

FUNDAMENTALS

IMRF

RETIRED MEMBER EDITION

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ENDORSED HEALTH PLAN EDITION
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Protecting your assets if you no longer can

If an accident or medical condition rendered you unable to make financial decisions, do you know who would take care of your affairs? Designating a power of attorney (POA) for property is one way to ensure that, if you are incapacitated and unable to make your own financial decisions, someone you trust will be able to do so in your stead.

“A power of attorney is a way of designating someone who can make decisions in your place, as if they were you,” said financial educator Karen Chan.

A POA for property, in which you appoint an “agent” to make financial decisions on your behalf

for actions like paying bills or selling property, is a separate document from a POA for healthcare, which enables your designated agent to make your health care decisions.

Your spouse is automatically granted your POA for healthcare,

but not your POA for property.

A spouse would still have access to joint property such as bank accounts, but their powers are limited. Unless you designate your spouse as your agent in a financial POA, they would not, for example, be able to sell property the two of you own jointly without going to court to be appointed your legal guardian.

You can only sign a POA while you are still legally competent to do so. Planning ahead will ensure that your wishes are enacted.

POWER OF ATTORNEY (POA) TERMINOLOGY

Principal: The person who is designating another to make financial decisions for them if they are unable to.

Agent (also referred to as “attorney in fact”): The person who is designated to make financial decisions for the principal.

Successor agent: If the designated agent is unable or unwilling to fulfill this duty, the responsibility passes to this person. You can name multiple successor agents.

Springing: A POA that goes into effect by a specified triggering event.

Regular POA: Considered valid only until you are no longer considered legally competent.

Durable POA: Valid even after you become incapacitated, as long as you were legally of sound mind when you created the POA.

Defining the scope, effective date, and duration

When you create a POA, you can define the powers you grant your agent to be as narrow or broad as you want. Additionally, the POA might go into effect immediately,

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Protecting your assets

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or upon a certain triggering event, known as a “springing” POA.

Chan gives the example that, if you were on an international trip, you might have a POA that is limited in scope, and has triggering events both for when the POA goes into effect and when it ends. You could specify that the POA would only take effect when you set foot on the plane, and would expire upon your return. You could also define the scope to be limited to paying bills from your checking account or authorizing transactions in a particular investment account. The agent couldn’t, for example, gift any of your money to other

people, sell your house, or request a distribution from your IRA.

For other situations, you want a POA with broad powers and that is “durable,” meaning that it will remain in effect even if you are no longer competent to make decisions for yourself. In this case, your POA will probably have much broader powers so that your agent could take whatever actions were needed, such as selling your house to pay for your care in assisted living.

This POA could be a springing POA, with the triggering event being your doctor certifying that you are no longer competent to make your own decisions. Otherwise, “your agent or your

attorney in fact has legal authority to make decisions for you, in your place, immediately,” Chan says.

“Looking at long-term needs between now and the point of death, normally you’re going to want that power to be durable,” Chan said. However, because these powers are much broader than a regular POA, she cautioned that you must only name somebody as your agent if you can trust them completely.

Making your POA stick

Sometimes, financial institutions have been known not to honor a POA due to liability concerns.

“You could take them to court and force them to honor the POA, but

Powers of Attorney and IMRF

IMRF only accepts powers of attorney for property, never a power of attorney for healthcare.

For IMRF to accept your power of attorney (POA) document, it must meet the requirements of the Illinois Power of Attorney Act. A copy of the entire POA must be submitted for our review. If the original POA is more than a year old, we will send your POA agent an affidavit that he or she must complete, sign, have notarized, and return to our office.

IMRF will allow a designated POA agent to act for you in all aspects except the ability to change and sign a beneficiary form. IMRF will not accept a designation of beneficiary form signed by anyone other than the member.

Make sure your designation of beneficiary form is up to date. The fastest and easiest way to submit a designation of beneficiary is through your Member Access account.

To make sure your POA is accepted by IMRF:

1. Make sure the POA you send us is for property and not health care.
2. If your document states that the power of attorney must be accompanied by a written physician’s statement, you must include the physician’s statement when you send the documents to IMRF. We will not accept the document without the written physician’s statement.
3. Send all required documentation together.
4. Please write the following information on the document:
 - The POA agent’s current address
 - The member’s IMRF Member ID Number.

For more information about designating POA, consult a lawyer.

it kind of defeats the purpose of the POA to start with,” Chan said. “The whole purpose was to avoid going to court to get things done. So it behooves us to make sure our POA will be honored when the time comes.”

She described several things you can do to help ensure your POA is honored:

- Name only one agent in your POA, with additional people named as “successor agents,” to whom the responsibility will fall in the order you list them if the first named agent is unable or unwilling to carry out the duty. Because some financial institutions only deal with sole agents to a POA, as of 2011, Illinois’s POA statutory forms make it so that you can only name one person as the agent.
- Take your POA to your financial institution and have them approve it in advance.
- Complete a POA using your financial institution’s form, if that’s the only way they will honor a POA. Chan cautions that you may want to have your lawyer look this over to see if you want to go this route.
- Make sure the POA is relatively recent, though this is not a guarantee because it is subject to individual bank policy.

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Your 1099-R is coming in January 2019

Look for your IRS Form 1099-R in the mail late in January 2019! You can also get early access online with your Member Access account.

IMRF will mail your IRS Form 1099-R tax statement early next year. You should receive your paper statement by the end of January 2019. If you haven’t received your 1099-R by February 15, 2019, please contact a Member Services Representative at 1-800-ASK-IMRF (275-4673). You will need Form 1099-R when filling out your 2018 tax returns.

What information is on the 1099-R?

The information on Form 1099-R should be used to file your 2018 federal and state income tax returns. Your 1099-R will show the gross amount of benefits you received from IMRF in 2018. This form will also show the federal income tax which was withheld from your benefit payments and, for most people, the taxable portion of your benefit.

Live outside of Illinois?

IMRF pensions are not subject to Illinois state income tax. However, tax laws vary by state. If you live outside of Illinois, contact your state’s Department of Revenue for information. (Please note that if your state does tax your IMRF pension payment, IMRF cannot withhold any state income tax for you.)

Get your 1099-R early with Member Access

In the first half of January 2019, your 1099-R will be available online in your Member Access account. An alert at the top of your Member Access home page after you log in will take you right to your new 1099-R. Go to www.imrf.org to log in to your existing Member Access account or to create a new account. ■

Trustee Elections

IMRF employers to elect Executive Trustee

This fall, IMRF employers will elect one IMRF Executive Trustee for a five-year term of office that will run from January 1, 2019, through December 31, 2023. The candidates are:

- **Sue Stanish**, Director of Finance for the Naperville Park District
- **Brad Trent**, Deputy Highway Commissioner for Rockford Township

We will announce the election results in next year’s Spring edition of *Fundamentals*. ■

2019 IMRF-endorsed health plans

Disclaimer: Descriptions of the benefits provided by these plans are not exhaustive, and the actual benefits are detailed in the plan document. For more information about what is covered, please call Doyle Rowe LTD at 1-800-564-7227 or visit their website at www.doyle Rowe.com.

Delta Dental

IMRF retirees can choose between two dental plans offered by Delta Dental. Both plans are PPO plans, and reimbursement is based on the PPO dentist's reduced fees.

DELTA DENTAL HIGH OPTION AND STANDARD OPTION PLANS

High Option*

\$2,000 Annual Maximum
\$50 Deductible for Basic & Major services

Diagnostic & Preventive (100% of PPO Reduced Fee)

Includes:

- Routine exams twice a year
- Bitewing X-rays twice a year
- Full mouth X-rays every three years
- Cleanings twice a year
- Fluoride treatments for children once a year
- Space maintainers

Basic (80% of PPO Reduced Fee)

Includes: Fillings • Endodontics • Periodontics
Oral Surgery • General Anesthesia w/Oral Surgery

Major (50% of PPO Reduced Fee)

Includes: Crowns • Bridges • Dentures
Implants & Associated Services

High Option Premium

(guaranteed through December 31, 2019)

Single	\$43.44
Single +1	\$86.93
Family	\$135.40

Standard Option*

\$1,000 Annual Maximum
\$50 Deductible for Basic & Major services

Diagnostic & Preventive (100% of PPO Reduced Fee)

Includes:

- Routine exams twice a year
- Bitewing X-rays twice a year
- Full-mouth X-rays every three years
- Cleanings twice a year
- Fluoride treatments for children once a year
- Space maintainers

Basic & Major (50% of PPO Reduced Fee)

Includes:

Fillings • Endodontics
Periodontics • Oral Surgery
General Anesthesia w/Oral Surgery
Crowns • Bridges • Dentures

Standard Option Premium

(guaranteed through December 31, 2019)

Single	\$32.35
Single +1	\$64.73
Family	\$100.83

**There is no waiting period. A one-year enrollment is required.*

Looking for a vision care plan?



The following premiums for the United Healthcare vision plan are guaranteed through September 30, 2019. Monthly premiums will be deducted from your IMRF benefit payment. One year enrollment is required. (The premium amounts listed below are per month.)

2019 Premiums: Individual \$7.50, Retiree + One \$13.25, Family \$21.70

Vision Care Services	In-Network provider	Out-of-Network provider
Exam twice every 12 months	You pay \$10 copay	Plan pays \$40
Retinal Screening Photography	You pay \$39 copay	Plan pays \$0
Frames once every 24 months	Plan pays 100% up to \$130 retail	Plan pays \$45
Lenses once every 12 months	In-Network provider	Out-of-Network provider
Standard Single Vision	You pay \$10 copay	Plan pays \$40
Standard Bifocal	You pay \$10 copay	Plan pays \$60
Standard Trifocal	You pay \$10 copay	Plan pays \$80
Contact Lenses	In-Network provider	Out-of-Network provider
Standard (includes disposable/frequent wear)	You pay \$10 copay	Plan pays \$125
Premium (includes toric/multifocal)	Plan pays 100% up to \$125 retail	Plan pays \$125

Interested in long-term care insurance?

Doyle Rowe LTD has partnered with ACSIA Partners to provide education for IMRF retirees about a variety of long-term care insurance plans. Contact Doyle Rowe LTD at 1-800-564-7227.

IMRF-endorsed health plan—Under age 65

Blue Cross Blue Shield of Illinois Comprehensive Major Medical

- Available to retirees and/or their family members under age 65 residing in Illinois.
- You may be able to continue your employer-provided coverage until age 65 at your own cost—check with your employer. However, the Affordable Care Act may provide you with additional health insurance options that are less expensive than the options provided by your employer.
- HMO is now available in multiple counties.
- You may qualify for a subsidy; contact Doyle Rowe LTD for eligibility information.

2019 Open Enrollment runs November 1, 2018—December 15, 2018. Those not enrolling during this time must meet Special Enrollment Eligibility criteria. To review your options, please visit www.doyle Rowe.com after November 1.

IMRF-endorsed health plans—Age 65 & older

Blue Cross Blue Shield of Illinois Plan F*

- Available to Illinois residents age 65 and older with Medicare Parts A & B and certain other disabled Illinois residents with Medicare Parts A & B.
 - Traditional Medicare supplement that covers Part A & B deductibles and coinsurance amounts for Medicare-approved expenses.
 - Freedom to choose doctors and hospitals. Med-Select option requires that participating hospitals are used for non-emergency inpatient hospitalizations.
- * Plans A, C, G, K, L, and N are also available.

2019 rates will not change until April 1, 2019, and have not yet been released. Current members will be notified of new rates prior to April 1, 2019.

Blue Cross Blue Shield of Illinois Group Medicare Advantage PPO plans

2019 Monthly Premium Rates: Premium Plan \$289.70; Value Plus Plan \$224.50; Value Plan \$205.70

Open enrollment for plan year beginning January 1, 2019, runs October 15—December 31, 2018.

- For IMRF retirees and their spouses who are age 65 and older; have Medicare Parts A & B, reside in Cook, DuPage, Kane, or Will counties; and meet other CMS (Center for Medicare and Medicaid Services) eligibility criteria.
- All three plans include Medicare Part D prescription drug coverage, with full coverage through the coverage gap (“donut hole”), and a preferred pharmacy network that will help you save on prescription copays.
- All plans use a network of doctors and hospitals; out-of-network cost-sharing is generally greater.
- Separate copays for prescriptions in and out of network.

Blue Cross and Blue Shield Group Prescription Drug Plan (PDP)

2019 Monthly Premium Rate: \$130.20

- Available to retirees with Medicare Part A and/or Part B nationwide, this PDP includes coverage of all tiers through the coverage gap (no “donut hole”) and provides opportunities for greater savings when a preferred pharmacy is used.
- Preferred pharmacy copays: \$0 Preferred Generic; \$6 Non-preferred Generic; \$39 Preferred Brand; \$85 Non-preferred Brand; and 33% Specialty.
- Non-preferred Pharmacy copay: \$5 Generic; \$11 Non-preferred Generic; \$44 Preferred Brand; \$95 Non-preferred Brand; and 33% Specialty.

United Healthcare Medicare Complete

2018 Monthly Premium Rate: \$23 (2019 rates not available at press time)

- Available to retirees and spouses age 65 and older with Medicare Parts A & B residing in Monroe, Madison, Jersey, and St. Clair counties in Illinois, and St. Louis City, St. Louis County, St. Charles, Jefferson, Warren, Franklin, Crawford, Lincoln, Washington, and Gasconade counties in Missouri.
- 100% of specified preventative services including annual routine physical, diabetes self-management, bone mass measurement (one per year), immunizations, colorectal screening (one per year), and the like.
- A variety of copays for physicians, specialists, and other medical services.

Health Alliance Point of Service (POS)

2019 Monthly Premium Rate: \$261

- Available to retirees and spouses age 65 and older with Medicare Parts A & B residing in Boone, Brown, Bureau, Cass, Champaign, Christian, Clark, Coles, Crawford, Cumberland, DeKalb, DeWitt, Douglas, Edgar, Effingham, Ford, Franklin, Fulton, Hancock, Henry, Iroquois, Jasper, Johnson, Kankakee, Knox, LaSalle, Livingston, Logan, Macon, Macoupin, Marshall, Mason, McDonough, McLean, Menard, Mercer, Montgomery, Morgan, Moultrie, Peoria, Perry, Piatt, Pike, Putnam, Richland, Rock Island, Saline, Sangamon, Schuyler, Scott, Stark, Tazewell, Vermilion, Williamson, Winnebago, and Woodford counties in Illinois, and Fountain, Vermillion, and Warren counties in Indiana.
- Medicare Advantage Prescription Drug Plan includes prescription coverage through the coverage gap.

Health Alliance HMO

2019 Monthly

Premium Rate: \$241

Available to retirees and spouses age 65 and older with Medicare Parts A & B residing in the counties listed to the left for the Health Alliance Point of Service plan. Medicare Advantage Prescription Drug Plan includes prescription coverage through the coverage gap.

Seniors Choice — 2019 monthly medical plan rates (based on plan choice & age): \$198.81—\$459.48

Seniors Choice offers three group retiree medical plans and three prescription drug plans available nationwide to retirees and spouses age 65 and older with Medicare Parts A & B. Prescription drug plans have separate monthly premiums (rates unavailable at press time) and are underwritten by Humana. Contact Doyle Rowe LTD for more information and pricing.

Humana Regional PPO

2019 Monthly Premium Rate:

\$61—\$140 (Rates vary by city of residence)

- Available to retirees and spouses age 65 and older with Medicare Parts A & B nationwide.
- A variety of copays for physicians, specialists, and other medical services.
- Includes prescription drug coverage.
- 100% of in-network preventive services including annual routine physical, diabetes self-management, bone mass measurement (one every 24 months), immunizations, colorectal screening (one per year), and the like.

Humana Local PPO

2019 Monthly Premium Rate: \$0—\$121

(Rates vary by city of residence)

The in-network copays and annual out-of-pocket maximum differ depending upon area. The information below is a sample of the Chicagoland area's Local PPO plan. For details of the Local PPO plan in your area, please contact Doyle Rowe LTD.

- Available to retirees and spouses age 65 and older with Medicare Parts A & B in specific cities throughout the country based on network accessibility.
- A variety of copays for physicians, specialists, and other medical services.
- Includes prescription drug coverage.
- 100% of in-network preventive services including annual routine physical, diabetes self-management, bone mass measurement (one every 24 months), immunizations, colorectal screening (one per year), and the like.

Sav-Rx Prescription Discount Card

The Sav-Rx Advantage Prescription Drug Discount Card Program is available nationwide, at a cost of \$1.50 per household per month (\$18 per year), to all IMRF retirees, spouses, and dependent children under age 26.

The Sav-Rx card is not a Medicare Part D plan. You cannot use the Sav-Rx card at the same time you receive discounts from a Medicare Part D plan.



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Protecting your assets

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How to create a POA

If you live in Illinois, you can start the process of creating your POA by downloading the state's short form at www2.illinois.gov/sites/gac/forms/pages/forms.aspx. Other states will have their own forms.

A POA must be signed, witnessed, and notarized by an adult to be valid. You can also hire an attorney to draw up the POA for you. ■

Karen Chan is a financial educator, speaker, and consultant who has been educating the public on financial matters for 20 years. Since 2016 she has presented IMRF's summer financial workshops for retirees. She also partners with numerous Chicago-area libraries to present well-researched, in-depth financial workshops that help participants make wiser decisions with their money. Visit www.karenchanfinancial.com to learn more about Chan and the programs she offers.