



Fall/Winter
2011 Edition

Retiree Watch

Are you enrolled in Direct Deposit?

Many retirees still have their monthly annuity payment sent to them in a check. Checks are risky, can get lost and take quite a while to reissue if needed.

By taking advantage of the Electronic Funds Transfer (EFT), your monthly annuity payment would automatically be deposited into your bank account. You may elect an EFT for either your checking or your savings account. EFT is a prompt and efficient way to ensure that your annuity is received on time each month and eliminates the possibility of your annuity payment being misdirected or lost in the US Postal system. If you have ever had your annuity check lost and have experienced the frustration of requesting a stop payment and reissue of your check, you will appreciate the efficiency of EFT.

To elect in Direct Deposit contact our office at 703-432-0425 or download and complete the direct deposit form from our website at: www.usmc-mccs.org/employees/benefits/forms and return to the address on page 5 with a VOIDED check.

REMINDER:

Effective May 2012 all retirees must be enrolled in direct deposit.

IMPORTANT:

Effective January 1, 2012 all retiree pay advices will be suspended and no longer mailed every month. If needed for bank requirement, a copy can be provided on a case by case basis, only.

IRS 1099's:

1099's will be mailed by SEI Investments no later than January 31, 2012. Please look for it in the mail. Do not contact our office until February if not received, but don't wait until April to start looking for your 1099R.

ADDRESSES:

Make sure your address is up to date. If you move tell us where you are so that important mail and Information is delivered promptly. Keep your phone number updated. If you have an email address make sure you provide it to us.

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FACTS OF LIFE:

- Annual health cost burden for tobacco use is \$32,969,319.
- Additional medical costs due to smoking \$16,022,099.
- Cost of second-hand smoke \$3,622,777.
- Annual cost burden of obesity \$47,806,204.
- Additional medical costs due to obesity \$29,151,397.

In the Next Issue:

- ⇒ Direct Deposit
- ⇒ Minimum Required Deposit (MRD)

IMPORTANT: Please note that not all benefits will pertain to all retirees. If you were not eligible for, declined to continue, or have cancelled participation in a benefit, some articles may not apply.



IMPORTANT DATES

1 January 2012 - 3% COLA
Increase applied to eligible
annuities

1 January 2012 - Health Care
Changes & Premiums go into
effect

1st of each month - Insurance
premiums due (Retirees receiving
premium statements)



COLA

Cost of Living Adjustment



The amount of the monthly annuity you receive may increase as the “cost of living” increases. The amount of your annuity may increase on January 1 each year to reflect cost of living adjustments (a maximum of 3% each year) if applicable. Increases will be based on changes in the Consumer Price Index (CPI) or other index deemed more suitable to accomplish cost of living adjustments, and are not guaranteed. The COLA adjustment will be applicable only to Retirement Benefits which become payable after January 1, 1976, for employees having credited contributory service on and after January 1, 1976.

(The “Cost of Living” adjustment is based on changes in the Consumer Price Index published by the U.S. Department of Labor. Adjustment of Retirement Benefit amounts being paid will be made on January 1 of each year, reflecting the change in the CPI over the 12 month period ending on the preceding September 30.) If the Consumer Price Index is a negative amount, the COLA will be zero.

In 2012, eligible annuities will receive a 3% COLA increase.

Pre-retirement Surviving Spouse and Disability retirements are NOT eligible for COLA adjustments.

Insurance Payment Requirements

Please ensure your monthly insurance premiums are paid on time to avoid cancellation of coverage. If coverage is cancelled, it will be terminated retro to the last date of payment and any benefits paid will be reversed and the responsibility of the retiree. Cancellations are irrevocable.

Should you monthly annuity not be sufficient to accommodate your premiums, you will be sent a monthly premium statement.

Insurance premiums are subject to change according to changes in plan provisions and cost. You will be notified, in writing, of any change in premiums or policy provisions.

If you are set-up to receive a premium statement for your insurance premiums that are due - you are responsible to remit payment even if a statement is not received. Don't let your payment lapse!

2012 HEALTH PLAN CHANGES

HMO:

- HMO premiums will increase at varying rates.
- Check with your HMO for plan changes.

AETNA:

- To earn the Health Incentive Credit (HIC), Aetna members will be required to complete the Health Risk Assessment (\$50 Health Incentive Credit) and have an annual preventive exam (\$50 additional Health Incentive Credit).
- Medical premiums will increase 8%.
- Dental premiums will remain unchanged.
- Dental plan annual benefit limit will increase from \$2,000 to \$2,500.
- Hearing aid benefit will be enhanced to \$3,000 every 3 years. Subject to deductible and coinsurance.
- Urgent Care co-payments will reduce from \$35 to \$20.
- Emergency Room co-pay will increase to \$350.
- Smoking cessation Rx (approved list) will be covered at 100% - limitations apply.
- PPO in-network deductible will increase to \$300, per person (\$900 family maximum) out-of-network will increase to \$900 (\$2,700 family maximum).
- Traditional Choice deductible will increase to \$300 (\$900 family maximum).



Retirement is wonderful. It's doing nothing without worrying about getting caught at it.
Gene Perret

Aetna participants: Look for your Aetna 2012 Health Information kits by early November in your mailbox.

*Not all retirees are eligible for/or elected continued medical/dental coverage.

HMO Enrollees to Aetna TC at age 65

If you are enrolled in a Marine Corps sponsored HMO or in the PPO plan when you turn age 65, you will be provided the opportunity to enroll in the DoD UHP Traditional Choice Plan. If you fail to elect this option, your health coverage will be dropped.



If you are age 65 or older (or eligible due to a disability) and enrolled in Aetna medical, enrollment in Medicare Parts A and B are mandatory. Medicare is the primary coverage for age 65 plus retirees, and the employer plan becomes secondary. There may be instances where Medicare is primary if you are under age 65 (i.e., renal failure). Contact your local Social Security Office for specific information. If you elect not to continue your group sponsored medical plan once you become Medicare eligible, you must contact Headquarters, U.S. Marine Corps (MRG), (703) 432-0421. Coverage transition to the Traditional Choice plan is NOT automatic. If you do not notify MRG of your desire to switch, your coverage will be canceled. Once coverage is canceled, there is no future opportunity to re-enroll.

If your medical coverage is cancelled or if you elect to drop medical coverage, your dental coverage will automatically be canceled. Once canceled, there is no future opportunity to re-enroll.

There is no HMO coverage for those that are Medicare eligible.

GENERIC vs NAME BRAND DRUGS

Generic drugs are identical, or “bioequivalent” to brand-name drugs - in dosage, safety, strength, route of administration, quality, performance characteristics and intended use. Although generic drugs are chemically the same as their branded counterparts, they are typically sold at substantial discounts from the branded price.

Generic and brand name drugs have the same active ingredients, in the same dose and form. Inactive ingredients may vary.

The significant difference between them is the price. Brand-name drugs are more expensive. In fact, the use of generics is a valuable way to reduce overall prescription drug costs without sacrificing quality.

Brand-name drugs are generally more expensive than generics because drug makers invest money to support the research, development and marketing of each new name brand medication and they

attempt to recover some of these costs with higher pricing. Because there are no pricing controls, manufacturers can set their own prices on patent-protected drugs.

When a patent expires on a brand-name drug, generic manufacturers can produce a generic version. Because generic drug makers are not introducing a new drug, they avoid the expenses of developing it. This is reflected in the lower price.

There are many myths and misconceptions about generic drugs. Some people believe quality is tied to cost, and that a cheaper drug has a lower quality. The Food and Drug Administration (FDA) approves both brand-name drugs and approves generic drugs.

Contact your insurance provider to specific cost information.



Some name brand drugs scheduled to have generic equivalents launched in 2012 are: Singulair, Plavix Actos and Lexapro.

EXAMPLES OF GENERIC COST SAVINGS

DRUG	BRAND/GENERIC	AVERAGE CO-PAY
AMBIEN CR	BRAND	\$20.00
ZOLPIDEM TAR	GENERIC	\$10.00
ARICEPT	BRAND	\$111.20
DONEPEZIL	GENERIC	\$10.00
VALTREX	BRAND	\$88.27
VALACYCLOVIR	GENERIC	\$10.04

Contact your health care provider before making any changes to your medications.

Aetna Save A Co-pay® Program

Members who currently take one of the brand-name drugs included in the Save a Co-pay Program will not be responsible for any co-payments for six months if they elect to switch for certain generic alternatives. The program begins with the members first generic pill and ends six months later. At the end of the initial six-month period or six refills, members will be responsible for paying the lowest applicable co-pay outlined in their pharmacy benefits plan. This program is available on prescriptions filled at

participating retail and mail-order pharmacies.

Members taking medication included in the save a co-pay program will receive up to three letters within a rolling calendar year, an introductory letter and two follow-up letters, inviting them to participate.

The co-pay incentive program helps to reduce costs and pass savings to members while providing access to clinically proven, cost-effective generic therapeutic equivalent drugs.

IMPORTANT CONTACT INFORMATION:

Morale, Welfare, Recreation and Business
Operations Division (MRG)
Headquarters, U.S. Marine Corps
3044 Catlin Avenue
Quantico, VA 22134-5099

Annuities - Phone: 703-432-0425
E-mail: gabriele.neuner@usmc-mccs.org

401(k) - Phone 703-432-0420
E-mail: zidekc@usmc-mccs.org

Insurance - Phone: 703-432-0421
E-mail: edentonlr@usmc-mccs.org
Fax: 703-432-0436



Visit us on the Web at:

[www.usmc-mccs.org/
benefits](http://www.usmc-mccs.org/benefits)

Dependent Eligibility Changes

- Eligible adult children under age 26 may be added to medical/dental coverage without the restriction of eligibility for coverage at another employer, effective 1 January 2012.
- The definition of eligible family members will be extended to include Same Sex Domestic Partners (SSDP), effective 1 January 2012. Completion of an approved affidavit formally acknowledging the relationship will be required for enrollments as well as terminations of SSDP coverage. Additional documentation (i.e. IRS 1040 for both partners and/or utility bills etc.) will be required to validate shared residence. Due to IRS requirements, the portion of premiums attributed to a SSDP may have tax implications and required imputed income.

Wellness/Preventive Care Benefits

Medical prevention, regular checkups, and prompt treatment play a key role in your quality of life as you age.

To maximize your life expectancy, higher-quality life, make sure you get all screenings and immunizations that are recommended for all people over age 50.

Preventive health screenings for both men and women include blood pressure checks, cholesterol screening, colorectal cancer screening, hearing and vision tests, and dental exams. Men are also advised to discuss prostate cancer screening with their doctors. Women may be advised to also have a regular breast exam and mammogram as well as a pelvic exam and Pap test to screen for breast cancer and cervical cancer.

The Patient Protection Act requires insurance plans to cover eligible preventive care at 100%. Refer to your benefits schedule for coverage information.

Managing Your Health Care

Be an informed health care consumer. When concerned about a medical condition, read as much as you can about it and its possible treatments. Make a list of unanswered questions and talk to your doctor about them. Explore all treatment options before deciding how to treat a problem, and get at least on second opinion if you're considering a surgery, medicine with dangerous side effects, or experimental treatment.

Be your own best health advocate. Make it your goal to work in partnership with your health professionals. In general, people who make health decisions with their health professionals are happier with the care they receive and the results they achieve. It's important to share in every decision about your health. The decision you make influence your overall well-being as well as the quality and cost of your care. When ever you have a medical appointment:

- Bring your health and medicine history with you, as well as a list of questions your want answered during your appointment.
- Make sure you understand your doctor's key points about your health and any possible test and treatments.
- You can bring along a friend or family member to support you and help you remember key information for later on. This can be especially useful when you're under a lot of physical or emotional stress.

MR JOE RETIREE
1234 RETIREE LANE
RETIREE NEWSLETTER, VA 12345

HQ UNITED STATES MARINE CORPS
SEMPER FIT AND EXCHANGE SERVICES DIVISION (MRG)
3044 CATLIN AVENUE
QUANTICO VA 22134 5099

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