

RETIREE ADVISOR

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Produced for retired members of the Tennessee Consolidated Retirement System

CATCH UP PROVISION IN JANUARY

The General Assembly recently authorized an additional increase in retirement benefits for those retirees who retired prior to July 1, 1989, which are the retirees most harmed by inflation. This increase in retirement allowance will be effective January 1, 2007. Retirees affected will receive further information in January notifying them of the change in their retirement allowance. This change will apply to state employees and teachers. It will apply to local government employees only if the governing body authorizes it by resolution.

The schedule below indicates the percentage increase in the retirement allowance by retirement date.

<u>Date of Retirement</u>	<u>Percentage Increase</u>
Prior to July 2, 1975	10.0%
July 2, 1975 to July 1, 1977	7.5%
July 2, 1977 to July 1, 1979	6.0%
July 2, 1979 to July 1, 1981	3.0%
July 2, 1981 to July 1, 1983	1.2%
July 2, 1983 to July 1, 1985	0.9%
July 2, 1985 to July 1, 1987	0.5%
July 2, 1987 to July 1, 1989	0.3%

INCREASE IN STATE SUPPORT

Recent action by the General Assembly increases the state support applicable to the monthly Medicare supplement insurance premium for retired state employees and public school teachers. This change is effective for August 2006 premiums which are collected a month in advance from your retirement benefit. The new service-based contribution support will be \$50.00 per month for retirees with 30 plus years of service, \$37.50 per month for retirees with 20-29 years of service, and \$25.00 per month for retirees with 15-19 years of service.

COST-OF-LIVING ADJUSTMENT

Retired teachers and state employees who have been on TCRS retired payroll for at least 12 consecutive months as of July 1, 2006 will receive a 3% cost-of-living adjustment. Retirees of local governments that have authorized COLAs will receive this increase also.



This adjustment is based on changes in the Consumer Price Index (CPI) for the 2005 calendar year and is applied to the benefit of each eligible retiree. If there is an increase in the CPI of 1% or more in any year, retirement law provides that eligible retirees will receive an adjustment on their retirement benefit equal to the change, not to exceed 3%.



The *Retiree Advisor* is a publication of TCRS, 10th Floor Andrew Jackson Building, Nashville, TN 37243, (615) 741-4913 or 1-800-770-8277.

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STATE-SPONSORED MEDICARE SUPPLEMENT PLAN

Approximately 90 days prior to a retiree or dependent turning age 65, TCRS will send an enrollment package for the Tennessee Plan. This plan provides basic coverage for the gaps in Medicare such as the Part A deductibles and Part B coinsurance. The Tennessee Plan does not provide prescription drug coverage; therefore we recommend that you enroll in Medicare Part D unless you have prescription drug coverage elsewhere. For more information about Medicare prescription plans, visit www.Medicare.gov or call 1-800-MEDICARE. TTY users should call 1-877-486-2048.

WHY DIRECT DEPOSIT IS LAW

Some retirees do not understand the decision to make direct deposit mandatory. Below are some of the drawbacks to issuing paper checks:

- Lost Checks** TCRS has no control of checks lost in the mail. It takes TCRS at least a week to replace lost checks.
- Theft** Since printed checks contain personal information (your address and social security number), there is a greater chance of identity theft, which can be quite damaging.
- Timeliness** Printed checks are mailed the last day of the month and you receive them about two days later. However, direct deposit payments are already in your account the last day of the month.

The added convenience and peace of mind provided by direct deposit far outweigh the risks associated with paper checks.

CALLING TCRS



For your convenience, TCRS has an automated system. When you call our toll-free number (1-800-770-8277), you have these options:

Selection

<u>Number</u>	<u>Service Area Desired</u>
1	Financial Services Including Retired Payroll, Refunds, Account Balance
2	Retirement Insurance
3	Appointments, Beneficiary Changes, Counseling, or Field Services
4	Benefit Computations and Prior Service Questions
7	Report the Death of a TCRS Retiree or Active Member

If you call from a touch-tone phone, you do not have to listen to the menu. Press your selection after the automated attendant answers your call. If you call from Davidson or surrounding counties, you may reach the system locally by dialing 242-6554.

REPORTING A DEATH

The death of a retiree or beneficiary should be reported to TCRS. The name, social security number, and date of death, as well as the contact's name, address, and phone number will be required. TCRS will also need a copy of the death certificate. The death certificate for a beneficiary should include the retiree's social security number. If payment is due to the beneficiary or estate, a notarized claim form must be completed. Documentation of the executor or administrator of the estate will also be required if payment is due the estate.