line up, investment education and financial planning opportunities, and the rollout of new plan features.

At this time, there is no action required from plan participants. An implementation plan will be finalized with T. Rowe Price shortly, and will feature a fully customized, comprehensive communication and education effort to be delivered through a variety of venues, including on-site meetings, web-based training, print media and other interactive resources accessible to active employees, retirees and other account holders. The transfer of assets to the new T. Rowe Price platform will occur in May 2011. There will be no cost for the transition to participants. All accounts in the Plan on the date of the asset transfer, including those of retirees and other former employees, will be automatically transferred to the new vendor.

Because their employment relationships with the county are not active, retirees and other former employees with accounts in the Plan can request distributions or elect to stay with their current vendors prior to the asset transfer. However, distributions may be subject to applicable taxes and penalties. Retirees and other former employees who elect to retain their non-T. Rowe Price vendor relationships will need to roll their account balances

out of the county Plan and into an individual retirement account (IRA) product with that vendor. Balances will then take on the rules and regulations of the IRA as opposed to the often more-favorable tax status and fee structure of the county's Plan, which is governed by section 457 of the Internal Revenue Code and leverages the larger portfolio to keep fees and expenses as low as possible. Again, if a retiree or former employee wishes to have their account transferred to the new T. Rowe Price platform, no action is required at this time. More information on the new program, including the investment line-up and new features, will be coming soon!

Retirees and former employees who are receiving periodic distributions also need NOT take action at this time – payment arrangements will be automatically transferred to T. Rowe Price.

Questions or other issues concerning the deferred compensation vendor award can be directed to the Benefits Division of the county's Department of Human Resources at 703-324-3311. ★

### REMINDER - How to Access Web Member Services:

- ★ Visit [www.fairfaxcounty.gov/retirement](http://www.fairfaxcounty.gov/retirement).
- ★ Under **Member Area**, click on the link for "Secure Log In".
- ★ The first time you visit the **Member Area**, you will need to establish a log-in identification name and password by clicking on "Need an Account?"

## FREE Tax Relief Workshops in March

The **Fairfax County Board of Supervisors** is hosting a series of free **tax relief workshops** in March at several locations throughout Fairfax County. County staff from the Department of Tax Administration (DTA) will be on site at several locations to assist County residents with filling out the application, as well as to answer questions.

Real estate tax relief is available for seniors and people with disabilities who meet certain qualifications; you also may be eligible for car tax and rent relief.

The schedule is by district, and you can call **703-222-8234**, TTY 703-222-7594, or visit [www.fairfaxcounty.gov/dta](http://www.fairfaxcounty.gov/dta) for additional information.

## Life Insurance - 2 New Programs *continued from page 1*

**As of January 1, 2011**, the group term life contract with Minnesota Life (covering general county retirees) will include two new programs **at NO additional cost**: Legal Services and Travel Assistance Services. A description of each program follows:

**Legal Services** - The program offered through Ceridian Lifeworks provides telephone access to a national network of 22,000+ accredited attorneys for consultation on any legal matter as well as simple wills and estate planning documents. The program also provides document review and access to a library of legal forms, guides and resources.

**Travel Services** - The program offered through Europ Assistance USA provides 24-hour emergency travel assistance to active U.S. employees and their families when they are traveling for business or pleasure 100 or more miles from home. The service includes assistance in locating and accessing physicians, dentists, medical facilities and pharmacies; arranging and paying for medical evacuation or returning mortal remains; providing interpreters or relaying messages to friends and family; and a wide range of travel information.

**For additional information**, please review each program's brochure, available on the Retirement Agency's web site.

# FAIRFAX COUNTY Retirement Systems Funds Profile

The following chart reflects the funding status of the Employees', Uniformed and Police Officers Retirement Systems as of June 30, 2010.

If you have questions, please contact the Retirement Administrator.

## Employees' Retirement System

Active Membership (6/30/10) ..... **14,616**

### Income and Expenditures for FY 2010

Contributions	
Plan members.....	\$31,733,516
Employer .....	\$64,069,102
<b>Total .....</b>	<b>\$95,802,618</b>

### Investment income

From investment activities .....	\$516,442,486
From securities lending activities .....	\$323,466
<b>Total .....</b>	<b>\$516,765,952</b>

### Less: investment-related expense

Investment management fees .....	\$9,253,414
Securities lending .....	\$371,514
Banking services and other.....	\$975,453 (10,600,381)
Net investment income .....	\$506,165,571
<b>Total additions .....</b>	<b>\$601,968,189</b>

### Deductions

Regular service benefits .....	\$155,512,982
Disability benefits.....	\$7,172,699
Survivor benefits.....	\$3,585,429
Refunds and other expenses .....	\$5,668,385
<b>Total deductions .....</b>	<b>\$171,939,495</b>
<b>Net increase for the year.....</b>	<b>\$430,028,694</b>

### Net assets held in trust for pension benefits

As of July 1, 2009.....	\$2,039,051,396
As of June 30, 2010 .....	\$2,469,080,090

### Assets at Market Value (as of June 30, 2010)

Equities.....	\$692,674,528
Fixed Income .....	\$543,672,924
Mutual Funds and Pooled Trusts.....	\$1,044,034,577
Short-term investments/Accruals/Cash .....	\$214,463,410
Equity in County's Pooled Cash.....	\$2,424,246
Receivable from sale of investments .....	\$97,083,489
Cash Collateral received for securities lending .....	\$240,117,512
<b>Total assets .....</b>	<b>\$2,834,470,686</b>
Payable for collateral received for securities lending .....	\$240,117,512
Payable for purchase of investments .....	\$120,587,209
Accounts payable and accrued expenses .....	\$4,685,875
<b>Total liabilities.....</b>	<b>\$365,390,596</b>
<b>Net assets.....</b>	<b>\$2,469,080,090</b>

### Investment managers

Artio Global Investors, New York, NY  
 Barclays Global Investors, San Francisco, CA  
 BNY Mellon Cash Investment Strategies, Pittsburgh, PA  
 Brandywine Global Investment Management, Philadelphia, PA  
 Bridgewater Associates, Westport, CT  
 The Clifton Group, Minneapolis, MN  
 Cohen & Steers Capital Management, New York, NY  
 Columbia Wanger Asset Management, Chicago, IL  
 Deerfield Capital Management, Chicago, IL  
 DePrince, Race & Zollo, Winterpark, FL  
 Enhanced Investment Technologies (INTECH), Palm Beach Gardens, FL  
 First Quadrant Partners, Pasadena, CA  
 FrontPoint Partners, Greenwich, CT  
 Gramercy Advisors LLC, Greenwich, CT  
 JP Morgan Investment Management, New York, NY  
 LSV Asset Management, Chicago, IL  
 MacKay Shields LLC, New York, NY  
 Marathon Asset Management, London, UK  
 PIMCO, Newport Beach, CA  
 Post Advisory Group LLC, Los Angeles, CA  
 Pzena Investment Management, New York, NY  
 Sands Capital Management, Arlington, VA  
 Shenkman Capital Management, New York, NY  
 Stark Investments, St. Francis, WI  
 Trust Company of the West, Los Angeles, CA

## Uniformed Retirement System

Active Membership (6/30/10) ..... **1,945**

### Income and Expenditures for FY 2010

Contributions	
Plan members.....	\$11,094,505
Employer .....	\$40,771,184
<b>Total .....</b>	<b>\$51,865,689</b>

### Investment income

From investment activities .....	\$135,358,627
From securities lending activities .....	\$262,156
<b>Total .....</b>	<b>\$135,620,783</b>

### Less: investment-related expense

Investment management fees .....	\$3,811,727
Securities lending .....	\$55,948
Banking services and other.....	\$432,840 (4,300,515)
Net investment income .....	\$131,320,268
<b>Total additions .....</b>	<b>\$183,185,957</b>

### Deductions

Regular service benefits .....	\$50,139,482
Disability benefits.....	\$7,576,809
Survivor benefits.....	\$640,624
Refunds and other expenses .....	\$943,721
<b>Total deductions .....</b>	<b>\$59,300,636</b>
<b>Net increase for the year.....</b>	<b>\$123,885,321</b>

### Net assets held in trust for pension benefits

As of July 1, 2009.....	\$867,187,219
As of June 30, 2010 .....	\$991,072,540

### Assets at Market Value (as of June 30, 2010)

Equities.....	\$229,792,313
Fixed Income .....	\$198,458,190
Mutual Funds and Pooled Trusts.....	\$513,334,306
Short-term investments/Accruals/Cash .....	\$48,939,544
Equity in County's Pooled Cash.....	\$1,196,908
Receivable from sale of investments .....	\$38,996,329
Cash Collateral received for securities lending .....	\$65,466,436
<b>Total assets .....</b>	<b>\$1,096,184,026</b>
Payable for collateral received for securities lending .....	\$65,466,436
Payable for purchase of investments .....	\$37,854,330
Accounts payable and accrued expenses .....	\$1,790,720
<b>Total liabilities.....</b>	<b>\$105,111,486</b>
<b>Net assets.....</b>	<b>\$991,072,540</b>

### Investment managers

Acadian Asset Management, Boston, MA  
 Advisory Research, Chicago, IL  
 Artio Global Investors, New York, NY  
 Ashmore Investment Management, London, England  
 Barclays Global Investors, San Francisco, CA  
 BNY Mellon Cash Investment Strategies, Pittsburgh, PA  
 Brandywine Global Investment Management, Philadelphia, PA  
 Bridgewater Associates, Westport, CT  
 Cohen & Steers Capital Management, New York, NY  
 Dorset Energy Fund, Hamilton, Bermuda  
 FrontPoint Partners, Greenwich, CT  
 HarbourVest Partners, LLC, Boston, MA  
 JP Morgan Investment Management, New York, NY  
 King Street Capital Management, LLC, New York, NY  
 Marathon Asset Management, London, England  
 NCM Capital Management, Durham, NC  
 Orbimed Healthcare Fund Management, New York, NY  
 Pantheon Ventures, Inc., San Francisco, CA  
 PIMCO, Newport Beach, CA  
 Ramius, New York, NY  
 Trust Company of the West, Los Angeles, CA  
 UBS Realty Advisors LLC, Hartford, CT  
 Victory Capital Management, Cleveland, OH

tration Agency at 703-279-8200, TTY 711.

## Police Officers Retirement System

Active Membership (6/30/10)..... **1,347**

### Income and Expenditures for FY 2010

Contributions	
Plan members.....	\$10,389,241
Employer .....	\$23,766,626
<b>Total .....</b>	<b>\$34,155,867</b>

### Investment income

From investment activities .....	\$146,188,038
From securities lending activities .....	\$163,000
<b>Total .....</b>	<b>\$146,351,038</b>

### Less: investment-related expense

Investment management fees .....	\$2,819,777
Securities lending .....	\$25,900
Banking services and other.....	\$397,594 (3,243,271)
Net investment income .....	\$143,107,767
<b>Total additions .....</b>	<b>\$177,263,634</b>

### Deductions

Regular service benefits .....	\$43,069,896
Disability benefits .....	\$1,309,109
Survivor benefits.....	\$2,717,817
Refunds and other expenses .....	\$756,042
<b>Total deductions .....</b>	<b>\$47,852,864</b>

**Net increase for the year..... \$129,410,770**

### Net assets held in trust for pension benefits

As of July 1, 2009 .....	\$706,622,286
As of June 30, 2010 .....	\$836,033,056

### Assets at Market Value (as of June 30, 2010)

Equities.....	\$254,314,439
Fixed Income .....	\$197,816,535
Mutual Funds and Pooled Trusts.....	\$360,051,989
Short-term investments/Accruals/Cash .....	\$20,227,531
Equity in County's Pooled Cash.....	\$2,214,320
Receivable from sale of investments .....	\$7,661,149
Cash Collateral received for securities lending .....	\$41,571,731
<b>Total assets .....</b>	<b>\$883,857,694</b>

Payable for collateral received for securities lending .....	\$41,571,731
Payable for purchase of investments .....	\$4,717,820
Accounts payable and accrued expenses .....	\$1,535,087
<b>Total liabilities.....</b>	<b>\$47,824,638</b>

**Net assets..... \$836,033,056**

### Investment managers

Acadian Asset Management, Boston, MA  
 AQR Capital Management, Greenwich, CT  
 BNY Mellon Cash Investment Strategies, Pittsburgh, PA  
 ClariVest, San Diego, CA  
 Cohen & Steers Capital Management, New York, NY  
 Dodge & Cox Investment Managers, San Francisco, CA  
 FrontPoint Partners, Greenwich, CT  
 Goldman Sachs, Tampa, FL  
 Grantham Mayo Van Otterloo & Co, Boston, MA  
 Loomis Sayles & Co, Boston, MA  
 Mariner Investment Group, Boston, MA  
 McKinley Capital Management, Anchorage, AK  
 Oaktree Capital Management, Los Angeles, CA  
 PIMCO, Newport Beach, CA  
 Pzena Investment Management, New York, NY  
 Ramius, New York, NY  
 Trust Company of the West, Los Angeles, CA

## 2011 Health Insurance ID Cards and Online Tools

*Jan. 1, 2011 marked the beginning of a new year for the county's benefit programs. Participants should have their 2011 ID cards for county health plans by now. Participants are encouraged to take advantage of Web tools offered by the providers to manage their accounts, access information, and print temporary or additional ID cards.*

### Contact information:

**CIGNA OAP-High & OAP-Low** - If you have not received your ID card, contact CIGNA Customer Service at 800-244-6224, TTY 711. Members are encouraged to register on the *myCIGNA.com* web site that provides access to assessment and plan management tools, medical updates, and the ability to print ID cards.

**CareFirst POS** - If you have not received your ID card, contact CareFirst Customer Service at 800-628-8549, TTY 711. Members are encouraged to register on the *www.carefirst.com/myaccount* web site that provides information on eligibility, claims and out-of-pocket costs and the ability to print ID cards.

**Kaiser HMO** - If you have not received your ID card, contact Kaiser's Customer Service number at 301-468-6000, TTY 711. As a Kaiser Permanente member, you have access to "My Health Manager" through *www.kp.org*. This internet tool gives you access to your personal health information in real time. Participants will be able to manage appointments; access most lab results; communicate with Kaiser physicians; handle medication information; be alerted to changes and information; print ID cards; and much more.

**Delta Dental** - Only new Delta Dental members should have received ID cards for 2011. All other members should continue to use their current ID cards. If you have lost or misplaced your ID card, contact Delta's Customer Service at 800-237-6060, TTY 711. Members are encouraged to set up an account through the Subscriber Connection feature on *www.deltadentalva.com*. You will be able to print replacement ID cards; review the Member Handbook and Evidence of Coverage; verify benefits; track claims; and access forms.

**Davis Vision** - Only new participants in the county's health care plans, including those moving from one health plan to another, should have received cards for 2011. Existing members should continue to use their current ID cards. If you have lost or misplaced your ID card, contact Davis' Customer Service at 800-208-2112, TTY 711. Members are encouraged to set up an account through the *www.davisvision.com* site – click on "members" and then "Not a Registered User or New to the Site?" You will be able to review eligibility for claims submission; enrollment; the personal frame collection; the benefits summary; and much more. ★

### Please Note:

The article above, and several others in this issue of the *Retiree Report* are relevant for general county retirees only -- Retirees from Fairfax County Public Schools should visit <http://www.fcps.edu/DHR/> for all of their benefit information and updates.

# Retirement Systems Board of Trustees

Effective January 1, 2011 ★

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 ● Appointed 7/27/10  
 ■ Re-elected 7/27/2010  
 ▲ Re-appointed 7/27/2010  
 ★ Appointed 11/16/2010  
 ❖ Re-appointed 12/7/2010  
 > Elected and effective 1/1/2011  
 ✕ Re-elected and effective 1/1/2011

## Medicare Update

### DON'T CONFUSE MEDICARE WITH MEDICAID

You may think that Medicaid and Medicare are the same. Actually, they are two different programs.

**Medicaid** is a state-run program that provides hospital and medical coverage **for people with low income and little or no resources**. Each state has its own rules about who is eligible and what is covered under Medicaid.

**Medicare is our country's health insurance program for people age 65 or older.** Certain people younger than age 65 can qualify for Medicare, too, including those who have disabilities and those who have permanent kidney failure or amyotrophic lateral sclerosis (Lou Gehrig's disease). The program helps with the cost of health care, but it does not cover all medical expenses or the cost of most long-term care. Medicare is financed by a portion of the payroll taxes paid by workers and their employers. It also is financed in part by monthly premiums deducted from Social Security checks.

● **Hospital Insurance (Part A)** helps pay for inpatient care in a hospital or skilled nursing facility (following a hospital stay), some home health care and hospice care.

◆ **Most people don't pay a Part A premium** because they paid Medicare taxes while working. This is called "premium-free Part A."



● **Medical Insurance (Part B)** helps pay for doctors' services and many other medical services and supplies that are not covered by hospital insurance.

■ **Medically-necessary services** — Services or supplies that are needed to diagnose or treat your medical condition and that meet accepted standards of medical practice.

■ **Preventive services** — Health care to prevent illness (like the flu) or detect it at an early stage, when treatment is most likely to work best.

◆ Most current beneficiaries will continue to pay the same **\$96.40** or **\$110.50** monthly premium in **2011**.

◆ Most of those **new to Medicare in 2011** will pay a premium of **\$115.40** per month in 2011.

◆ For those whose incomes are higher than \$85,000 (single), their Part B premium may be higher.

● **Prescription drug coverage (Part D)** helps pay for medications doctors prescribe for treatment.

■ To search for a plan that might be right for you, visit the [Medicare web site](#) and search for "Medicare Drug Plan Finder".

◆ Each plan can vary in cost and drugs covered. The Medicare Drug Plan Finder can help you find and compare plans in your area. Your Part D monthly premium could be higher based on your income.

**The Centers for Medicare & Medicaid Services (CMS)** is the agency in charge of the Medicare program - For additional information, visit [www.CMS.gov](http://www.CMS.gov) or [www.medicare.gov](http://www.medicare.gov) and search for **Fact Sheets**. ★

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SPRING 2011

Fairfax County  
Retirement Administration Agency  
10680 Main Street, Suite 280  
Fairfax, Virginia 22030

[www.fairfaxcounty.gov/retirement/](http://www.fairfaxcounty.gov/retirement/)

## Board of Trustees Meeting Schedule 2011

### January

12	Police Officers Retirement Board	1:30 PM
19	Employees' Retirement Board	3:30 PM
26	Uniformed Retirement Board	10:00 AM

### February

09	Police Officers Retirement Board	1:30 PM
16	Employees' Retirement Board	3:30 PM
23	Uniformed Retirement Board	10:00 AM

### March

09	Police Officers Retirement Board	1:30 PM
16	Employees' Retirement Board	3:30 PM
23	Uniformed Retirement Board	10:00 AM

### April

13	Police Officers Retirement Board	1:30 PM
20	Employees' Retirement Board	3:30 PM
27	Uniformed Retirement Board	10:00 AM

### May

11	Police Officers Retirement Board	1:30 PM
18	Employees' Retirement Board	3:30 PM
25	Uniformed Retirement Board	10:00 AM

### June

08	Police Officers Retirement Board	1:30 PM
15	Employees' Retirement Board	3:30 PM
22	Uniformed Retirement Board	10:00 AM

### July

13	Police Officers Retirement Board	1:30 PM
20	Employees' Retirement Board	3:30 PM
27	Uniformed Retirement Board	10:00 AM

### August

No Board Meetings Scheduled

### September

14	Police Officers Retirement Board	1:30 PM
21	Employees' Retirement Board	3:30 PM
28	Uniformed Retirement Board	10:00 AM

### October

12	Police Officers Retirement Board	1:30 PM
19	Employees' Retirement Board	3:30 PM
26	Uniformed Retirement Board	10:00 AM

### November

09	Police Officers Retirement Board	1:30 PM
17	Employees' Retirement Board	3:30 PM
16	Uniformed Retirement Board	10:00 AM

### December

14	Police Officers Retirement Board	1:30 PM
21	Employees' Retirement Board	3:30 PM

