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4TH QUARTER (2014)

your Retirement

Director's Message BY PAUL MATSON

On behalf of the Arizona State Retirement System, please allow me to wish you and your family a happy new year and tell you about a few things you can expect in 2015 from your retirement system.

As you know, over the past year we have made significant improvements to our website, our main source of news and information for our members. I hope you have had a chance to visit to see the new information, including new informative webcasts produced on a host of topics of interest to members and retirees.

Now, we're introducing new features to ASRS retirees secure **myASRS** accounts. Retirees who have created a login and viewed the information on their **myASRS** pages currently have access to specific information, including pension payment and tax information.

Nearly half of ASRS retirees have registered for access to their secure **myASRS** account at **AzASRS.gov** and many of them log in every month to view their payment advice and/or 1099s, or just to read the latest news on your ASRS.

We are now proud to roll out brand new features on your **myASRS** account!

These features include:

- Benefit details on your retirement elections, including an estimate of remaining survivor benefits (as of your last payment) available to your beneficiary(ies) depending upon your annuity selection.
- The ability to view and now update your beneficiary(ies) online for those with straight life annuity or term certain options.
- Health insurance details for those with ASRS or ADOA coverage

- The ability to view and download Benefit Verification Letters

These new features add to the existing functionality in your secure account, including the ability to:

- View and update your personal contact information
- View your payment history
- Open and download your monthly payment advices
- Open and download your most recent 1099R
- Update your tax elections
- Update your direct deposit account
- Check eligibility and/or apply to Return To Work after retirement, using our new online smart tool

I encourage you to take a moment to visit our website at **AzASRS.gov** today and click the **myASRS** icon to check out your updated secure account! |



Affordable Care Act Open Enrollment

OPEN ENROLLMENT FOR 2015 ACA COVERAGE: Nov 15, 2014-Feb. 15, 2015

Open enrollment on the federal government Health Insurance Marketplace began November 15, 2014 and continues through February 15, 2015. The Marketplace offers a variety of plans available to non-Medicare eligible individuals.

ASRS retirees who are not yet Medicare eligible may shop the Marketplace for coverage as an alternative to the ASRS non-Medicare health insurance plan.

Retirees who are eligible for Medicare may not participate in the Marketplace.

Coverage begins January 1, 2015.

ASRS non-Medicare retirees who wish to purchase their health insurance from the Marketplace may cancel their ASRS coverage once their Marketplace plan becomes effective. Health insurance coverage through the ACA and the Arizona Health Insurance Marketplace is not eligible for the ASRS retiree health insurance premium benefit program.

Outside this three-month open enrollment window, the only way to buy health insurance on the Marketplace is if you become eligible for a special enrollment period. These enrollment periods are open to those who have experienced certain events, such as:

- Marriage or divorce.
- Birth or adoption of a child.
- Relocation to outside the geographic area served by an individual's current medical insurance.

Individuals are required to have health insurance or face a penalty at tax time.

Don't forget that you may be eligible for tax credits to subsidize premiums if you earn less than 400 percent of the federal poverty limit. If your 2015 income falls within the following ranges you'll generally qualify for a premium tax credit. The lower your income within these ranges, the bigger your credit: \$11,670 to \$46,680 for individuals, \$15,730 to \$62,920 for a family of 2, \$19,790 to \$79,160 for a family of 3 and \$23,850 to \$95,400 for a family of 4.

In addition, those selecting a silver-tier plan may be eligible for cost-sharing reductions that may lower co-payment amounts.

To learn more about the Affordable Care Act and Arizona Health Insurance Marketplace, visit Healthcare.gov.

To learn more about the ASRS retiree health insurance plans, and to view the *ASRS Guide to the Affordable Care Act*, visit AzASRS.gov/Healthcare. |

Don't Be Confused: UHC Offers Both AARP & ASRS Plans

UnitedHealthcare is the sole provider of ASRS group medical plans for ASRS, PSPRS, CORP, EORP and UORP retirees.

However, did you know that UnitedHealthcare also provides individual medical plans through AARP as well as the Arizona Health Insurance Marketplace?

When talking to UHC customer service, please be sure to identify yourself as being enrolled in an **ASRS** retiree group insurance plan.

AARP individual plans differ in premiums, benefits and plan provision from the ASRS group plans. It is important that you make this distinction to ensure you receive the correct information.

Learn more under Retirees > Healthcare online!
AzASRS.gov



UnitedHealthcare's 2015 Prescription Drug Benefits

Did you know when you enroll in one of ASRS' UnitedHealthcare medical plans you are automatically enrolled in prescription drug coverage?

Medicare-eligible retirees who enroll in one of UnitedHealthcare's ASRS group medical plans automatically get "credible" Medicare Part D prescription drug coverage, which means the coverage is expected to pay on average as much as the standard Medicare prescription drug coverage. This drug coverage comes at no additional cost. If you enroll in a separate, individual Medicare Part D prescription drug plan, in addition to one of the ASRS plan options, you will become ineligible for both medical and prescription drug coverage under the ASRS plan per Medicare guidelines, and will be disenrolled automatically. You do not need to enroll in a separate Medicare Part D prescription drug plan because you are already covered under the ASRS plan.

Medicare Plans

UnitedHealthcare classifies its prescription drugs as Tier 1, 2, 3 or 4. For a detailed explanation of the tier levels, please review "Understanding the Medicare Prescription Drug Plans" in the Open Enrollment and/or Initial Enrollment Guides, or log onto AzASRS.gov to view both guides.

Senior Supplement Plan

When enrolled in UnitedHealthcare with MedicareRx for Groups prescription drug coverage, you may fall into the coverage gap stage, also called the donut hole. The coverage gap starts when your total drug costs—including what you and your plan have paid for

drugs—reaches a certain amount since the start of the calendar year. In 2015, this amount is \$2,960.

When you reach this amount, you move into the coverage gap stage. As a result of health reform, you get discounts to help you pay for your drugs during the coverage gap stage. In 2015, there is a 55 percent manufacturer's discount on most brand-name drugs. This means you pay 45 percent for brand-name drugs listed on your Part D plan's formulary, and the manufacturer plus the federal government together pay 55 percent. For generic drugs, which usually costs less, the government provides a 35 percent discount in 2015. You pay the remaining 65 percent of the cost.

These discounts will gradually increase each year until 2020. Starting in 2020, you will typically pay no more than 25 percent of the cost of your drug at any point during the year after you've met your total drug expenditure amount.

You move out of the coverage gap stage in 2015 when you have reached \$4,700 in true out-of-pocket expenses for covered drugs since the start of the year. When you reach this true out-of-pocket limit, you move into the catastrophic coverage stage. The costs that help you reach catastrophic coverage include what you spent on drugs while in the coverage gap or donut hole, along with the copays you paid while under the Initial Coverage stage and the manufacturer discount on brand name medications. The copayment will differ by the tier of the drug. When you reach catastrophic cover-

age, you pay either a 5 percent coinsurance for covered drugs or a copay of \$2.65 for covered generic drugs and \$6.60 for covered brand-name drugs, whichever is greater. You will stay in the catastrophic stage through the remainder of the calendar year.

Medicare Advantage (HMO) Plan

When enrolled in this plan there is prescription drug coverage in the coverage gap or donut hole. Retirees continue to pay a copayment which differs by the drug tier. Manufacturer's discount (about 50%) on brand name drugs is applied to your true out-of-pocket maximum of \$4,700 while in the coverage gap stage.

UHC offers a convenient prescription by mail program called OptumRx. Through the mail order program, you may order a three month supply of medications and save money on your prescriptions. Medicare members pay two copayments for three month supply and non-Medicare members will pay two and a half copayments for a three-month supply. Mail order forms may be ordered through UnitedHealthcare's customer service or their website at OptumRx.com. Refills can be ordered by mail, over the phone or through the Internet.

Be sure to review your Explanation of Benefits (EOB) provided by OptumRx, which provides a monthly or quarterly prescription summary. To review the national network of contracted retail pharmacy locations visit UHCretiree.com/ASRS for Medicare members or MyUHC.com for non-Medicare members. |



Dental Reminders for the New Year

With the start of a new year, here are a few reminders regarding your ASRS retiree dental benefits:

1 If you are newly enrolled in one of the dental plans, be sure you have received your new ID card. Although an ID card is not necessary for you to obtain your dental care, you have several ways to obtain an ID card at your fingertips! You may:

- Visit the website at **AssurantEmployeeBenefits.com/ASRS** and register for Online Advantage. Once registered, you can print your ID card at your convenience;
- Download the Benefit Tools app on your smartphone and have your ID card easily accessible via your phone whenever you need it; or
- Call the Assurant Employee Benefits' onsite representative at the

ASRS. In Phoenix: 602-240-2000; In Tucson: 520-239-3100; Out-of-Area: 800-621-3778; for all calls use extension "2032" for direct access to the representative.

If you are currently enrolled in the dental plan, you will not receive a new ID card (though you can request a new ID card if you have lost your card or simply want an extra ID card).

2 If you are enrolled in the Freedom Basic or Freedom Advance dental plan (the Indemnity dental plans), you can visit any dentist. For savings on your dental care, you have the option to choose from over 100,000 PPO dentists who participate in the Assurant® Dental Network. To locate an Assurant Dental Network dentist, go to the Assurant website dedicated to ASRS retirees at **AssurantEmployeeBenefits.com/ASRS** to find a dentist near you or call Assurant at 800-442-

7742 for help in locating a network dentist.

3 If you are enrolled in either the DHMO 220 dental plan or the Heritage Secure Prepaid dental plan, be sure you and all your eligible dependents have selected a general dentist. To select your general dentist, you can go to the Assurant website to find a dentist near you or call Assurant at 800-443-2995 for help in locating a dentist.

4 Be sure to schedule your regular dental check up appointment with your dentist! Your dental plan covers two visits per year. Be sure to review your dental plan information so you know how those visits will be covered.

¹Assurant Dental Network includes dentists contracted with Dental Health Alliance, L.L.C.® (DHA®) and dentists under access arrangements with other PPO dental networks. |



ASRS Retiree Dental Insurance RFP

The ASRS must place its retiree dental insurance program out to bid this year. Calendar year 2015 is the last year of the 5-year contract that was begun with Assurant Employee Benefits in 2011.

The Request for Proposals (RFP) is tentatively scheduled to be issued in February 2015. Responses from dental carriers will be evaluated by staff and members of the ASRS all-retiree Health Insurance Advisory Committee beginning in March. Best and Final Offers will be evaluated in April with the Operations and Audit Committee of the ASRS Board of Trustees recommending award of the next contract(s) to the full Board in May. The ASRS

Board is scheduled to announce the award(s) at its May public meeting.

ASRS retirees enrolled in an ASRS retiree dental insurance plan have experienced stable premium and plan benefits over the past five years.

Our goal has always been—and continues to be—to provide stability and affordability to retirees in the offering of ASRS retiree dental insurance plans. |

4 "Like" us on **Facebook, Twitter and LinkedIn!**



WellCard Health: A Discount Savings Program

The Arizona State Retirement System (ASRS) would like to remind you of the valuable discounts provided through the WellCard Health discount card program. The card is available at no cost regardless of the health plan you use, and gives retired members and their families access to valuable discounts on a wide range of health care services, including:

- Prescriptions
- Dental Care
- Vision Care
- Hearing Care
- MRI & Imaging Services
- Lab Tests

WellCard Health is currently accepted by over 410,000 health care providers and 59,000 retail pharmacies through-

out the United States, including major chain, community and mail order pharmacies.

With WellCard Health, saving money on health care expenses is easy. First, you can find participating providers by using the “Provider Lookup” page at **WellCardHealth.com** or by calling the toll-free Provider Lookup phone number on the card. WellCard Health has thousands of service providers nationwide and discounts are given at the time of purchase; there is no paperwork, no enrollment form, membership fee, usage limits or expiration date. To participate, just present your WellCard Health discount card when you purchase a prescription or visit a participating provider.

Anyone may use the card, regard-

less of age, income or health status. WellCard Health can also supplement existing benefit programs, including Medicaid, Medicare, employer benefits, and private insurance, as it provides valuable discounts on prescription services that may not be covered by certain benefit plans.

If you would like additional information on the WellCard Health program or to print out a card, please visit the ASRS website at **AzASRS.gov**. At the top of the home page, place your cursor over “Retirees” and click on “Healthcare”, then click on “WellCard Savings Plan” or, visit **WellCardHealth.com** to check the estimated cost of a specific medication or to find a participating pharmacy or provider. |

Retirees In the Community

The ASRS is interested in your involvement in your local community!

Retirees are known for sharing their time and talents, and we’d like to hear about the organizations close to your heart and where you donate your time.

- Volunteer in schools?
- Help out at the local food bank?
- Work in a community garden?

Tell us about the charitable organizations you work with as well as any retiree associations you are involved

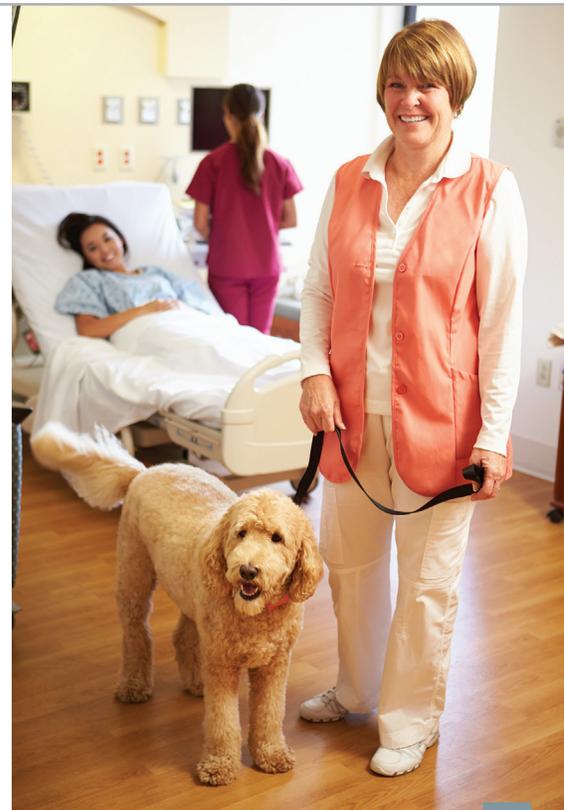
in. Your story may be featured in a future publication, shared on the ASRS news blog or on our social media. Be sure to include permission to publish your story when you contact us. Your photos are also welcome!

Send us an email at:

DigitalCommunications@AzASRS.gov

You can also message us via the ASRS Facebook page:

Facebook.com/AzASRS





Ready to Get Fit Your Way? Let's Go!

HEALTHWAYS SILVERSNEAKERS FITNESS - YOUR RESOLUTION SOLUTION

Have you resolved to be healthier and get fit in 2015? As a retiree enrolled in an ASRS medical plan, you have a great resource to help you keep that resolution: Healthways SilverSneakers Fitness program.

SilverSneakers is yours at no additional cost. Choose a SilverSneakers option or use them all. The program includes:

- **A Fitness Membership.** You have access to more than 12,000 fitness locations across the country, including all basic amenities plus SilverSneakers group fitness classes, fun social activities and a Program Advisor™ for guidance and assistance.
- **SilverSneakers FLEX™.** FLEX offers classes and activities such as tai chi, dance, yoga, walking and hiking groups at parks, recreation centers and other neighborhood locations. You can participate in FLEX and still attend your favorite SilverSneakers fitness location.
- **Online Support.** The SilverSneakers member website provides tools to assess your health and track your activity, expert fitness advice, downloadable meal plans and healthy recipes, and support from the SilverSneakers community.
- **SilverSneakers Steps®.** If you can't get to a SilverSneakers fitness location, order a SilverSneakers Steps kit – general fitness, strength, walking or yoga – to use at home.

Because you can use any SilverSneakers location at any time, you need never miss a workout when you travel.

Healthways recently added 600+ LA Fitness locations to the nationwide SilverSneakers network. LA Fitness offers state-of-the-art facilities with a wide range of amenities, highly trained staff, and fun and effective workout options. Of 35 LA Fitness locations in Arizona, nine offer SilverSneakers classes in addition to other amenities.

No matter which SilverSneakers options you choose, you can keep that resolution this year! Don't wait – start using your SilverSneakers membership this week!

For more information on the program or to find your closest SilverSneakers location, visit **SilverSneakers.com** or call 888-423-4632 (TTY: 711) Monday through Friday, 8 AM-8 PM. |

Would Your Family Know What to Do If You Passed Away?

PLANNING AHEAD

It's important to keep the ASRS updated with your current address and beneficiary information in the event the ASRS needs to get in touch with you or your loved ones.

Be sure they have the ASRS' contact information as well.

Depending upon the annuity option selected, beneficiaries may be entitled to benefits upon the passing of a retired member.

REPORTING A DEATH

To report the death of a member, contact the ASRS by email, phone, or in writing. Once we have been notified, a packet will be sent to the primary beneficiary(ies) on file.

FOR MORE INFORMATION

AzASRS.gov/content/survivor-benefits



Register for Member Education classes by logging in at **AzASRS.gov**



Social Security Benefit Increase

NEARLY 64 MILLION AMERICANS TO RECEIVE COLA INCREASE

The Social Security Administration has announced key Social Security indicators for 2015, including a cost-of-living adjustment. Monthly Social Security and Supplemental Security Income (SSI) benefits for nearly 64 million Americans will increase 1.7 percent in 2015. By law, the cost-of-living adjustment (COLA) is based on the consumer price index for urban wage earners and clerical workers, a broad measure of consumer prices generated by the Bureau of Labor Statistics.

The COLA is calculated by comparing consumer prices in July, August and September each year to prices in the same three months from the previous year. If prices go up over the course of the year, benefits go up, starting with payments delivered in January

As our retirees know, the ASRS is not authorized to provide automatic cost-of-living increases to ASRS benefits. The ASRS does have statutory authority to provide an increase in benefits through a Permanent Benefit Increase

or PBI. As outlined in State statute, increases can only be provided when there are excess returns on the ASRS total fund. Strong investment returns the past two years has brought the ASRS closer to being in a position to fund a modest future PBI. Reaching that level, however, is contingent upon continued returns above the ASRS earnings rate of eight percent over the next few years as poorer investment returns fall off the 10-year formula used to determine PBI funding. |

Understanding Your ASRS 1099R Form

The federal Form 1099-R statements for calendar year 2014 will be mailed by Monday, February 2, 2015 in compliance with Internal Revenue Service (IRS) regulations. You will receive a separate 1099-R form for each benefit account you have with the ASRS. In addition, your 1099-R form(s) will be available to print from your **myASRS** secure online account by February 15, 2015 if you prefer to wait to print, need additional copies or want to save an electronic copy. If you have not received the form in the mail by February 15 and you have trouble printing the form from your **myASRS** account, you can call the ASRS for assistance at 602-240-2000 in Phoenix, 520-239-3100 in Tucson, or toll-free 800-621-3778 outside of

the metro areas. Please do not call before that date, as we must allow sufficient time for the forms to be delivered before we will order reprints of your 1099-R form.

If you want to know the total amount withheld for health insurance premiums, please refer to your December 1, 2014 direct deposit summary which you may see and print from your **myASRS** account online. On the right side of your statement, under “year-to-date,” you will find the total amount of your premiums on the line marked “HLTH INS PREM”. On the left side of the statement, under “year-to-date,” you will find the total amount of your premium benefit on the line marked “HI PREM BENEFIT.” The

ASRS paid this total amount toward your health insurance during 2014. Subtract the premium benefit amount from the total premium amount and the result is what was withheld for health insurance premiums during 2014. |

For additional tax-related information, including a helpful video entitled “Understanding Your 1099-R”, please visit:

AzASRS.gov/
content/Tax-Information



Arizona State Retirement System

Your Retirement

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Phoenix AZ 85067-3910

Contact Us

Online:

AzASRS.gov

For assistance with your personal account, log in for secure email access.

Not Online?

In Phoenix:

602-240-2000

In Tucson:

520-239-3100

Toll-Free:

800-621-3778



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Double-Check Your Payment Advises

REVIEW PAYMENT SUMMARY DEDUCTIONS WITHIN THE 30 DAY WINDOW

If you have enrolled or changed your retiree health care coverage for calendar year 2015, don't forget to verify your pension payment summary for the correct premium for the coverage(s) you elected. If you feel that your pension check is not accurate, you must notify ASRS Member Services within 30 days of your effective date. Changes or additions requested beyond 30 days will only be allowed if there is a Qualifying event.

Please refer to the 2015 Retiree Group Insurance Initial Enrollment Guide under "Direct Deposit Summary" for detailed information on how to read and

interpret your pension check payment summary and deductions. The Guide is available at the ASRS offices in Phoenix and Tucson and at the ASRS web site at **AzASRS.gov**. At the top of the home page, place your cursor over "Retirees", select "Healthcare", then click "Initial Enrollment Guide".

Remember all your pension check information is available on the ASRS website under member login and registration. Refer to the article "Understanding Your ASRS 1099-R Tax Form" on page seven of this newsletter for additional information on how to view your pension check summary. |

Comments?

Your Retirement is published quarterly and mailed to all retired members of the Arizona State Retirement System. We welcome letters from our readers:

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