



RETIREMENT FOCUS

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

July 2018 Vol. 3 No. 2

With the weather getting warmer why not make your retirement savings stronger! Review your financial retirement plan and see if you are on the right path to enjoying your years in retirement! Look inside for tips on how to get started and what to do to maximize your savings potential!

Comprehensive Annual Financial Report

Montgomery County Employee Retirement Plans

Comprehensive Annual Financial Report



Employees' Retirement System
Retirement Savings Plan
Deferred Compensation Plan
(Trust Funds of Montgomery County, Maryland)

Fiscal Year 2017
July 1, 2016 – June 30, 2017

Prepared by Montgomery County Employee Retirement Plans
101 Monroe Street, 15th Floor
Rockville, Maryland 20850

The Comprehensive Annual Financial Report contains important information on the financial health of the County's retirement plans, the investment of plan assets, the oversight of the plans and the benefits provided as well as other statistics.

The report may be found on the **What's New** page of the Montgomery County Employee Retirement Plan's (MCERP) website at www.montgomerycountymd.gov/retirement.

To obtain a copy of the report please email MCERP at retirement@montgomerycountymd.gov or call (240) 777-8230.

County Council Confirms Three Trustees to the Boards of the County's Retirement Plans & Retiree Health Benefits Trust

The Boards overseeing the County's retirement plans, and the retiree health benefits trust, are comprised of representatives from the County unions, directors of County departments, public representatives, retirees and non-represented employees, and for the retiree health benefits trust, representatives from Montgomery County Public Schools and Montgomery College. All Board members are appointed by the County Executive and confirmed by the County Council. The Council recently confirmed **Joseph Beach-public representative**, **Deborah Snead-retiree representative**, and **Marlene Michaelson-County Council representative** to fill vacancies due to the expiration of the terms of trustees and the retirement of a trustee.

The Boards play an important role in the oversight of the investment programs for the Trust Funds. A complete listing of board members can be found on the website at www.montgomerycountymd.gov/retirement. Click on Board of Investment Trustees along the left side of the page for the retirement plans or Board of Trustees for the Retiree Health Benefits Trust.

HELPFUL RESOURCES

Beneficiary or Joint Annuitant What's the difference?

Beneficiary: Person, estate, or trust you name to receive your death benefit. You can change this election as often as you like, and you can designate more than one person as your primary or contingent beneficiary. If the beneficiary form in your records is out of date, we may be forced to pay someone whom you would no longer want to receive your death benefit.

Joint Annuitant: Person that is named to receive your ERS monthly retirement annuity when you die. You can only name one person and this election cannot be changed once you start receiving your monthly retirement annuity.

Visit OHR's website to obtain new beneficiary forms.

www.montgomerycountymd.gov/HR/Benefits/NewProspectiveEmployees.html

Do you need help with your retirement/financial goals?

Make a one-on-one appointment with an **Investment Consultant/Financial Planner** today. You will be provided with an action plan and recommendations on how to build a solid roadmap to retirement.

Call (240) 777-8230 or click the link below to schedule a meeting.

<http://montgomerycountymd.gov/mcerp/investment/education/sessions/rsp-npc-sessions.html>

Note: Open to both active and inactive employees in the Retirement Savings Plan (RSP) and Fidelity Deferred Compensation Plan (DCP).

**Fidelity
NetBenefits®**

Have you retired and do you 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



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

Active employees: click [here](#) for OHR's form.

ERS Retirees: Visit our website and click the "retiree" tab for the change of address form.

<http://montgomerycountymd.gov/retirement>

Starting to think about retiring?

If you are considering retirement in the next year, this checklist in the link below outlines some things you should be thinking about. Please call (240) 777-8230 if you would like a copy.

<http://www.montgomerycountymd.gov/mcerp/Resources/Files/Newsletter/retirementchecklist.pdf>

RETIREES

Frequently Asked Questions

When is the next Social Security seminar?

We have the dates for 2018 posted to our website: www.montgomerycountymd.gov/retirement
Click on "What's New", then click on the link in the flyer to register or if you do not have access to a computer ... Call 240-777-8230.

I need to make changes to my health insurance.

The Office of Human Resources (OHR) handles all insurance related matters.
Please contact OHR at (240) 773-6471.

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
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 15th of the month for the change to be effective on the first of the following month.

Can I make changes to my address and federal taxes online?

Yes, if you have an AccessMCG retiree login ID and password. If you do not have a login ID, please contact MCERP at (240) 777-8230 for your temporary login credentials.

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 70.



We want to hear from YOU!!

If you have a specific question or topic you would like addressed in the newsletter, please contact us by calling (240) 777-8230 or emailing us at retirement@montgomerycountymd.gov.

Tips to Protect Yourself from Identity Theft

Anyone can be a victim of identity theft (your documents that contain personal information). Personal data like Social Security numbers, driver's license numbers, and addresses can be used to commit crimes by falsifying someone else's credit and medical insurance benefits.

We have provided a few steps that will help you avoid identity theft:

- ✚ Shred personal documents: Never throw documents (bank statements, receipts, medical statements, credit card offers, etc.) in the trash or recycle bin.
- ✚ Create complex passwords: Aim for at least one capital letter, one character and one number and change your password regularly.
- ✚ Safeguard your Social Security number: Never carry your card with you or any card that has your social security number on it.
- ✚ Monitor your credit report: Review your credit report annually to check for suspicious activity. Obtain a free copy at www.annualcreditreport.com.
- ✚ Limit what you share online: Do not share your birthdate, address, phone number or other personally identifiable information.
- ✚ Protect your personal computer: Use firewalls, anti-spam/virus software and update security patches.

To Roth or Not.... That is the Question

The Deferred Compensation Plans (DCP) permit you to contribute funds on a pre-tax and/or after-tax (Roth) basis. Roth contributions are made on an after-tax basis and when you withdraw the contributions they will not be taxed. Generally, a Roth contribution may be beneficial if you expect your tax rate in retirement to be higher than it had been during the years in which you contributed to the DCP.

Fidelity has a tool to compare pre-tax contributions versus Roth contributions, so you can see the effect these contributions will have in retirement. The IRS limit for DCP contributions for 2018 is \$18,500 with an additional \$6,000 for anyone age 50 or older.

Click on the link below for the interactive tool to calculate the impact of Pre-tax vs. Roth contributions. <https://nb.fidelity.com/public/nb/401k/home/library?selectTab=1> Look under Save & Vest and then click Roth 401(k) Modeler.

To make changes to your Montgomery County Deferred Compensation Plan contribution amount online:

1. Logon to the Retirement website at www.montgomerycountymd.gov/retirement and click on the Fidelity icon
2. Enter your username and password
3. Select "MCG DCP" from the home screen.
4. Click on "Quick Links", then click "Contribution Amount" under the "Manage Your Contribution Amount" option.

You can also contact Fidelity directly at (800) 343-0860 for assistance.

Your Spouse May Be Covered By Social Security

If you have a spouse who does not earn an income or who earns less than you do, your spouse (including a same-sex spouse) may be entitled to Social Security spousal benefits based on your record. Social Security can be an important financial asset for married couples when the time comes to apply for retirement benefits. In many cases, one spouse may have earned significantly more than the other, or may have worked longer, or it could be that one spouse stayed home to do the work of raising the children, caring for elderly family members, or managing the household while the other focused on a career.



Whatever your situation, Social Security will look at all possibilities to make sure both spouses receive the maximum Social Security benefits possible, whether based on each spouse's earnings record or the higher wage earner's record. Your spouse can apply for benefits the same way that you apply for benefits on your own record. He or she can apply for reduced benefits as early as age 62, or for 100 percent of the full retirement benefits at "full retirement age." Not sure what the full retirement ages are? To learn what you and your spouse's full retirement ages are, based on birth year, visit www.socialsecurity.gov/pubs/ageincrease.htm. The benefit amount your spouse can receive at full retirement age can be as much as one-half of your full benefit. If your spouse opts for early retirement, the benefit may be as little as a third of your full benefit amount. Note that benefits paid to your spouse do not decrease your benefit amount.

People can also apply for spousal benefits based on the earnings record of an ex-spouse or deceased spouse if married for at least 10 years. Spouses can consider a number of options and variables. A good place to start is by visiting the benefits planner at www.socialsecurity.gov/planners. Take note of the "Benefits as a Spouse" section.

If you are ready to apply for benefits, the fastest, easiest, and most convenient way is to apply online at www.socialsecurity.gov/applyonline. Your application can be completed in as little as 15 minutes. Whether you receive benefits on a spouse's record or your own, rest assured that Social Security will make sure you get the highest benefit for which you qualify. Learn more at www.socialsecurity.gov.

Register to attend one of our quarterly seminars at:

<http://www.signupgenius.com/go/5080E4EA4A62AA6F85-social>

If you do not have computer access, please call 240-777-8230.

Retirement Education Opportunities

MCERP is here to assist you as you navigate your way on the road to retirement. We offer several tools and classes to guide you through the next phase of your life.

Shown below is a calendar of upcoming classes to provide you with information on the retirement benefits available to you based on the retirement plan in which you participate.

All Employees	Open House – All Plans	July 25
	Social Security Seminar	August 15
Employees’ Retirement System (ERS)	ERS Applying for Retirement & Health Insurance Applying to Retire <i>*Retire on 9/1</i>	July 11
	ERS Planning for Retirement	July 18
	ERS Applying for Retirement & Health Insurance Applying to Retire <i>*Retire on 10/1</i>	August 1
	ERS Planning for Retirement	August 22
	Planning Your Path to Retirement	August 15
Retirement Savings Plan (RSP) Guaranteed Retirement Income Plan (GRIP)	Health Insurance Applying to Retire <i>*Retire on 9/1</i>	July 11
	Health Insurance Applying to Retire <i>*Retire on 10/1</i>	August 1
	Planning Your Path to Retirement (GRIP)	August 15

Useful Tools:

To determine what retirement plan you participate in, click on link below:
<http://www.montgomerycountymd.gov/mcerp/geninfo/plan-id.html>

To read previous newsletters with valuable information, click on link below.
<http://montgomerycountymd.gov/mcerp/newsletters/newsletters.html>

ERS Pension members, click on the link below to a video which will provide information on the various payment options: <http://www.screencast.com/t/rmrTZux5uvT6>

To register for one of the *Applying or Planning for Retirement or Health Insurance* classes, log onto the County’s e-portal and click on “Self-service” and then “Learner Home.”

Please use one of the links below to sign up for either seminar:
 Social Security: <https://www.signupgenius.com/go/5080e4ea4a62aa6f85-social>

Planning Your Path to Retirement: <http://www.signupgenius.com/go/5080e4ea4a62aa6f85-qyarterly>



Retirement Planning

Age is one of the most important factors when you start planning for retirement. Here are some age milestones to keep in mind while you are planning for your retirement.

- 45:** Earliest age most ERS pension members could retire once they have met the service (*years of participation*) requirement. **Firefighters can retire after 20 years of service at **any age**.*
- 50:** Deferred Compensation Catch-up Provisions allow you to start contributing additional funds to the Plan.
- 60:** If you are vested (5 years) in the ERS pension plan (Groups A & H), and leave the County before you are eligible for early or normal retirement, your pension will be payable on the 1st of the month after you reach this age.
- 62:** Earliest age you can begin collecting Social Security at a reduced benefit. Normal Retirement Age for participants in RSP and GRIP plans.
- 65:** When most people are eligible for Medicare benefits (note: sign up three months before you reach age 65 even if you are not ready to start receiving social security benefits).
- 66:** Full Social Security if you were born 1943-1954. Add two months for each year from 1955-1959.
- 67:** Full Social Security benefits if you were born 1960 or later.

If you do not take your Social Security benefit at full retirement age, your benefit will increase each year until you reach age 70. Delaying Social Security until after 70 will not increase your benefit.

- 70½:** If you are no longer working for the County and have a RSP or DCP account you must begin taking withdrawals based on the IRS determined amount. If you are no longer working for the County and have a GRIP account you must redeem the entire balance.

For information:

Medicare: www.medicare.gov

Social Security: www.ssa.gov

County plans: www.montgomerycountymd.gov/retirement

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



Get answers to specific questions:
retirement@montgomerycountymd.gov



Retirement (240) 777-8230
Fidelity on-site: rep (240) 777-8228