



General Retirement System City of Detroit

Pension Perspectives

FEBRUARY 1999

VOLUME 1, ISSUE 2

Pre-1992 Retirees to receive increase February 1st

*Board of Trustees
General Retirement
System*

Rev. Wendell Anthony
Citizen

Dennis W. Archer
Mayor

David C. Clark

Clyde Cleveland
Councilperson

Ronald Gracia

John P. Kanters
Chairman

Thomas Kneeshaw

Thomas Sheehan

Sandra Studzinski

Shafter Terry, III
Treasurer

The pensions of all pre-1992 retirees will finally be increased on February 1, 1999 retroactive to July 1, 1996. The increase raises the pension factor from 1.5% to 1.56% for all years in excess of 10 years of service. Retroactive payments will also be included on the February 1, 1999 pension checks. Increases and retro payments for divorce cases must be calculated manually and will be included on the March 1, 1999 pension checks.

The increase and retroactive payments are being made as a result of the Circuit Court refusing the City of Detroit a stay of proceedings. The increase issue (Hannan vs. Detroit City Council) is currently being appealed by the City of Detroit to the Court of Appeals. Should the City of Detroit prevail in its appeal, all increases and retroactive payments would have to be recovered from all eligible retirees.

The July 1, 1997 increase which raises the pension factor from 1.56% to 1.63% may also be implemented in the near future. City Council is preparing the Ordinance necessary to implement this increase. Watch your check stubs for implementation notice.

In This Issue	
Actively Speaking (For Active Employees)	pg. 2
Important Numbers	pg. 4
Retiree Corner (For Retired Employees)	pg. 5
Fringe Benefits	pg. 6

Grand Traverse Resort

The General Retirement System has sold the Grand Traverse Resort and discounted room rates are no longer available to employees and retirees. Attempts to negotiate a new program of discounts have not been successful. However, we will continue to try to obtain a new program for everyone.

Actively Speaking

Maternity Leave Service Credit Policy

At their meeting of December 16, 1998, at the recommendation of Trustee Sandra Studzinski, the Trustees of the General Retirement System adopted the following Maternity Leave Service Credit Policy:

By: Trustee Studzinski – Supported by: Trustee Anthony

WHEREAS, prior to September 19, 1972 it was the City of Detroit policy to require employees to take a six-month maternity leave without pay, and

WHEREAS, many employees had accumulated sick leave balances which could have been used to partially offset this non-paid time, and

WHEREAS, some employees desired to take less than a six month leave of absence, and

WHEREAS, such mandatory leaves have also been held illegal under the Civil Rights Act of 1964, effective July 2, 1965, as made applicable to the City of Detroit under the 1972 amendments of Title VII of the Act effective March 24, 1972, and

WHEREAS, as a result of the mandatory maternity leaves, employees did not receive certain service credits for pension purposes, therefore be it

RESOLVED, that all currently active female City employees adversely affected by the City of Detroit pre-1972 policy be granted pension service credit in accordance with the following options:

1. If the employee can produce actual records of accumulated sick time at the time of her maternity leave, up to six (6) months of pension service credit can be granted the employee. If the employee lacks actual records of accumulated sick time, upon Human Resource verification of a maternity leave of absence being granted, such employee will be granted up to three months of service credit for each such maternity leave. In no case will more than twelve months of service be credited in one calendar year.
2. No credit will be granted for more than six months in any one (1) calendar year.
3. Credit will be granted in accordance with the above guidelines for each maternity leave requested from July 2, 1965 through September 19, 1972.

Regardless of which option pertains to the employee, written application must be filed with the Board of Trustees prior to retirement, identifying specific maternity leave dates and total maternity leave time.

Individuals covered by this resolution should make written application to the Retirement System. Applications should be sent to the attention of Mr. Joseph Glanton, Assistant Administrative Supervisor.

Important Dates

Hospitalization Re-Enrollment - April, 1999

New Hospitalization Rates - Effective July 1, 1999

Life Insurance Re-Enrollment - Continuous

Things to do when considering retiring

Is the end of your working career in sight and you're wondering what to do? Don't grab your golf clubs just yet; instead follow these basic steps before you apply for retirement:

1. Request an Estimate of Monthly Benefits (should be within 2 years of your proposed retirement date). A benefit estimate will tell you:
 - Approximately how much service time you will have upon retirement.
 - Approximately how much you will receive each month upon retirement.
 - Approximately how much you will receive if you choose to leave a beneficiary a pension.
 - If you are vested, when you can expect to receive retirement benefits.
2. When you are ready to retire, visit your Human Resources representative to get an effective date of retirement.
3. Call the Retirement System to set up an appointment (interview) for retirement.

NOTE: If you have had breaks in your service due to lay-off or resignation, you should also request a Service Check to determine your total service credit.

The questions most asked are:

Q: When can I expect my Annuity refund after I have submitted a "Request for Annuity Withdrawal" ?

A: The withdrawal process normally takes from six to eight weeks after application is made and eligibility is verified. Unusual circumstances may cause the refund to take additional time.

Q: Who gets my annuity if I die?

A: Your named beneficiary is entitled to your Annuity Fund and will be required to complete an annuity refund application (check to make sure that your beneficiary information is current).

Year 2000 Update

Efforts to analyze and repair the so-called "Millennium bug" are on schedule. Non-compliant computer hardware has been upgraded to Year 2000-compliant systems. Computer programs essential to the Retirement System mission, such as the **pension payroll system** and the program that calculates retirement benefits have been analyzed for date problems. Corrections are underway on many of these programs. In some cases, older programs that are running on obsolete equipment have been updated or are being replaced.

In addition to our repair efforts, the Retirement System staff is developing a contingency plan for the millennium changeover. Although we are putting forth our best efforts to find and correct all date errors, problems may still occur either in our programs, in the programs of other companies or City of Detroit departments with whom the Retirement System interacts. Thus, the development of a contingency plan is a must and will enable the Retirement System to continue issuing retirement checks and processing new retirees in the event of an unforeseen problem.

Retirement System Internet Site

The Retirement System Data Processing staff is working diligently to complete our Internet Site. When completed, it may be viewed at *www.rscd.org*. Completion is scheduled for March, 1999. When completed, the Internet site will make available Trustee information, benefit information, staff contacts, financial information and retirement estimate information. You will be able to download copies of our newsletters, annual reports, actuarial reports and various retirement forms. A calendar of coming events will be posted and updated. Links will also be available to various government offices (Federal and State), senior citizen organizations and all hospitalization carriers. Watch your check stubs for our opening notification.

PENSION PERSPECTIVES

Retirement System Directory

**Main Number:
(313)224-3362**

Toll Free (800) 339-8344

Administration

Tom Zdrodowski Ext. 204
 Nick Degel Ext. 206
 Joe Glanton Ext. 203
 Thomas Berriman Ext. 202
 Walter Stampor Ext. 209
 Rick Huddleston Ext. 201

Administration Support

JoAnn Harrison Ext. 217
 Kenneth Howard Ext. 257
 Janet Lenear Ext. 255
 Lori Przybylski Ext. 256
 Debra Tyler Ext. 258

Interviewers

Shirley Hill Ext. 218
 Betty Lowe Ext. 219

Computations

Deborah Wilkerson Ext. 235
 Cheneta Tillmon Ext. 236

Re-Exams

Joe Ann Smith Ext. 238

Pension Payroll

Myron Terrell Ext. 240
 Tasha Cowan Death Notices Ext. 239
 Rita Cox Estimates Ext. 237
 Juanita Waller Direct Deposit Ext. 221

Annuity

Terry Sobczak Ext. 244
 David Cetlinski Ext. 242
 Tawana Dickerson Ext. 241
 Latisha Moon Ext. 243

Accounting

Marilyn Roc Berdijo Ext. 230
 Cynthia Abrams Ext. 225
 Angela Keeler Ext. 223
 Eddie Park Ext. 228
 Elaine Poznanski Ext. 231
 Rena Presbitero Ext. 229
 Beverly Scruggs Ext. 224
 Tek-Sin The Ext. 232

Editor: Pension Perspectives

Bridgett Hardy Ext. 213

Important Numbers:

Blue Cross/Blue Shield Traditional
(800) 951-BLUE

Blue Care Network
(800) 662-6667

Blue Cross Preferred Plan
(313) 225-0843

Health Alliance Plan
(800) 422-4641

Omni Care
(800) 925-4550

The Wellness Plan
(800) 875-WELL

Total Health Care
(313) 871-7812

Co-Op Optical
(800) 368-5160

Heritage Eye Care
(800) 252-2053

Golden Dental Plan
(810) 573-8118

Social Security
Administration
(800) 772-1213

Detroit Retired City Employees
Association
(313) 927-0491

**** All fringe benefit questions should now be referred to the Benefits Division of the Human Resources Department. (313) 876-0991 or Toll Free (888) 288-2684 ****

Retiree Corner

PLEASE NOTE:

There was some confusion with the first issue of the *Pension Perspective's Actively Speaking* page. The Retirement System's "Question & Answer" booklet currently covers active employees only, not retirees. Information contained on the *Actively Speaking* page pertains to ACTIVE EMPLOYEES ONLY... We apologize for any misunderstanding that may have occurred. We hope in the future to issue a retiree "Questions & Answers" booklet. Watch for our announcement.

Michigan leads the way in General City retired workers choice of residence

State	# of General City Retirees Residing in State
Michigan	10,050
Florida	555
California	130
Arizona	112
Alabama	76
Georgia	74
Nevada	55
Ohio	52
Tennessee	51
Texas	49

Important Dates

- New Hospitalization Rates - Effective July 1, 1999
- Cost-of-Living Adjustment - Effective July 1, 1999
- Hospitalization Re-Enrollment - Oct. 1 - Nov. 15, 1999

Medicare Notification

Retirees must notify the Retirement System when they or their spouse become eligible for Medicare. Ordinance No. 494-G requires that your hospitalization coverage be coordinated with Medicare. With over 12,000 retirees and not always accurate age information, the Retirement System depends on your notification to us. Contact the Benefits Division at (313) 876-0991 or Toll Free at (888) 288-2684 to report eligibility for Medicare..



Friendly Reminders:

It is very important that you include your Social Security Number on all correspondence with the Retirement System.

Late or missing check? Call the Check Disbursement Unit of the Treasury Division at (313)224-3571.

Attention Direct Depositors:

You must notify the Retirement System, in writing, when you move. Your check stubs, hospitalization information, and other important items are mailed to the correspondence address on file in the Retirement System.

If you change banking institutions, notify the Retirement System immediately to prevent direct deposit problems. If your banking institution notifies you that they have changed your account number or routing number, notify us immediately. Call the Retirement System at (313) 224-3362 ext. 221 or Toll Free at (800) 339-8344 ext. 221.

Pension Perspectives

Retirement Systems City of Detroit
2 Woodward Ave. Room 908
Detroit, MI 48226-3413

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO.
788

Mailing
Address
Goes
Here

PENSION PERSPECTIVES

Keep Beneficiary Information Current

Death is inevitable. Even though you don't think about it, we are faced with it every day.

The benefits that are payable upon active death are: John Hancock life insurance (if enrolled), a death benefit (currently \$6,600), and your annuity (if you have deductions). Retirees are only entitled to a Death Benefit (\$1,200 + \$60 for each year beyond 10 years). As Retirement System employees, we have seen many instances where the *incorrect* person is still named as the beneficiary on employee records. If you want to reduce confusion for your beneficiaries, it is imperative that you keep your Retirement System records updated.

If you have a change in your circumstance (i.e. marriage, death, or birth), contact your Human Resources Office or the Retirement System to update your beneficiary information. If you are

unsure about who you have listed, contact the Retirement System. (This information cannot be given out over the telephone, but can be mailed or obtained in person.)

Life Insurance Continuance

There is currently no life insurance program available to retirees on the retirement payroll (only retirees who retired on a duty-disability retirement retain the current life insurance program). However, all employees are **entitled** to continue their term life insurance when they retire with the City's current carrier, John Hancock Life Insurance Company. You cannot be denied coverage. Premiums are based upon your age and your individual health status but you cannot be denied coverage!!

To continue your life insurance at retirement, you must contact the City of Detroit's "Agent of Record" for John Hancock - Mr. Donald Whelan. Mr. Whelan's office is located in the Millendar Center - or he may be contacted by phone at (313) 963-4004.