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your Retirement

Open Enrollment Director's Message BY PAUL MATSON

This issue focuses on the 2015 ASRS health insurance program and open enrollment period, which begins Monday, October 27 and ends Friday, November 21.

As in past years, this is a passive enrollment, meaning if you are happy with your present ASRS coverage and do not wish to make any changes, **you do not need to take any action.** Your current coverage will simply roll over to the new plan year, which begins January 1, 2015.

Although you may not need to make any changes to your health insurance coverage, we encourage you to reacquaint yourself with the variety of programs available to you, and to take advantage of the programs that are meaningful to you.

Please review the materials in your Open Enrollment packet, which contains this newsletter, the 2015 ASRS Open Enrollment Guide, an ASRS Enrollment Application and a pre-addressed return envelope for your convenience should you

wish to enroll or submit changes.

We would suggest, at a minimum, you review the Open Enrollment Guide for premium and plan provision changes.

Be sure to see the additional articles in this newsletter regarding medical and dental plan updates, including information on premium changes.

UnitedHealthcare Awarded Contract

The ASRS is also pleased to announce that UnitedHealthcare of Arizona will again be the sole provider of medical insurance for ASRS retirees, dependents and long term disability participants.

UnitedHealthcare of Arizona, provider of the ASRS retiree medical insurance programs the past several years, has been awarded a new five-year contract to continue as the sole health insurance provider. The new contract, renewable annually, begins Jan. 1, 2015.

The ASRS is required by state procurement statutes to bid the retiree medical

benefits insurance program every five years. The current contract with UnitedHealthcare expires on December 31, 2014.

A request for proposals (RFP) was opened earlier this year, with two companies submitting proposals: UnitedHealthcare and Transamerica Affinity Services, a Medicare plans-only broker.

Over several months, an evaluation committee comprised of ASRS staff with ASRS Board of Trustee representation and benefits experts from Mercer Consulting, a benefits consulting firm, met to analyze each proposal, compare responses, seek additional explanations when warranted and evaluate best and final offers. The committee and the Board's Operations & Audit Committee recommended accepting UnitedHealthcare's proposal, which was approved by the full Board in August.

We are confident retirees will continue to be well-served by our long-time partner, UnitedHealthcare of Arizona. |

2015 ASRS Open Enrollment

ENROLLMENT PERIOD: MONDAY, OCTOBER 27 - FRIDAY, NOVEMBER 21, 2014



The annual Open Enrollment period for the ASRS retiree health insurance program begins Monday, October 27 and ends Friday, November 21. The effective date of enrollment in, or changes to, your ASRS coverage is January 1, 2015.

We encourage you to review the materials in the Open Enrollment packet, which contains this newsletter, the 2015 ASRS Open Enrollment Guide, an ASRS Enrollment Application and a pre-addressed return envelope.

This is again a passive enrollment, meaning that if you are happy with your present ASRS coverage and do not wish to make any changes, you do not need to do anything with this packet. Your current coverage will simply roll over to the new plan year, which begins January 1, 2015.

Some Good News: Plan premiums will decrease for our Medicare plans' Senior Supplement and Group Medicare Advantage (HMO) rural members.

Non-Medicare Choice in-state, in-network only, Choice Plus PPO (out-of-state) and the Group Medicare Advantage (HMO) urban plans, however, will experience an increase in monthly premiums.

Premiums will remain unchanged for the dental plans offered by Assurant Employee Benefits, our dental plans provider. Current plan provisions in effect for all plans will remain in effect for 2015.

Visit **AzASRS.gov** for more resources, including a series of short instructional videos that explain the various medical and dental plans. We encourage you to visit our new **Health Care** page on our website for lots of new features and information. |

Health Insurance Marketplace Update

2015 COVERAGE BEGINS NOV 15th

The federal Affordable Care Act (ACA) health insurance marketplace, created last January, continues to provide an option for non-Medicare eligible individuals shopping for health insurance.

The ACA health insurance marketplace, also known as an exchange, provides a new option for individuals to purchase private coverage. Individuals may be eligible for tax credits that can lower the monthly premium and may also qualify for additional subsidies. Savings depend upon household income.

If you are eligible for Medicare and participate in a Medicare plan, either through the ASRS or some other option, the new Health Insurance Marketplace does not apply to you.

If you are not eligible for Medicare and have health insurance through the ASRS retiree health insurance, the ACA may provide a new option for you.

For ACA coverage starting January 1, 2015, the proposed ACA open enrollment period is November 15, 2014 through January 15, 2015. Members are encouraged to review their health insurance Marketplace options during the ASRS open enrollment period.

The ASRS has prepared a Guide to the Affordable Care Act, available on our website under the Retiree > Health Care section. It contains information on the ACA and plan comparisons for the original insurer participants in the Arizona health insurance exchange.

Visit **AzASRS.gov** or **HealthCare.gov** for more information. |

Learn more under Retirees > Healthcare online!

AzASRS.gov

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Login into **myASRS** account at **AzASRS.gov**



ASRS 2015 Medical Plan Premiums

Earlier this year, the ASRS issued a request for proposals (RFP) to the medical insurance marketplace in Arizona to solicit bids to provide medical and prescription drug benefits to our retirees and their families. At the August 22nd Board of Trustees meeting, UnitedHealthcare (UHC) of Arizona was awarded a new five-year contract that includes some benefit program enhancements, premiums that are reduced

for some and increased for others and more stringent performance guarantees.

Two benefit provision enhancements – “HouseCalls” and an expanded “bonus drug list” – are highlighted in separate articles in this newsletter. UHC performance guarantees must be achieved on a quarterly basis rather than annually as currently determined. Premium changes are noted below:

UnitedHealthcare Premiums: Retiree-Only Coverage

ASRS Medical Plans	2014		2015	
	Actual Premium	Retiree Pays	Actual Premium	Retiree Pays
Non-Medicare Plans				
Choice (in-state)	\$793	\$713*	\$793	\$740*
Choice (out-of-state)	\$1,112	\$999*	\$1,112	\$1,035*
Medicare Plans				
Medicare Advantage HMO (urban)	\$190	Same	\$194	Same
Medicare Advantage HMO (rural)	\$260	Same	\$194	Same
Senior Supplement	\$342	Same	\$337	Same

*Funds from the federal Early Retiree Reinsurance Program (ERRP) as authorized by the Affordable Care Act pay the difference between the actual premiums and the premiums the non-Medicare retiree pays. ERRP funds will be exhausted by December 31, 2015.

Non-Medicare retirees enrolled in the Choice plan will experience a 3.8 percent increase in monthly premiums compared to what was paid in 2014. Non-Medicare retirees enrolled in Choice Plus plan will have a 3.6 percent increase. The difference between the actual 2015 premiums and what the retiree will pay will again be covered by funds from the Early Retiree Reinsurance Program (ERRP) that was authorized by the Affordable Care Act. However, ERRP funds will be exhausted by December 31, 2015.

Retirees enrolled in the Medicare Advantage HMO plan who reside in Maricopa, Pima or Pinal counties will experience a 2.1 percent increase in monthly premiums – from \$190 per month to \$194 per month. Retirees enrolled in the Medicare Advantage HMO plan in the remaining 12 Arizona counties will see a premium reduction of 25.4% - from \$260 per month to \$194 per month. Retirees enrolled in the Senior Supplement plan will experience a 1.5 percent reduction in premiums – from \$342 per month to \$337 per month. |

Health Care Comes To Your Home

HOUSECALLS IN-HOME VISITS

HouseCalls is a new program offered by UnitedHealthcare that provides for an in-home clinical visit to qualified members in select UnitedHealthcare Medicare Advantage plans *with no co-pay required!*

The **HouseCalls** program consists of a 45 to 60 minute in-home clinical visit with a licensed health care practitioner. The visit includes a physical examination and a review of medical history, medications and diagnoses, flu vaccine (where available and accepted) and health education. In some cases, it may include other services such as lab draws.

Contracted **HouseCalls** practitioners have received specialized training in the specific health care needs of members.

During the visit, the practitioner identifies current and potential health issues, addresses health education needs, and recommends preventative services you may need. At the end of the visit you will receive a checklist of topics you can discuss with your doctor.

Have questions or want to set up an appointment for a **HouseCalls** visit?



Give us a call:

866-686-2504, TTY 711

Monday-Friday 8 AM-7:30 PM (EST)

Saturday 8 AM-6:30 PM (EST)



Visit us online:

UHChousecalls.com



Choosing a Dental Plan: What You Need to Know

Your annual open enrollment is the time when you can consider your dental plan options and determine which plan best fits your dental care needs. If you are not currently enrolled in one of the ASRS-sponsored dental plans – or even if you are enrolled in another dental plan – we encourage you to take this opportunity to think about your dental care needs for the coming year.

For retirees living in Arizona, there are four dental plan options from which to choose: two indemnity plans – a low and high option – and two prepaid/DHMO dental plans.

For retirees living outside Arizona, you may also choose between the two indemnity dental plans and, in certain states, a prepaid dental plan. It is important to understand the differences between an indemnity and prepaid/DHMO dental plan.

An indemnity dental plan allows you to select any dentist. There are deductibles, annual maximums, waiting periods, and pre-existing conditions limitations that may apply. You and/or your dentist will file claims for reimbursement of covered dental expenses. You pay for services based on allowable charges and coinsurance levels as determined by the dental plan.

A prepaid or dental HMO (DHMO) plan is a network of dentists who agree to provide specific dental services for a set fee (referred to as the copayment). You select a primary care dentist from a network of participating general dentists and you will receive most of your dental care from your primary dentist. Before selecting a prepaid or DHMO plan, be sure you have a participating general dentist near you – or, if you currently have a favorite dentist and are

not willing to change your dentist, make sure he or she participates in the prepaid or DHMO network before you enroll. It is important that you remember that all of your dental care (with few exceptions) must be provided by a general dentist or specialist who participates in the prepaid or DHMO network. There are no deductibles, annual maximums, waiting periods, pre-existing condition limitations, coinsurance levels, or claim forms with these plans. The prepaid/DHMO dental plans offer the lowest premium rates.

See your ASRS Open Enrollment Guide for a summary comparison of the dental plans or **AssurantEmployeeBenefits.com/ASRS** to review the dental plan information available to you.

There is also information, including short educational webcasts, available at **AzASRS.gov/content/dental-vision-coverage.** |

Stay Up-to-Date on Your ASRS Plan

The ASRS, in conjunction with our benefit provider partners, is pleased to provide regular news updates to you via the *Your Retirement* newsletters.

Online Resources

However, to stay up-to-date on your retirement plan, you are strongly encouraged to visit our website periodically.

There, you'll find the latest news and information. Some things you may find informative and important:

- **Video webcasts** on the various ASRS health and dental plans.
- The **online Return to Work tool** to assist retirees re-entering the workforce.

- Information and status of the **Permanent Benefit Increase** (generally in November).
- **Monthly benefit payment dates** (the day your funds are transferred in to a bank account).
- **Tax information** and notices.
- Visit **AzASRS.gov** and click on the **Retirees** tab in the top menu bar.

E-Communication

Be sure we have your current email address to ensure you receive our electronic newsletters and notifications as well. Log into your secure **myASRS** account to update your information.



Want to get social?

- Friend us on **Facebook** (Facebook.com/AzASRS).
- Follow us on **Twitter** (Twitter.com/AzASRS).
- Connect with us on **LinkedIn** (LinkedIn.com/ASRS). |



Dental Plans & Premiums for 2015

If you are currently enrolled in one of the dental plans sponsored by the ASRS offered by Assurant Employee Benefits, you have enjoyed no change to your dental premiums for the past four years – and very stable premiums since 2003. We are pleased to report that there will be no change to the dental plans or premiums for 2015 as well.

Although the dental plans and premiums will not change for next year, we still encourage you to review your dental needs for the coming year and review your dental plan options.

All eligible public sector retirees, LTD recipients and eligible dependents may enroll in one of the dental plans offered by Assurant Employee Benefits regardless of participation in an ASRS medical plan. The ASRS does not require enrollment in an ASRS medical plan in order for you to be eligible to enroll in a dental plan through the ASRS.

Although some retirees maintain their employer’s medical plan and others may be enrolled on their spouse’s medical coverage, they are still eligible to enroll in a dental plan through the ASRS. When you are enrolled in one of the ASRS-sponsored dental plans, the Premium Benefit to which you are entitled will be applied to your dental plan premium first. If you are also enrolled in an eligible medical plan, the remainder of the Premium Benefit will then be applied to the medical plan’s premium.

If you enroll in one of the Assurant dental plans or if you change your dental plan selection during the Open Enrollment period, watch for your new dental ID card in December. If you do not make any changes to your dental plan, you will not receive a new ID card. If you don’t receive your ID card (or even if you need a new one), you can visit the Assurant web-

site to request a new one or call Assurant’s on-site representative at the ASRS

AssurantEmployeeBenefits.com/ASRS provides you with a wide range of information at your fingertips, including:

- Eligibility
- Ask a Dentist
- Claims status for Indemnity plans
- Request an ID Card
- Search for Network Dentists
- Dental Health Center
- Dental fee cost estimator
- Change dentist for Prepaid/DHMO plans
- Benefit information
- Customer service

Don’t forget to schedule your regular dental check-up with your dentist! |

Your Pension for Life

Retirees sometimes ask if their pension payments will end because they’ve exceeded their life expectancy. No need to worry — Arizona state law guarantees your benefit for your lifetime, no matter what pension option you chose when you retired.

Your pension is based on your years of service, a graded multiplier, and your final average salary.

Although most ASRS members will have exhausted the money they contributed to the retirement system within three to five years after retirement, funds to keep your pension going for the rest of your life come from employer contributions made while you worked, and most significantly

from the earnings the ASRS accumulates on our total fund.

Having a sustainable retirement plan is critical to meeting the demands of providing lifetime benefits for our retirees and is made possible by annual analysis and adjustment of the contribution rate, constant monitoring and prudent adjustments to the investment portfolio, and close scrutiny of our agency budget and spending.

We invite you to learn more about these issues on our website. Our five-year strategic plan outlines our approach with these priorities:

- Ensure Plan Sustainability
- Optimize Risk Management



- Optimize Investment Organization and Strategies
- Ensure Outstanding Customer Service
- Ensure High Productivity

You can find the Strategic Plan and additional information under the About Us tab on our homepage. |



ASRS to Discontinue Mailing Monthly Benefit Advice Notices

In an effort to reduce costs and in keeping with our efforts to “go green and save,” the ASRS will discontinue mailing monthly direct deposit benefit advices to retirees as of January 1, 2015.

Since 2010, mailings to retirees who did not opt to go paperless have been limited to receiving mailed statements in the month of December and in months in which a benefit amount changed – generally due to tax or health insurance deduction modifications.

Beginning in January 2015, the ASRS will no longer mail advices and instead encourages retirees who wish to view their monthly advices to log into their **myASRS** secure account, where they can be viewed at any time.

Retirees are encouraged to log in to their **myASRS** secure account to view monthly direct deposit summaries and review their account, make updates, change tax withholdings and more.

Be sure you are enrolled in Direct Deposit to receive your monthly ASRS benefit.



Five Reasons to Enroll in Direct Deposit

1. It’s reliable! No delays due to weather or natural disasters.
2. It’s fast! Your money is available immediately - no waiting for checks to clear.
3. It’s convenient! Saves time and travel costs.
4. It’s confidential! ID fraud prevention (nearly 85 percent of identity theft begins with someone seeing personal information on paper).
5. It’s secure! Your money is transferred directly to your bank.

If you’re not already enrolled in direct deposit, you can do so on your **myASRS** secure account online. To sign up, or to make a change to your direct deposit, visit the ASRS website and log in today. |

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

Thinking of Returning to Work?

It is the member’s responsibility to ensure compliance with the ASRS Return to Work rules and statutes. Failure to do so can result in suspension of benefits and repayment of unlawfully paid benefits.

The ASRS has a new **Working After Retirement** tool which is accessible from your secure **myASRS** account. This new tool will walk members and retirees through the return to work process.

Who Is The RTW Tool For?

Non-retired members can use the Working After Retirement tool to plan future post-retirement employment.

Retired members are required to use the Working After Retirement tool. The electronic form is required for new retirees accepting employment at an ASRS employer and for current retirees working for an ASRS employer who have a change in their work status.



How Does It Work?

Before logging in to use the Working After Retirement tool, the ASRS encourages you to take the interactive online training which explains the process. View the Return to Work page to get started:

**AzASRS.gov/content/
return-work**



UHC Expands 'Bonus Drug List' for Medicare Eligible Retirees

UnitedHealthcare now offers a substantially expanded bonus drug list for ASRS Group Medicare Advantage HMO and Senior Supplement plans enrollees. The bonus drug list will expand from the current list of 9 drugs and supplements to an expanded list of 530 medications and supplements.

The list of bonus drugs will be included in your Annual Notification of Change for current enrollees or in your welcome packet for new members. Refer to UHC's website, UHCretiree.com/ASRS for the complete list. Look under the pharmacy tab, bonus drug list to view all the new medications and supplements that are now covered.

The expanded bonus drug list includes select medications and nutritional supplements for a variety of ailments. The list includes:

- **Analgesics** – drugs to treat pain, inflammation, and muscle and joint conditions
- **Antimigraine Agents** – drugs to treat migraines
- **Central nervous system agents** – anxiolytics, sedatives, hypnotics
- **Dermatological Agents** – drugs to treat skin conditions
- **Gastrointestinal Agents** – drugs to treat bowel, intestines, and stomach conditions
- **Hormonal Agents** – drugs to regulate hormones and treat diabetes and bone conditions
- **Nutritional Supplements** – drugs to treat vitamin, mineral and body fluid deficiencies
- **Otic Agents** – drugs to treat ear conditions

- **Respiratory Tract Agents** – drugs to treat allergies, cough, cold and lung conditions

Though these select medications and supplements are covered under the plan's prescription drug formulary according to specific tiers for copayment purposes, they are not part of the Medicare-regulated Part D accepted drug list for purposes of applying their cost to Medicare's Part D out-of-pocket costs for donut hole (coverage gap) purposes.

Medication Check Up

Whenever you are prescribed medications, it is a good time to remind your doctor to use the list of UnitedHealthcare's covered drugs. Remember, you can always ask your doctor or pharmacist about the risk of side effects and if there is a safer medication choice. |

Alzheimer's: Here and Now

The statistics are overwhelming, but the reality of Alzheimer's disease is even scarier. Today, more than 5 million Americans are living with the disease.

Whether it's a family member, friend, or a neighbor, chances are you know someone with the disease. If you do, we encourage you to maintain contact with them. Share your feelings before the disease robs them of the ability to comprehend and participate in the conversation. Find activities you can do together.

It's important that you put aside your negative perceptions and learn a new way to communicate. Because Alzheimer's disease affects the part of the brain where memory is stored, the person may be

unable to find the correct word to use and they may have difficulty answering your questions. Patience is the key to good communication. Since short-term memory loss is one of the first symptoms of Alzheimer's disease, you might have to repeat an answer several times. Or, you may have to learn how to change the subject or find a creative way to refocus the person's attention.

It's also important to maintain contact with friends who have become caregivers of someone with dementia. You may not understand their new situation but your continued friendship is important to them. Stop by for coffee or offer to sit with their loved one while they take a break.

Sometimes they just need a warm hug and loving heart. If you are caring for a loved one with Alzheimer's disease or other dementia, then it's imperative that you ask for help. This is a journey you should not make alone.

The Greater Arizona Chapter of the Alzheimer's Association (ALZ) offers programs and services, such as a 24-hour Helpline (800-272-3900), care consultations, support groups, educational workshops, and respite reimbursement. Services are free.

We encourage you to call ALZ or visit ALZ.org for more information, or share this with a friend who may need help. |



2014 Annual Notice to All ASRS Retirees

ANNUAL NOTICE OF RIGHT TO ELECT OR REVOKE FEDERAL TAX WITHHOLDING

Periodic pension payments will be subject to federal income tax withholding if the taxable portion of the total annual payments equals or exceeds \$20,160 (\$1,680 per month) unless you elect not to have withholding apply. In the absence of an election, your withholding

will automatically be calculated in the same manner as withholding from wages.

IF YOU DO NOT WISH TO MAKE AN ELECTION OR TO CHANGE A PRIOR ELECTION, NO ACTION IS NECESSARY.

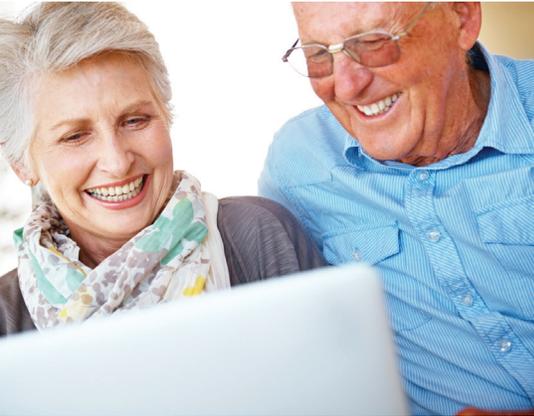
If you wish to make or change/ revoke an election, ASRS retirees may do so online in their secure **myASRS** account. Log in to your secure **myASRS** page at **AzASRS.gov**.

You can also make or revoke an election by completing Form W-4-P, which is available at your local IRS office, library or on the IRS website at:

IRS.gov/pub/irs-pdf/fw4p.pdf

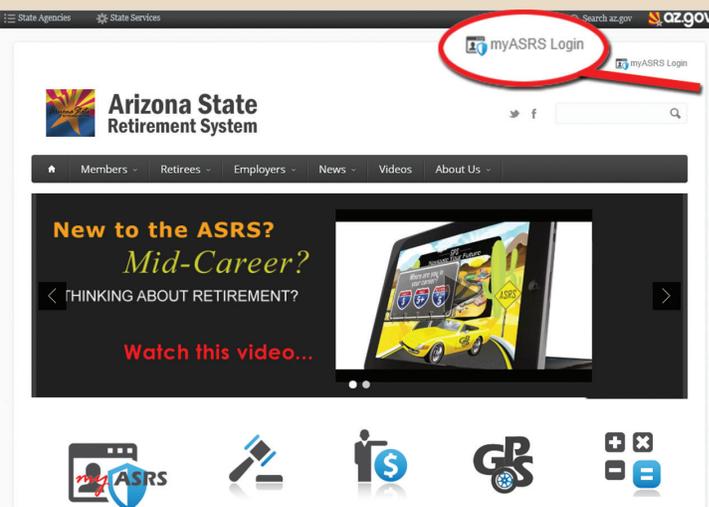
You may revoke an election at any time. Your withholding election will remain in effect until revoked. Any election not to have withholding apply is prospective only and any election made after a payment is not an election with respect to that payment.

If you elect not to have withholding applied to your periodic pension payments, or if you do not have enough federal income tax withheld from such payments, you may be responsible for payments of estimated tax. You may also incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. |



Keep In Touch!

The ASRS would like to ensure you receive the latest news and information. Please take a moment to go online to **AzASRS.gov** and verify that the email address we have for you is current. *It's as easy as 1-2-3!*



Step 1 – From the upper right corner of the ASRS homepage, click “myASRS Login”.

Step 2 – If you’ve already registered, enter your ASRS ID and Password.

If you have not yet registered, follow the few short steps listed in *Member Registration* instructions.

Step 3 – Once logged in, you’ll see a link to **Update Email Address**.

If we have an email address on file, check to be sure it’s correct. If there is no email address on your member profile, please enter one. |



Comments?

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

Your Retirement, Editor
P.O. Box 33910
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