



Retiree

FUNDamentals

V. 23 No. 5

News for retired members of the Illinois Municipal Retirement Fund

2009 Endorsed
Health Plan Edition

A message from IMRF Executive Director Louis W. Kosiba

Your IMRF pension remains safe and secure

As I write this column, it is mid-October and the financial markets remain in unprecedented turmoil—in the U.S., Europe and Asia. IMRF, which invests in all those markets, is suffering losses in its portfolio just like every other public and private pension plan.

IMRF's financial strength lies in its large asset pool (over \$19 billion); its long-term investment horizon; its broad diversification of investments; and, its contributors—both active employees and the employers (the units of local government you worked for).

Retirees Have Expressed Concern

Retirees have been contacting IMRF, looking for assurance that their pensions will continue to be paid on time and that there will be no surprises.

I spoke with a retiree from Colorado recently. She reads this column faithfully and saves past issues of *Fundamentals*. She was concerned. We discussed how her pension was originally funded, the 13th payment and her \$3,000 death benefit. She is now a widow and relies heavily on IMRF to cover her living expenses.

100% Funding

As I explained, when she retired, IMRF calculated the amount necessary to fund her retirement benefit **for life. One hundred percent of the monies needed were placed in a separate reserve (account).** We do this for each retiree.

Over time, this reserve is stable, but grows as more people retire. Monies needed to maintain the reserve come from investment earnings or employer contributions.

13th Payment

The 13th payment is funded each year by the employers. **No investment returns are used.** Employers pay 62/100ths of 1% of payroll to fund the payment. This pool of money is shared by all retirees in the form of the 13th Payment. The payment is decreasing because the number of retirees sharing the pool of money is increasing faster than employer payrolls.

\$3,000 Death Benefit

This too has already been prefunded and is guaranteed. **The monies will be paid to your survivors under all circumstances.**

Constitutional Guarantee

Although I did not mention this to our retiree in Colorado, it is appropriate to mention it here. **The Illinois Constitution provides your retirement benefits cannot be diminished.** This is a real safety net which provides you with further assurance.

Since 1941, when IMRF began operations, we have grown and strengthened. We have faced many challenges. We will continue to provide the financial security you worked so hard to achieve through your contributions to IMRF.

2009 Endorsed Health Plan Edition

This newsletter provides details for IMRF-endorsed medical benefit plans. Where available, 2009 rates, plan changes, and service areas are included. **If 2009 rates were unavailable at press time, 2008 rates and plan details are provided.** For current rates, additional information about any of the endorsed medical benefit programs, or to enroll in the plans, call Doyle Rowe LTD at 1-800-564-7227 or visit their website at www.doyle Rowe.com.

IMRF-endorsed health plan—Under age 65

Blue Cross and Blue Shield of Illinois Comprehensive Major Medical

- Available to retirees and/or their family members under age 65 residing in Illinois—call Doyle Rowe for details.
- Keep in mind, you may be able to continue your employer-provided coverage until age 65 at your own cost—check with your employer.

IMRF-endorsed health plans—Age 65 and older

Blue Cross and Blue Shield of Illinois Plan F*

- Available to Illinois residents age 65 and older 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.
 - **The following rates are the 2008 monthly premium rates.** (2009 rates were not available at press time; they are expected to increase less than 5%.) Current members will be notified of 2009 rates prior to January 1.
 - You can access the 2009 rates in early December **by visiting www.doyle Rowe.com or calling 1-800-564-7227.**
- * Plans A, C, D, E, K, and L are also available.

2008 Illinois Plan F Monthly Premium Rates

	Cook, DuPage, Kane, Lake, McHenry & Will Counties Standard / Med-Select	All Other Illinois Counties Standard / Med-Select
Age 65-66	\$149.00 / \$128.00	\$130.00 / \$117.00
Age 67-69	\$166.00 / \$150.00	\$148.00 / \$131.00
Age 70-74	\$200.00 / \$167.00	\$173.00 / \$147.00
Age 75-79	\$237.00 / \$188.00	\$207.00 / \$163.00
Age 80+	\$251.00 / \$191.00	\$219.00 / \$167.00

Blue Cross and Blue Shield of Texas plans are available for Texas residents age 65 and older with Medicare Parts A & B. Call Doyle Rowe for more information.

United Healthcare Medicare Complete: 2009 Monthly Premium Rate \$0.00 (No monthly premium)

- Available to retirees and spouses age 65 and older with Medicare 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.
- An HMO, the plan includes a \$10.00 office visit co-pay for primary care, a \$7.00 co-pay for outpatient lab; 20% to 25% co-pay for outpatient surgery and other procedures, a \$245.00 per day inpatient co-pay (days 1-18); \$4,200.00 annual out-of-pocket maximum.
- The plan also includes a Medicare Part D prescription drug benefit: \$4.00 generic co-pay, \$28.00 preferred brand name co-pay, and a \$58.00 non-preferred brand name co-pay (33% specialty drug co-pay). This cost sharing applies to drug costs up to \$2,700.00. From \$2,701.00 to \$4,350.00 you will have a \$4.00 co-pay for generic drugs only; you pay 100% of all other drug costs during this time. After your true out-of-pocket costs have reached \$4,350.00, you pay the greater of \$2.40 for generic and \$6.00 for brand name or 5% coinsurance.

New! Health Alliance PPO: 2009 Monthly Premium Rate \$125.00 (with standard Rx)

- Available to retirees and spouses age 65 and older with Medicare Parts A & B residing in Adams, Brown, Bureau, Cass, Christian, Clark, Crawford, Cumberland, Edgar, Effingham, Hancock, Iroquois, Jasper, Livingston, Logan, Macoupin, Marshall, Mason, McDonough, Menard, Montgomery, Morgan, Peoria, Pike, Putnam, Sangamon, Schuyler, Scott, Stark, Tazewell, Champaign, Coles, DeWitt, Douglas, Ford, McLean, Moultrie, Piatt, Vermilion, and Woodford counties in Illinois.
- A PPO, the plan includes a \$10.00 office visit co-pay, \$10.00 annual exam co-pay, and a \$100.00 per outpatient surgery co-pay. There is a \$0.00 co-pay for preventive and lab services, and inpatient hospital care.
- The standard Rx plan also includes a Medicare Part D prescription drug benefit (you must use an in-network pharmacy). Co-pays are: \$6.00 for Tier 1 drugs; \$36.00 for Tier 2 drugs; \$76.00 for Tier 3 drugs, and 33% for specialty drugs. Once your total yearly drug costs reach \$2,700.00, you pay 100% for all drug costs until your out-of-pocket cost reaches \$4,350.00. You then pay the greater of \$2.40 for Tier 1 or 2 multi-source drugs and \$6.00 for all other drugs, or 5% coinsurance.
- A "Plus Rx" plan is also available, call for details.

Health Alliance HMO: 2009 Monthly Premium Rate \$120.00 (with standard Rx)

- Available to retirees and spouses age 65 and older with Medicare Parts A & B residing in Champaign, Coles, Ford, Douglas, Piatt, McLean, Moultrie, Woodford, Vermilion and DeWitt counties in Illinois.
- An HMO, the plan includes a \$20.00 office visit co-pay, no co-pay for preventive services, and a \$250.00 per admission inpatient hospital co-pay.
- The standard Rx plan also includes a Medicare Part D prescription drug benefit, this benefit is the same as the Medicare Part D benefit in the Health Alliance PPO described above.
- A "Plus Rx" plan is also available, call for details.

Call Doyle Rowe at 1-800-564-7227 or visit www.doyle Rowe.com for more information.

Humana Regional PPO (Rates vary by state of residence)

2009 Monthly Premium Rate \$49.00—\$99.00

- Available to retirees and spouses age 65 and older with Medicare Parts A & B residing in Illinois, Florida, Wisconsin, and Arizona.
- Annual in-network deductible of \$100.00. In-network benefits include a \$10.00 co-pay for physician office visits, \$35.00 co-pay for specialist office visits, and a \$10/\$35 co-pay for preventive services.
- \$165.00 per day (days 1-5) for inpatient hospital stay; \$100.00-\$125.00 co-pay for outpatient surgery; \$0.00-\$75.00 co-pay for outpatient non-surgical care (depending upon place of service).
- \$3,000 annual out-of-pocket maximum.
- The plan also includes a Medicare Part D prescription drug benefit: \$5/\$30/\$60/25% co-pay; 90-day mail order 2x co-pay for levels 2 & 3. Once drug costs exceed \$2,700.00, you pay a \$5.00 co-pay for generics and 100% for preferred, brand, and specialty drugs. After total out-of-pocket costs exceed \$4,350.00, you pay the greater of \$2.40 for generics, \$6.00 for preferred and brand name drugs, or 5% coinsurance. You pay 5% for specialty drugs.

Humana Private Fee for Service Plan (Rates vary by county of residence)

2009 Monthly Premium Rate: \$14.00—\$167.00

- Available to retirees and spouses age 65 and older with Medicare Parts A & B nationwide.
- Freedom to choose doctors and hospitals. Choose any provider that accepts Medicare assignment and agrees to accept this Humana Private Fee for Service plan.
- Benefits include \$15.00 office visit co-pay, including routine and preventive services; \$30.00 specialist visit co-pay; 20% coinsurance for outpatient hospital services; \$180.00 per day inpatient hospital co-pay (days one through five). Maximum out-of-pocket per individual per year is \$5,000.00 (excludes prescription and worldwide coverage).
- The plan also includes a Medicare Part D prescription drug benefit: \$5/\$30/\$60/25% co-pay based upon plan formulary classification, until total drug cost reaches \$2,700.00. Once drug costs exceed \$2,700.00, you pay a \$5.00 co-pay for generics and 100% of preferred, brand, and specialty drugs. After your total out-of-pocket cost exceeds \$4,350.00, you will pay the greater of \$2.40 for generic, \$6.00 for preferred and brand name drugs or 5% coinsurance. You pay 5% for specialty drugs.

New! Humana Group Prescription Drug Plan: 2009 Monthly Premium Rate \$89.00

- Available to IMRF retirees nationwide, this stand-alone prescription plan offers the advantage of a discounted group rate and enhanced benefits.
- Meets the requirements of a Medicare Part D prescription drug plan.
- Benefits include \$4/\$25/\$54/25% co-pay; 90-day mail order \$0.00 Tier 1, 2x co-pay for Tiers 2-3. Once drug costs exceed \$2,700.00, you pay a \$4.00 co-pay for generics and 100% for preferred, brand, and specialty drugs. After total out-of-pocket costs exceed \$4,350.00, you pay the greater of \$2.40 for generics, \$6.00 for preferred and brand name drugs, or 5% coinsurance.
- Depending upon your prescription needs, this group plan may be more beneficial for your situation than the individual Medicare Part D plans described on pages five and six. Call Doyle Rowe for details.

Medicare Part D Plans

Annual enrollment November 15, 2008 thru December 31, 2008

Review your Medicare Part D Plan options annually—plan designs can change, as well as pricing. Drug formularies have also changed—make sure to check which category your current prescriptions fall under.

Listed below and on the next page are the 2009 plan details of stand-alone Medicare Part D prescription drug coverage plans, affiliated with the Humana and Blue Cross Blue Shield of Illinois health plans the IMRF Board of Trustees has endorsed.

The Blue Cross Blue Shield plans are available only to retirees with an Illinois address; the Humana plans are available to IMRF retirees nationwide. These stand-alone plans are independent of medical coverage plans. Please see the enrollment deadline above if you are considering enrolling in a Medicare Part D plan, or making changes to your current plan.

2009 Humana Medicare Part D plans—Illinois Rates

(Coverage is available for IMRF retirees nationwide. Call Doyle Rowe for rates)

	Standard	Enhanced	Complete
Deductible	\$295.00	\$0.00	\$0.00
Preferred generic co-pay	15%	\$7.00	\$7.00
Preferred brand co-pay	25%	\$40.00	\$40.00
Non-preferred co-pay	43%	\$70.00	\$70.00
Specialty drug co-pay	N/A	33%	33%
Mail order (3 month supply)			
Preferred Generic	15%	\$0.00	\$0.00
Preferred Brand	25%	\$100.00	\$100.00
Non-preferred	43%	\$175.00	\$175.00
Monthly premium	\$39.00	\$44.30	\$101.10 <small>(includes generic Rx benefits during "gap-in-coverage" period, see below)</small>

The fees apply until you reach \$2,700.00 in annual drug costs. After annual drug costs exceed \$2,700.00, the Standard and Enhanced plans require you to pay 100% of your drug costs until your out-of-pocket drug costs exceed \$4,350.00. The Complete plan now allows you to pay a \$7.00 co-pay for preferred generics, \$0 co-pay for preferred generics through preferred mail order, \$21.00 co-pay for preferred generics for a 3-month supply at select pharmacies, and 100% of any other drugs during this time. Once out-of-pocket drug costs exceed \$4,350.00, for all three plans you pay the greater of a \$2.40 co-payment for generic and multi-source brand drugs or 5% coinsurance. For all other drugs you pay the greater of a \$6.00 co-payment or 5% coinsurance.

See page six for the Blue Cross Blue Shield Part D plan rates and details

Call Doyle Rowe at 1-800-564-7227 or visit www.doyle Rowe.com for more information.

2009 Blue Cross Blue Shield of Illinois Medicare Part D plans

	Value Plan	Plus Plan	Standard Plan
Deductible	\$0.00	\$0.00	\$295.00
Generic co-pay	\$9.00	\$5.00	\$2.00
Preferred brand co-pay	\$44.00	\$38.00	\$33.00
Non-preferred co-pay	\$73.00	\$60.00	\$63.00
Specialty drug co-pay	30%	30%	25%
Mail order (3 month supply)			
Generic	\$22.50	\$12.50	\$5.00
Preferred Brand	\$110.00	\$95.00	\$82.50
Non-preferred	\$182.50	\$150.00	\$157.50
Monthly premium	\$30.50	\$77.50	\$37.90

The fees above apply until you reach \$2,700.00 in annual drug costs. After your annual drug costs exceed \$2,700.00, the Value and Standard plans require you to pay 100% of your drug costs until your out-of-pocket drug costs exceed \$4,350.00. The Plus plan now allows you to pay a \$5.00 co-pay for generics, \$12.50 for a three month supply of generics at select pharmacies, and 100% of any other drugs during this time. Once your out-of-pocket drug costs exceed \$4,350.00, for all three plans you pay the greater of a \$2.40 co-payment for generic (\$6.00 co-payment for Preferred Brand or Brand) or 5% coinsurance.

Looking for a vision care plan?

The following premiums for the United Healthcare vision plan (formerly Spectera) are guaranteed for four years from the plan effective date and will not increase before October 1, 2011. Monthly premiums will be deducted from your IMRF benefit payment. One year enrollment is required.

2009 Premiums: Individual \$7.50, Retiree + One \$13.25, Family \$21.70

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

Looking for dental insurance?

The IMRF-endorsed Delta Dental plan is available nationwide to all IMRF retirees. Coverage includes preventative, basic, and major dental services for single, couple, and family plans. You can enroll in the plan anytime during the year. Rates are guaranteed through January 1, 2011.

2009 Premiums: Individual \$26.94, Individual + Spouse \$53.90, Family \$83.96

Coverage Levels

Benefit Level	Delta Preferred Option PPO Dentist	DeltaPremier Dentist	Out-of-Network Dentist
A	100% of discounted fees	100% of discounted fees	100% of discounted fees
B	50% of discounted fees	50% of discounted fees	50% of discounted fees
C	25% of discounted fees	25% of discounted fees	25% of discounted fees

Note: The discounted fee is the amount upon which Delta Dental will base payment for a particular service. Some dentists' charges will match the discounted fee while others may charge an amount that is greater than the discounted fee. You will generally see the most savings if you go to a DeltaPreferred Option network dentist (more than 66,000 offices nationwide).

Benefit Levels

Benefit Level A

Diagnostic

- Routine Exams twice a year
- Bitewing X-rays twice a year
- Full-mouth X-rays every three years

Preventive

- Cleanings twice a year
- Fluoride treatments for children once a year
- Space maintainers

Benefit Level B

Minor Restorative

- Amalgam and resin fillings
- Sealants

Non-surgical Periodontics

- Treatment of gum disease

Endodontics

- Root canals; pulpal therapy

Oral Surgery

- Extractions and other oral surgery (including pre- and post-operative care)

Benefit Level C

Major Restorative

- Cast restorations: crowns, onlays, and other ceramic restorations to permanent teeth

Surgical Periodontics

Prosthodontics

- Bridges, partial dentures, and complete dentures

Sav-Rx Prescription discount card

- The IMRF-endorsed Sav-Rx Advantage Prescription Drug Discount Card Program continues to be available nationwide, at a cost of **\$1.50** per household per month (\$18.00 per year), to all IMRF retirees, spouses, and dependent children under age 23.
- The Sav-Rx card is not a Medicare Part D plan, and you cannot use the Sav-Rx card at the same time you receive discounts from a Medicare

Part D plan. However, you may use it during any 'gap in coverage' period when you are responsible for 100% of your drug costs.

Why did the monthly cost change?

In prior years, IMRF was able to reduce the monthly cost of the Sav-Rx card due to rebates. These rebates have ended, and as of 1/1/2009, all Sav-Rx participants will be charged the full cost of the card, which is **\$1.50** per month.

Call Doyle Rowe at 1-800-564-7227 or visit www.doyle Rowe.com for more information.

Your IMRF pension remains safe and secure.
Read an important message from IMRF Executive
Director Louis W. Kosiba on the front page.

Looking for long-term care insurance?

An important part of retirement planning includes preparing for the possibility of needing long-term care. The IMRF Board of Trustees has endorsed the Prudential long-term care insurance plan offered through our insurance consultant, Doyle Rowe LTD.

Long-term care coverage provides important benefits that are not available through medical insurance plans. This endorsed plan provides IMRF retirees,

their spouses and their extended family members (e.g., parents) the opportunity to apply for a quality long-term care plan at discounted group rates. This plan has a menu of choices so it can be tailored to the individual member's situation.

For detailed information about the Prudential long-term care plan, please contact the Doyle Rowe LTD Enrollment Hotline at **1-800-564-7227** or visit their website at www.doyle Rowe.com.

Rates and plan details were provided by insurance carriers at the time this newsletter went to press. In the event of any discrepancies between this newsletter and the insurance carriers, the insurance carriers govern.

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