

RETIREE Report

A Quarterly Publication from the
Fairfax County Retirement Administration Agency
Designed for County Government & County School Retirees

www.fairfaxcounty.gov/retirement/

COLA's

Effective July 1, 2007

Cost of Living Adjustments (COLAs) for retirees and DROP participants in the Employees', Police Officers and Uniformed Retirement Systems will be effective July 1, 2007.

Fairfax County Code for the Employees', Police Officers and Uniformed Retirement Systems include a provision for a standard annual COLA that is equal to the lesser of 4.0% and the increase in the Consumer Price Index (CPI-U) for the period ending in March of each year. This year, the increase in the CPI-U was 4.1%. Therefore, this year's standard COLA for Fairfax County members is 4.0%.

In addition, each retirement system Board may grant up to a 1% "ad hoc" COLA if their respective retirement funds meet certain financial criteria.

For the fiscal year 2008, the Police Officers Retirement System Board was the only Board able to grant any amount of ad hoc COLA due to rules governing the financial status of the plans and the terms of the County Code regarding the granting of additional COLAs. The Employees' and Uniformed Retirement Systems did not meet the financial criteria for granting an ad hoc COLA amount.

COLAs, effective July 1, 2007, for members of each of the Fairfax County Retirement Systems are as follows:

- Employees = 4.0%
- Uniformed = 4.0%
- Police Officers = 5.0%

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For Retirees with **DIRECT DEPOSIT** and a deduction to Fairfax County Credit Union:

Please note that your retirement pay advice for 2007 will show 2 lines for the year to date (YTD) total of your deductions for the Fairfax County Credit Union. The YTD will be the sum of the lines FAIRFAX and FX CRED UN. In trying to make the deduction description more clear, a second line was created as the description changed. Your January deduction appears on the line FAIRFAX and the deductions starting in February will show on the line FX CRED UN so the year to date total is the sum of both lines (*for 2007 ONLY*).

New Deputy **DIRECTOR**

Retirement Administration Agency

John P. (Jack) Sahm joined the Retirement Administration Agency on June 11, 2007 as the new Deputy Director and Retirement Administrator.

Jack has extensive experience in managing retirement plans. He has served as Collections Manager for the pension funds of the Service Employees International Union, the Assistant Administrator of the pension and health plans of the Writers' Guild of America, and the Assistant Administrator of the National Electrical Benefit Fund and National Electrical Annuity Plan. Prior to his work in the retirement area, Jack was the Executive Director, South Louisiana Chapter of the National Electrical Contractors Association where he was also a Trustee and Chairman.

Jack, a veteran of the US Army, has a BS in Business Administration from Shepherd College and an MBA from Frostburg State University. Please join us in welcoming Jack to the Retirement Administration Agency. ★

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COLA's *continued from page 1*

Cost of living increases will be reflected in retiree payments on July 31, 2007. As a reminder, COLAs apply only to base benefits and not any pre-social security benefits.

Please Note:

For members who have retired or entered DROP during the current fiscal year, COLAs are prorated as shown below according to the effective dates of retirement or DROP entry:

- July 2, 2006 and October 1, 2006 75% of the COLA amount
- October 2, 2006 and January 1, 2007 50%

- January 2, 2007 and April 1, 2007 25%
- After April 1, 2007..... 0% COLA



What is SHINGLES,

and who can get it?

Shingles is another name for a condition called "herpes zoster." It causes a painful rash. You can only get shingles if you had chickenpox in the past or if you have had the chickenpox vaccine ("shot").

After you have chickenpox (usually as a child), the virus that causes it stays in your body in certain nerve cells. Most of the time, your immune system keeps the chickenpox virus in these cells. As you get older, or if your immune system gets weak, the chickenpox virus may escape from the nerve cells and cause shingles.

Most people who get shingles are more than 50 years old or have a weak immune system. For example, you might get shingles if you have cancer, take medicines that weaken your immune system or have the virus that causes AIDS (acquired immunodeficiency syndrome).

What are the symptoms of shingles?

Shingles causes a painful, blistering rash. Sometimes the pain starts a few days before the rash appears. Some people have mostly itching; some feel pain from the gentlest touch or breeze. The rash begins with reddish bumps. In a few days, these bumps turn into blisters. You might feel a stinging or burning pain. The rash may wrap around your back and chest, or it may be on one side of your face. Shingles blisters usually crust over and fall off after 7 to 10 days. You may see changes in the color of your skin when the scabs fall off. Even though the rash gets better or goes away in a few weeks, the pain may last longer. In most people, the pain goes away in 1 to 3 months.

Shingles can also affect your eyes, causing swollen eyelids, redness and pain. Shingles of the eye can cause scars that affect your vision. It can also lead to glaucoma later in life.

Do you know what a "pop-up provision" is?

Retirees who have elected a Joint and Last Survivor Benefit (J&LS), please take note:

If your spouse should pre-decease you, please notify the Retirement Administration Agency (RAA). Please be aware that upon proof of death of a spouse, the retiree's annuity amount will return to 100% (the full annuity amount prior to any J&LS reduction). This circumstance is sometimes referred to as a "pop-up provision". Under many circumstances, the RAA would be unaware of this eventuality unless you were to notify us.

Is there any treatment?

The severity and duration of an attack of shingles can be significantly reduced by immediate treatment with antiviral drugs. Antiviral drugs may also help stave off the painful after-effects of shingles known as postherpetic neuralgia.

In 2006, the Food and Drug Administration approved a VZV vaccine (Zostavax) for use in people 60 and older who have had chickenpox. Researchers found that giving older adults the vaccine reduced the expected number of later cases of shingles by half. And in people who still got the disease despite immunization, the severity and complications of shingles were dramatically reduced. The shingles vaccine is only a preventive therapy and is not a treatment for those who already have shingles or postherpetic neuralgia.

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, 2006. If you have questions, please contact the Retirement Administration Agency at 703-279-8200, TTY 711.

Employees' Retirement System

Active Membership (6/30/06) **14,507**

Income and Expenditures for FY 2006

Contributions
Plan members..... \$27,605,933
Employer \$49,436,463
Total **\$77,042,396**

Investment income

From investment activities \$214,884,738
From securities lending activities \$12,412,181
Total **\$227,296,919**

Less: investment-related expense

Investment management fees \$10,636,792
Securities lending \$11,674,969
Banking services and other..... \$835,944 (23,147,705)
Net investment income \$204,149,214
Total additions **\$281,191,610**

Deductions

Regular service benefits \$100,083,209
Disability benefits \$6,215,705
Survivor benefits..... \$2,436,827
Refunds and other expenses \$18,825,974
Total deductions **\$127,561,715**
Net increase for the year..... **\$153,629,895**

Net assets held in trust for pension benefits

As of July 1, 2005..... \$2,307,321,603
As of June 30, 2006 \$2,460,951,498

Assets at Market Value (as of June 30, 2006)

Equities \$953,463,482
Fixed Income \$598,069,694
Mutual Funds and Pooled Trusts..... \$676,247,735
Short-term investments/Accruals/Cash \$284,026,343
Equity in County's Pooled Cash \$2,482,345
Receivable from sale of investments \$180,481,732
Cash Collateral received for securities lending \$286,516,288
Total assets **\$2,981,287,619**

Payable for collateral received for securities lending \$286,516,288
Payable for purchase of investments \$230,196,716
Accounts payable and accrued expenses \$3,623,117
Total liabilities **\$520,336,121**
Net assets..... **\$2,460,951,498**

Investment managers

Barclays Global Investors, San Francisco, CA
Bank of New York, London, UK
Brandywine Global Investment Management, Philadelphia, PA
Bridgewater Associates, Westport, CT
The Clifton Group, Minneapolis, MN
Cohen & Steers Capital Management, New York, NY
DePrince, Race & Zollo, Winterpark, FL
Deerfield Capital Management, Chicago, IL
Enhanced Investment Technologies (INTECH), Palm Beach Gardens, FL
First Quadrant Partners, Pasadena, CA
FrontPoint Partners, Greenwich, CT
JP Morgan Investment Management, New York, NY
Julius Baer Investment Management, New York, NY
LSV Asset Management, Chicago, IL
MacKay Shields LLC, New York, NY
Peregrine Capital Management, Minneapolis, MN
PIMCO, Newport Beach, CA
Post Advisory Group LLC, Los Angeles, CA
Robert E. Torray & Co., Bethesda, MD
Sands Capital Management, Arlington, VA
Shenkman Capital Management, New York, NY
Standish Mellon Asset Management, Pittsburgh, PA
Trust Company of the West, Los Angeles, CA
Wanger Asset Management, Chicago, IL

Uniformed Retirement System

Active Membership (6/30/06) **1,888**

Income and Expenditures for FY 2006

Contributions
Plan members..... \$9,860,429
Employer \$32,135,984
Other \$11,750,084
Total **\$53,746,497**

Investment income

From investment activities \$93,452,512
From securities lending activities \$3,373,659
Total **\$96,826,171**

Less: investment-related expense

Investment management fees \$4,481,359
Securities lending \$3,088,424
Banking services and other..... \$442,267 (8,012,050)
Net investment income \$88,814,121
Total additions **\$142,560,618**

Deductions

Regular service benefits \$28,710,205
Disability benefits..... \$6,869,141
Survivor benefits..... \$444,431
Refunds and other expenses \$573,412
Total deductions **\$36,597,189**
Net increase for the year..... **\$105,963,429**

Net assets held in trust for pension benefits

As of July 1, 2005..... \$836,684,845
As of June 30, 2006 \$942,648,274

Assets at Market Value (as of June 30, 2006)

Equities..... \$290,956,937
Fixed Income \$215,409,428
Mutual Funds and Pooled Trusts..... \$391,386,277
Short-term investments/Accruals/Cash \$79,894,421
Equity in County's Pooled Cash \$3,975,270
Receivable from sale of investments \$41,209,753
Cash Collateral received for securities lending \$72,944,610
Total assets **\$1,095,776,696**

Payable for collateral received for securities lending \$72,944,610
Payable for purchase of investments \$78,694,271
Accounts payable and accrued expenses \$1,489,541
Total liabilities..... **\$153,128,422**
Net assets..... **\$942,648,274**

Investment managers

Acadian Asset Management, Boston, MA
Barclays Global Investors, San Francisco, CA
The Boston Company, Boston, MA
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
J.L. Kaplan Associates, Boston, MA
Lazard Asset Management, New York, NY
Marathon Asset Management, London, England
JP Morgan Investment Management, New York, NY
OrbiMed Healthcare Fund Management, New York, NY
Pantheon Ventures, Inc., San Francisco, CA
Payden & Rygel Investment Counsel, Los Angeles, CA
Peregrine Capital Management, Minneapolis, MN
PIMCO, Newport Beach, CA
Standish Mellon Asset Management, Pittsburgh, PA
State Street Global Advisors, Boston, MA
Trust Company of the West, Los Angeles, CA
UBS Realty Advisors LLC, Hartford, CT

FAIRFAX COUNTY Retirement Systems Funds Profile
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Police Officers Retirement System

Active Membership (6/30/06) **1,329**

Income and Expenditures for FY 2006

Contributions	
Plan members.....	\$10,899,659
Employer	\$16,727,287
Total.....	\$27,626,946

Investment income

From investment activities	\$73,187,478
From securities lending activities	\$4,049,554
Total.....	\$77,237,032

Less: investment-related expense

Investment management fees	\$3,330,532
Securities lending	\$3,755,365
Banking services and other.....	\$395,718 (7,481,615)
Net investment income	\$69,755,417
Total additions	\$97,382,363

Deductions

Regular service benefits	\$28,426,759
Disability benefits	\$1,279,324
Survivor benefits.....	\$1,596,723
Refunds and other expenses	\$747,063
Total deductions	\$32,049,869

Net increase for the year..... **\$65,332,494**

Net assets held in trust for pension benefits

As of July 1, 2005.....	\$735,092,033
As of June 30, 2006	\$800,424,527

Assets at Market Value (as of June 30, 2006)

Equities.....	\$364,856,327
Fixed Income	\$217,035,094
Mutual Funds and Pooled Trusts.....	\$172,643,328
Short-term investments/Accruals/Cash	\$45,266,345
Equity in County's Pooled Cash	\$1,079,694
Receivable from sale of investments	\$1,846,930
Cash Collateral received for securities lending	\$80,001,889
Total assets.....	\$882,729,607

Payable for collateral received for securities lending	\$80,001,889
Payable for purchase of investments	\$1,215,284
Accounts payable and accrued expenses	\$1,087,907
Total liabilities.....	\$82,305,080

Net assets..... **\$800,424,527**

Investment managers

Acadian Asset Management, Boston, MA
Barclays Global Investors, San Francisco, CA
Cohen & Steers Capital Management, New York, NY
Dodge & Cox Investment Managers, San Francisco, CA
Grantham Mayo Van Otterloo & Co, Boston, MA
JANUS Capital Management, Denver, CO
McKinley Capital Management, Anchorage, AK
Peregrine Capital Management, Minneapolis, MN
PIMCO, Newport Beach, CA
Standish Mellon Asset Management, Pittsburgh, PA
Systematic Financial Management, Teaneck, NJ
Robert E. Torray & Co., Bethesda, MD
Trust Company of the West, Los Angeles, CA
Veredus Asset Management, Louisville, KY

What is shingles continued from page 2



Can I give shingles to others?

No one can catch shingles from you, but they can catch chickenpox if they haven't already had chickenpox or the chickenpox vaccine. A person with chickenpox cannot communicate shingles to someone else. The chickenpox virus lives in the blisters from shingles, and the virus can be spread until the blisters are completely healed. If you have shingles, you should stay away from babies younger than 12 months and pregnant women.

All County health insurance plans now cover the shingles vaccine for persons age 60 and over when recommended by their physician

Each insurance company has different requirements for eligibility coverage and you will want to discuss what's best for you, with your doctor. If your doctor recommends the shingles vaccine, contact your individual insurance carrier to make sure the vaccine will be covered.

General County retirees with County health coverage:

CareFirst Blue Preferred PPO and Blue Choice POS
— 1-800-296-0724

CIGNA OAP 1-800-244-6224

Kaiser Permanente 301-468-6000

School retirees who have CareFirst should call:

CareFirst Blue Preferred PPO and Blue Choice POS
— 1-800-296-0724

Kaiser Permanente 1-800-777-7902

Even if you no longer carry Fairfax County health coverage, you may want to look into the provisions with your own health insurance carrier and follow your doctor's recommendations for whether a Shingles Vaccination is appropriate for your medical circumstances.

Medicare does not currently cover the Shingles vaccine but recommends that you check with your individual Rx Drug Plan carrier to see if they do. ★

Putting on the BRAKES

In May 2005, the DMV started enforcing a little-known 34-year-old law that states drivers 75 or older may be required to take special tests. About 13,000 older drivers in the District must pass computerized written and road tests every five years when their licenses come up for renewal — and that's on top of the vision and medical tests required after their 70th birthday to prove they can still drive safely.

These requirements are the strictest laws governing the mandatory testing of senior drivers in the area and among the strictest in the country. New Hampshire and Illinois also require road tests for older drivers.

Lon Anderson, a spokesman for AAA Mid-Atlantic, said AAA surveys show there is overwhelming support for some kind of testing for seniors, and statistics support the need. The eyes of a 50-year-old take 10 times longer to adjust to a change in light than those of a 20-year-old, he said.

"We all know we lose that flexibility," Anderson said. "Our peripheral vision isn't as good, and the ability to turn our necks is more limited to see traffic from all directions."

In Virginia, drivers 80 and older have been required since 2004 to take a vision test and appear in person at the Department of Motor Vehicles to renew their licenses. In Maryland, the law requires only a vision test, which can be taken at the Motor Vehicle Administration office or signed by a doctor and brought to the MVA.

Any jurisdiction can require additional tests of drivers whose skills have been questioned by law enforcement officials, physicians, family members or others.

The National Highway Traffic Safety Administration has said that 28 million — or 15 percent — of the nation's licensed drivers were 65 or older in 2004. By 2030, that age bracket is expected to account for 25 percent of U.S. drivers.

AAA and AARP offer tools to aid aging drivers in assessing and sharpening their skills.

The Automobile Association has a computerized self-assessment test that seniors can take at home to help them determine whether it is time to give up their license. AARP offers a driver safety program, online and at local sites.

Statistics reported from a recent AAA study found that seniors in crashes are at a higher risk of dying than teenagers. But the reason is not that older drivers are more dangerous: They are at a higher risk of succumbing to their injuries than young people.

The Insurance Information Institute reported recently that, when compared with other age groups, older drivers have low crash rates per capita. A recent AARP Bulletin likewise noted that older drivers generally have fewer accidents per driver than the national average, but they have more accidents per mile of driving.

AARP cited experts who said the driving ability of seniors is affected by several things, including early stages of Alzheimer's, dementia, eye disease, arthritis and the side effects of some medicines.

Excerpt from an article printed in the Washington Post, Tuesday, January 23, 2007

By Yolanda Woodlee

Washington Post Staff Writer

The following organizations provide instruction, including online courses:

AARP Driver Safety Program (formerly 55 Alive). Call 888-AARP NOW (888-227-7669) or go to AARP.org and click "Family, Home and Legal." Then look for "Driver Safety Course."

AAA Mature Operator Program, 877-457-0711, or go to AAA.com and click on "Automotive and Driving Programs." ★

Yield to Emergency Vehicles: IT'S THE LAW

Did you know that Virginia law and the laws of most other states require drivers of every vehicle to immediately move as close as possible and parallel to the nearest edge of the road, clear of any intersection, and stop whenever an emergency vehicle with warning lights and siren operating is approaching? State law also dictates that the driver shall remain stopped until the emergency vehicle has passed and no other emergency equipment is in sight.

Frequently, drivers do not check rear view mirrors often enough and it is difficult to hear an approaching siren with windows up, the radio turned on, or talking on a cell phone. It is important to check your side and rear view mirrors every 10 seconds and always be alert to the possible presence of emergency vehicles around you.

Remember, if you were in need of emergency help you wouldn't want inattentive drivers delaying those en route to help you in your time of need.

Laws regarding emergency vehicles vary from state to state. Contact your local fire or police department for the appropriate protocol for yielding to emergency vehicles in your area. ★

RETIREE Report

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Retirement Administration Agency
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www.fairfaxcounty.gov/retirement/

Barbeque Grilling SAFETY

Everyone loves a cookout and barbeque. However, cookouts can lead to tragedy if they are not properly planned. Outdoor chefs can minimize the risk of fire or injury by following some simple but practical safety tips:

- Never use gasoline to start a charcoal fire.
- Use charcoal lighter fluid safely and prudently. Adding more fluid on hot coals may ignite the stream of fuel and burn back into the can, causing it to explode.
- Consider using a U.L. approved electrical starter in place of lighter fluid.
- Place grills away from structures and combustibles (minimum 15 feet) so they will not tip over or ignite objects above them. One of the biggest dangers with grills is trying to use them on apartment or condominium balconies. This practice is unsafe and against the law.
- Never bring a grill into the home. The carbon monoxide produced by burning charcoal is dangerous, and deadly.
- Keep a garden hose or a portable fire extinguisher handy in case a fire in the grill gets out of control. Call 911 immediately.
- Keep children and pets away from fires and grills. It only takes a second for curiosity to cause a serious burn.
- Though coals may appear to be cool, always soak them with water. Coals retain enough heat to reignite for days after a fire.
- If your bag of charcoal gets wet, leave it in a well ventilated area away from the house. During the drying process spontaneous ignition can occur in confined areas.

With a little planning on everyone's part, this can be a safe summer cookout season for everyone. ★

