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Wellness

Quality Work & Quality Living

Take advantage of wellness activities to build healthy lifestyle habits.

OPTIMAL LIVING

Program Provides Motivation and Path to Wellness

Would you want to live to be 100? According to U.S. Census Bureau projections, by 2050 one-in-five Americans will be 65 or older and at least 400,000 will be 100 or older. While many of us don't imagine we'll live to be 100-years-old, we do hope to enjoy our golden years engaged in life and healthy enough to enjoy our retirement.

One program aims to give both active employees and retirees the tools they need to find the path to healthy living – now and in the future. The Vermont Education Health Initiative PATH Wellness Program offers annual wellness challenge adventures, a healthy life survey, school events and individual coaching. PATH stands for Planned Action Toward Health.

"We pursue a public health emphasis in our program to reach the greatest number of people. Our program promotes self-care and connecting with your primary care provider," said Gillian Pieper, VEHI health promotions specialist. "At the school level there is a designated wellness leader who is the go-to person for promoting a culture of health and safety."

Wellness involves caring for the "whole" person—physically, mentally, socially and emotionally.

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More than 30,000 active employees and retirees are eligible to participate in VEHI wellness programs. To access many of these offerings, people are asked to create a VEHI PATH account by going to www.tomypath.com/vehi. Active employees can quickly connect with wellness programs through their individual workplace. Pieper describes the school wellness leaders as "the heart and soul of the program." Leaders creatively develop programs at individual schools to address specific wellness concerns.

The most popular wellness program is the adventure challenge. During the annual

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Applying the . . .

Six Dimensions of Wellness Model

The National Wellness Institute defines wellness as an active process through which people become aware of, and make choices toward, a more successful existence. Today, wellness involves more than just physical well-being. This model illustrates a personal holistic approach to wellness.

- **Occupational:** Achieving personal satisfaction and enrichment in your life through work.
- **Physical:** Recognizes the need for regular physical activity.
- **Social:** Encourages contributing to your environment and community.
- **Intellectual:** Recognizes the need for creative and stimulating mental activities.
- **Spiritual:** Recognizes our search for meaning and purpose in human existence.
- **Emotional:** Encourages awareness and acceptance of your feelings.



Image courtesy of National Wellness Institute, Inc.

Director's Corner

by Laurie Lanphear, Director of Retirement Operations

The retirement office has received numerous calls from retirees since the announcement that there would be no cost-of-living increase for retired members in January of 2016.

This is not surprising since cost-of-living adjustments (COLAs) have resulted in an increase in pension payments in all but one of the 40+ years since the COLA legislation was enacted on July 1, 1972. The one exception occurred in January of 2010 when, based on a negative CPI as of the previous June 30, the COLA actually decreased pension payments for the majority of retired members.



In order to understand this unusual circumstance, it is important to recall what the COLA is intended to do. There is statutory language in all three Vermont public defined benefit retirement systems that specify how adjustments shall be made to retired members' pension payments in January, based on the Consumer Price Index as of the previous June 30. These same statutes define the Consumer Price Index as the Northeast Region Consumer Price Index for all urban consumers, designated as CPI-U. The CPI-U is designed to reflect the inflation rate on June 30 each year, as compared to the previous June 30. This comparison can be loosely described as "the buying power" of the dollar. According to the Northeast Region CPI-U, the inflation rate on June 30, 2015 was zero, meaning there was no change in the value of the dollar from the same time last year. Therefore, under existing law, there can be no COLA in 2016.

For more information about what is contained in the Northeast Region CPI-U, go to:

www.bls.gov/regions/mid-atlantic/news-release/consumerpriceindex_northeast.htm

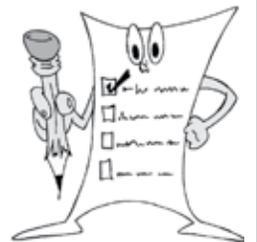
FEES FOR 457(b) PLAN LOWERED

The per participant fee for the State of Vermont 457 Deferred Compensation Plan has been reduced by 30 percent. The deferred compensation program has been available since 1979 as a savings option for State employees, municipal employees and employees of participating school supervisory unions. The change is effective starting in the first quarter of 2016. The per participant fee will be lowered to 7 basis points, down from 10 basis points. The program is administered by EMPOWER Retirement. The Treasurer's office collects 12b-1 fees from EMPOWER, as well as a per participant fee that is a percentage of assets invested in the plan. These amounts are then used to pay administrative fees to EMPOWER. For example, with 7 basis points, participants would pay \$7 in fees for every \$10,000 invested. The reduction is a part of the Treasurer's office ongoing work to implement cost saving measures wherever available. It was determined that fees could be reduced based upon future projections of fee collections and expenses. This is the third reduction in participant fees made since 2011. As of June 30, 2015, there were 6,908 participants in the savings program. Total assets in the plan were valued at \$401.73 million.



UNDERSTANDING THE 1099-R

The tax statement for retirees that is generated and distributed in January is called a 1099-R. If you receive a pension from the Vermont State Retirement System, you should receive a 1099-R form in the mail no later than January 31, 2016. If you have not received your form by this date, please contact us by calling (802) 828-2305 or toll free in Vermont only at 1-800-642-3191. We have posted an article on our retirement web page that explains what each box on the form represents. Go to: www.VermontTreasurer.gov and click on the "Retirement" heading on the left side of the page. Once on the retirement page, look for "Make Sense of Your 1099-R Form."



SOCIAL SECURITY ESTIMATOR

A new Social Security retirement estimator is now available online. The tool is designed to help consumers decide when to claim their SSA benefits. Go to:

www.consumerfinance.gov/retirement

Retiree Update

JAN FEB MAR APRIL MAY JUNE JULY AUG SEPT OCT NOV DEC

2015	13	12	4	13	7	7	422	9	29	5	5	2
2014	14	8	9	8	9	9	346	22	20	5	11	4
2013	12	16	6	8	10	10	361	34	13	11	6	11
2012	13	12	6	9	2	4	405	28	12	13	13	14

AFFORDABLE CARE ACT: Information on Your 1095 Tax Form

The Affordable Care Act requires Americans to maintain qualified health plan (QHP) coverage or pay tax penalties. In 2016, for the 2015 tax year, the IRS requires health care coverage tax reporting—the IRS waived this reporting requirement last year.

What You Need to Know

Active Employees:

Employees who are offered coverage by a school with at least 50 or more full-time employees and equivalents will receive a Form 1095-C from their employer. If the employee was enrolled for coverage for at least one day in 2015, the employee will also receive a Form 1095-B from Blue Cross Blue Shield of Vermont (BCBSVT). Employees who are offered coverage by a school with less than 50 full-time employees and equivalents will only receive Form 1095-B from BCBSVT.

Retirees:

Blue Cross and Blue Shield of Vermont (BCBSVT) will provide a Form 1095-B to all retirees for the coverage period that you were enrolled in healthcare coverage and were not enrolled in Medicare.

Q&A for Retirees

What is Form 1095-B and who will receive one?

Form 1095-B is a tax form that shows that you and your tax dependents have medical coverage. Every retiree who had medical coverage through the health plan will receive a Form 1095-B. Receiving Form 1095-B does not mean that you owe income taxes on the value of the health care benefits that you receive. Please contact a tax professional if you are unsure of your potential tax liability.

Who will send my Form 1095-B?

Every retiree who had medical coverage through Blue Cross and Blue Shield of Vermont in 2015 will receive Form 1095-B from BCBS of Vermont. The Center for Medicare & Medicaid Services (CMS) will mail Form 1095-B to every participant enrolled in Medicare.

When will I receive my Form 1095-B?

The deadline for medical coverage providers to mail Form 1095-B to members has recently been extended from January 31, 2016 to March 31, 2016. Although the deadline has been extended, all efforts are being made by BCBSVT to mail forms out by February 1. If you expect to receive a Form 1095-B from BCBSVT and do not receive one by February 15, please contact BCBSVT customer service at (800) 247-2583. Enrollees of Medicare and Medicaid will receive a Form 1095-B from CMS, as mentioned above. These forms may be mailed at a later date. If you expect to receive a form from CMS and do not receive one by March 31, 2016, please contact them at 1-800-MEDICARE (1-800-633-4227).

What do I do with my Form 1095-B?

You will use the Form 1095-B to verify medical coverage for yourself and your covered dependents for your federal income tax filing. It is important that this information is accurate or the IRS may assess the Individual Mandate Penalty.

What if I had medical coverage through Blue Cross and Blue Shield for part of the year and through another employer, carrier or Medicare for the rest of the year?

Every medical coverage provider, including Medicare, that covered you and your dependents for any part of 2015 is required to send you a Form 1095-B. Each Form 1095-B will show the months that you were covered under that plan. Additional benefits such as dental insurance, life insurance, or short-term and long-term disability do not need to be reported and will not be included on Form 1095-B.

What if I cover an eligible dependent for medical insurance, but do not claim them on my taxes?

The Form 1095-B will be sent to the person who has medical coverage for the dependent, even if that person does not claim the dependent on his or her taxes. The person who receives the 1095-B is responsible for providing copies of the form to the person who is filing the tax return for the dependent.

What if I still have questions?

If you are a retiree and were covered by a medical plan through VSTRS and have additional questions, contact customer service at Blue Cross and Blue Shield of Vermont at (800) 247-2583.

Volume 15, Issue 2

Winter 2016

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or (800) 642-3191 (in-state) *Retiring Times* is published twice yearly by the Vermont State Teachers' Retirement System.

(Wellness Continued pg. 1)

10-week program, participants are challenged to improve their fitness, nutritional practices and general well-being. Participants earn points by completing different challenges. A challenge may include filling out a healthy life survey or completing an exercise task. Participants register for the adventure through their online VEHI PATH account where they can record their progress and earn prizes. In 2015, approximately 8,000 people participated in the adventure program.

"We have been able to track adventure outcomes for participants since 2009. We have consistently observed that the program motivates people to exercise daily and report that they feel healthier. Our hope is that this experience will motivate them to continue behaviors that will lead to greater personal wellness," said Pieper.

The wellness program is also helping more than just individual employees and retirees. Program outcomes indicate that wellness is good for VEHI's fiscal bottom-line. VEHI is a fully funded, self-insured, health benefit provider serving school employees and retirees for more than 20 years. Containing health care costs benefits everyone. In 2006, VEHI introduced a more robust wellness program that included the web-based adventure challenges, coaching, employee assistance program, peer coaching and health assessments.

"Prior to 2007, we were averaging annual cost increases of 14 percent. Since 2007, we've been averaging annual cost increases of 5 percent. By correlating wellness participation with costs, we project an average annual savings resulting from the wellness program of \$11.9 million," explained Pieper. "As health care costs continue to rise, wellness is bending the cost curve."

As an example of cost savings, a VEHI PATH report cites health industry data which indicates that a person who exercises daily incurs \$781 less in medical and pharmacy costs than those who say they do not exercise daily. In 2015, 5,975

adventure participants reported that they exercised daily. By multiplying \$781 per 5,975, there is a resulting projected savings in health care costs of more than \$4 million.



Winton Goodrich, superintendent of the Franklin Northwest Supervisory Union, has been a life-long biker. Wellness is an important part of his life. Goodrich explains, "As a former health and physical education teacher, I've seen how taking care of yourself really matters."
(Photo courtesy of VEHI, Gillian Pieper)

The 2016 adventure challenge got underway in January. The emphasis is on increasing physical activity and working toward a weekly health goal. While registration is now closed for this challenge, more wellness events are planned for the year. For more information, go to the VEHI PATH web site or talk to your building wellness leader. Retirees with questions may call (802) 223-5040, extension 214.

A Picture of Pensions!



"I can pay my bills - barely."
- Maida Townsend

"My pension affords me the opportunity to live without worrying. I am thankful for my pension every day." - Karen Pearo

"My pension is well earned security." - Sue Clark

"My pension is MY retirement! It is much needed. Social Security doesn't do it." - Mary Ann Tabor

"As a single person it is essential to my independence and health."
- Lois D'Arcangelo

Last fiscal year, more than 8,000 retired teachers and their beneficiaries received approximately \$148 million dollars in pensions. At a December meeting of the Chittenden County Retired Teachers Association, we asked some former teachers, "What does your pension mean to you?" Our thanks to Linda Deliduka, who put on her reporter's hat to get us these responses. She is a retired teacher and an alternate member of the VSTRS Board of Trustees, representing the Vermont Retired Teachers Association.

Understanding Your Retirement Statement

Each year, actively employed members of the Vermont State Teachers' Retirement System are mailed a computer printed statement that estimates the actual benefits an individual would receive through VSTRS in the event of death, disability or retirement. New VSTRS members receive their first statement, as part of the annual mailing, after they have worked one complete fiscal year. Members who have earned retirement benefits from VSTRS and one or both of the retirement systems for State and municipal employees are "mixed members." To receive a statement, those members must contact the retirement office directly and request a statement be prepared and sent to them. To contact the retirement office, call (802) 828-2305 or toll free in-state only at (800) 642-3191. Below is an example of the statement section mailed to members that details an individual's retirement benefits. Be sure to carefully check your *entire* 2015 State Retirement Statement to verify that the retirement office has accurate information on your account, such as date of membership, beneficiary and address.

The example below is for Group C members of VSTRS. If you are a member of Group A, please consult our web site to better understand your retirement statement. Go to VermontTreasurer.gov/retirement.

Normal Retirement Date & Normal Clause

Your normal retirement date is the date under the retirement plan in which there is no reduction in your pension benefit based on your age or service credit. For Group C members, changes made through Act 74, and effective as of July 1, 2010, created two normal retirement dates for members depending on a person's age and years of service. If on June 30, 2010 you were age 57 or had at least 25 years of service credit, your normal retirement date is age 62 or 30 years of service. If on June 30, 2010 you were younger than age 57 or had less than 25 years of service credit, your normal retirement date is age 65 or when the sum of your age and service credit equal 90.

Normal Benefit

It is the benefit under the plan that you are projected to have earned upon reaching your normal retirement date.

Accrued Percentage & Effective Date

You earn retirement service credit for the time that you are employed and are enrolled as an active member in the system. This credit is represented in your pension benefit calculation as a percentage. When calculating your retirement benefit, we determine your Average Final Compensation (AFC) based on your highest three consecutive fiscal year earnings or the average of the last three years you've worked, whichever is higher. By law, the maximum pension benefit cannot exceed specific percentages, depending on the plan. Group C is divided by the changes made through Act 74. If you are part of the group that was age 57 or older on June 30, 2010 or had 25 years of credit, your benefit cannot exceed 53.34 percent of AFC. If you were younger than age 57 as of June 30, 2010 or had less than 25 years of credit, your benefit cannot exceed 60 percent of your AFC. The accrued percentage in your annual retirement statement lets you know where you stand in relation to reaching these percentage thresholds.

Early Retirement Date & Early Benefit

Your current annual retirement statement is based on the data we have as of June 30, 2015. Under the plan are provisions that allow members to retire before their normal retirement date, but at a reduced monthly benefit. Under Act 74 if you are in the group that was age 57 or older on June 30, 2010, you may take early retirement provided you have at least five years of service credit. A 6 percent reduction per year will be imposed for each year under the age of 62. If you are in the group that was younger than age 57 on June 30, 2010, you may qualify for early retirement provided you are at least age 55 and you have at least five years of service credit. However, a reduction in your benefit will be imposed for each year you are under age 65. Prior to retiring early, members are encouraged to get an up-to-date estimate to learn the actual financial impact on their monthly benefit.

RETIREMENT

NORMAL RETIREMENT FROM THE SYSTEM:
Your estimated pension starting on **Normal Retirement Date** and payable for life is **Normal Benefit** a month. Normal retirement is **Normal Clause**. Your actual pension will depend on when you choose to retire.

You have accrued **Accrued Percentage** % of average final compensation at retirement effective **Effective Date**.

EARLIER RETIREMENT:
The earliest date you could retire from the System is **Early Retirement Date**. Your estimated pension from the System would be **Early Benefit** a month for life starting on **Early Retirement Date**.

All the estimates above assume you continue employment as a teacher Vermont at your current level of earnings until you retire.

IF YOU TERMINATED EMPLOYMENT as a Vermont teacher on **Effective Date**, you would be entitled to your choice of (1) a return of your accumulated contributions of **Total Balance** or (2) an estimated pension of **Accrued Benefit** a month for life starting the first of the month following normal retirement age for your group.

Vesting Clause

FROM SOCIAL SECURITY:
You can obtain a free comprehensive Statement of Benefits which will include your estimated benefits under early and normal retirement by calling the Social Security Administration at 1-800-772-1213.

Terminated Employment Options

A member is considered vested in the system after earning five consecutive years of creditable service. Vesting gives a member the right to keep all of their service credits and qualify for a monthly benefit upon reaching normal retirement age for their group. Vested members also may withdraw their contribution balance and interest instead of receiving a pension. This section of your annual statement tells you what your contribution balance is and what your pension benefit would be if you leave your contributions in the system. The vesting clause tells you whether or not you are currently vested in the system.

Vermont State Teachers' Retirement System

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Wellness in Winter! Stay Healthy this Season

Want to stay healthy this winter? The Vermont Department of Health offers these recommendations to stay well in winter.

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- Get vaccinated against the flu.
 - Install a carbon monoxide detector in all sleeping areas.
 - Make non-alcoholic beverages available at parties.
 - Move more.
 - Turn off the TV.
 - Skip the buffets.
 - Get your home tested for radon gas.
 - Use an EPA-certified woodstove.
 - Make sure wood is dry and seasoned.
 - Wash your hands often.
 - Stay home if you are sick!

“Staying healthy and keeping everyone around you healthy requires preparation, but the payoff is you can enjoy everything Vermont has to offer during the winter months,” said Dr. Harry Chen, Commissioner of the Vermont Department of Health. “A cup of tea in front of the fireplace after a long cross country ski — it doesn’t get any better than that.”

Actions that everyone can take to stay healthy and keep illness from spreading include covering your mouth and nose with a tissue or your sleeve every time you sneeze or cough, using a hand sanitizer if soap and water are not available, and keeping your hands away from your eyes, nose and mouth.

For more tips on how to stay prepared, safe and healthy this winter, visit: www.CDC.gov/features/winterweather.