



# RETIREMENT FOCUS

*A Newsletter for the Employees, Retirees and their Beneficiaries of Montgomery County, MD*

*June 2022 Edition*

## Montgomery County Retired Employees' Association, Inc.

Are you a member? MCREA represents retirees before the County Executive, County Council, Office of Human Resources and the Montgomery County Employee Retirement Plans on issues such as your health benefits and pension.

When you retire from County service, a connection continues with the County for your health insurance, pension, cost-of-living increase, life insurance, survivor benefits, and deferred compensation.

MCREA keeps members informed about important issues via our newsletters, Facebook postings, MCREA's website and general membership meeting.

Join them by completing the membership application by going to their website [www.mcraonline.com](http://www.mcraonline.com) and enclosing \$5.

Join one of their general membership meetings that are being held virtually every June and October. Visit their website for more information or call (301) 929-9339 with any questions.

## Are your beneficiaries up to date?

Do you remember who your beneficiaries are? Do you need to update your beneficiaries but just haven't gotten around to it? Well now it's easier than ever.

Fidelity now houses the beneficiary information for the **County DCP** account. You can log into your online account, click *profile* and then select *beneficiaries* at [www.NetBenefits.com/MCG](http://www.NetBenefits.com/MCG) to check who your beneficiaries are or to add them to your plan.

As **ERS** participants, OHR still houses the beneficiary forms. If you would like to review your elections, please contact OHR Records at [records.ohr@montgomerycountymd.gov](mailto:records.ohr@montgomerycountymd.gov) or visit their website at:

<https://www.montgomerycountymd.gov/HR/Benefits/Beneficiary.html#1>



## Keep your address up to date.

Have you recently moved or are you planning on moving? Do you know if your information is correct in the County's database?

Visit our website at and click on the "retiree" tab for the Change of Address form at: [www.montgomerycountymd.gov/retirement](http://www.montgomerycountymd.gov/retirement)

If you have created an online retiree profile, you can visit our website and click in upper right corner for "ERS Retiree Login" to update your information.

**Fidelity  
NetBenefits®**

Have you retired and have a balance in the County's Deferred Compensation Plan? Did you know you are entitled to meet with a Fidelity representative to assist you with managing your account?

Call a Fidelity office near you with questions on investments, distributions or other related topics. For an office near you call **(800) 343-0860** or **(240) 777-8228**. You can also send an email to [fidelityonsite@montgomerycountymd.gov](mailto:fidelityonsite@montgomerycountymd.gov).

# RETIREES

## Frequently Asked Questions

### **When is the next Social Security seminar?**

*Click on link below to register for one of the 2022 sessions.*

*<https://www.signupgenius.com/go/5080E4EA4A62AA6F85-social5>*

*If you need help with registration, please call 240-777-8230.*

### **If I am a retiree, who do I contact to make changes to my health insurance?**

*The Office of Human Resources (OHR) handles all insurance related matters for employee and retirees.*

*Please contact OHR at (240) 777-0311.*

### **If I need an income verification letter, stating how much my monthly annuity is, how can I obtain this information?**

*Contact a retirement analyst at (240) 777-8230 or email us at [retirement@montgomerycountymd.gov](mailto:retirement@montgomerycountymd.gov) and we will provide a letter outlining your annuity benefits.*

### **If I am in the ERS pension plan, when would my Direct Deposit or Tax Change form need to be submitted so it will be updated by the next annuity payment?**

*MCERP needs to receive all change forms before the 15<sup>th</sup> of the month for the change to be effective on the first of the following month.*

### **How can I find out if my monthly benefit will be reduced in the future?**

*MCERP will send you a letter 3 months before the reduction date or you can call (240) 777-8230.*

### **If I picked a Joint & Survivor option when I retired, and I have remarried, can I change my Joint Annuitant?**

*No, the election made at your retirement is a one-time irrevocable election and cannot be changed.*

### **If I am receiving ERS disability benefits, how often am I medically reevaluated?**

*You are medically reevaluated every year for the first 5 years after receiving your benefit, and then once every 3 years until age 60 for Groups A & H or until age 55 for Groups E, F & G.*

*For LTD2 participants, at your 3-year anniversary and then annually until age 72.*



## **We want to hear from YOU!!**

If you have a specific question or topic you would like addressed, please contact us at [retirement@montgomerycountymd.gov](mailto:retirement@montgomerycountymd.gov).

## Dealing with financial market ups and downs

It has been a challenging year for traditional financial assets such as stocks and bonds as the Federal Reserve begins rising interest rates to fight intolerably high inflation. A traditional 60/40 balanced portfolio is down 15% this year as higher yields hurt both stocks and bonds. The S&P 500 Index closed in “bear market” territory for the first time since March 2020. A bear market is a decline of 20% or more from recent highs. The Federal Reserve is aggressively rising interest rates, as consumer-price inflation rose to 8.6% in May, its highest rate in 40 years. The biggest driver of rising core inflation is prices of services, particularly shelter. Its two components owner-occupied equivalent rent and direct rental costs have lagged home price increases and could result in shelter costs continuing to accelerate into mid-2023. However, demand for housing is declining as the average 30-year fixed mortgage rate has spiked from 3.2% to 5.85% over the past 6 months.

The real economy continues to be very strong supported by a tight labor market. The Labor Department announced that U.S. businesses added 390,000 jobs in May, as the unemployment rate held steady at 3.6% which is a new pandemic low and near a multi-decade low. However, GDP unexpectedly contracted in Q1 2022 due to a growing trade deficit and drop in purchasing. The trade deficit or gap between US exports and imports widened to a record high in March. The drop in purchasing is a result of many businesses buying less inventory than they normally would in early 2022 because they had leftover merchandise from late last year.

To make an appointment with the onsite Fidelity representative or the Financial planner please visit our website at [www.montgomerycountymd.gov/mcerp](http://www.montgomerycountymd.gov/mcerp) and click the **Investment Education** tab and choose the financial professional you would like to meet with either virtually or in-person.

## ERS Cost-of-Living-Adjustment (COLA)

The Cost-of-Living Adjustment (COLA) is an annual adjustment to your monthly retirement benefit which reflects the impact of inflation for the prior year. The amount of the adjustment is based on the change in the Consumer Price Index-All Urban Consumers, Washington-Arlington-Alexandria, DC-VA-WVA (CPI-U) from May 2021 to May 2022 as defined in the County Code, Section 33-44(c)(3).

July 1, 2022 eligible retirees, and others receiving annuity payments from the ERS, will receive a Cost-of-Living-Adjustment (COLA). If you are a new retiree and retired on/or after August 1, 2021, you will receive your first COLA increase. Retirees who retired on/after July 1, 2022 will receive their first COLA July 1, 2023.

The change in the CPI-U for this period is 7.518%, however, the increase you will receive will be based on the member's retirement group, birth date, hire date, retirement date and/or disability date. These factors may result in the COLA you receive being lower than 7.518%.

If you retired after 7/1/2011, all membership service after 7/1/2011 (the amount of time you worked from 7/1/2011 until your retirement date) has a COLA cap of 2.5%. Your COLA will have two components: one reflecting the service prior to 7/1/2011 which has no COLA cap and the second component is service after 7/1/2011 which is capped at 2.5%.

Look for your COLA letter to arrive within the next week explaining the increase and percentage you received.

**RETIREMENT FOCUS** is a quarterly newsletter published by Montgomery County Employee Retirement Plans, and the Board of Investment Trustees, for active members, retirees and beneficiaries of the Employees' Retirement System, Guaranteed Retirement Income Plan, Retirement Savings Plan and the County Deferred Compensation Plan.

## GET INFORMATION YOUR WAY



Get answers to common questions:  
[www.montgomerycountymd.gov/retirement](http://www.montgomerycountymd.gov/retirement)



Get answers to specific questions:  
[retirement@montgomerycountymd.gov](mailto:retirement@montgomerycountymd.gov)



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