



Welcome to the first quarter 2010 edition of *Benefit News*, brought to you by the DAS Benefits Team, providing you with the most up-to-date information about the State of Iowa’s employee benefits.

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STATE EMPLOYEE RETIREMENT INCENTIVE PROGRAM (SERIP)

If you are eligible to retire, consider the State Employee Retirement Incentive Program (SERIP), which offers you financial incentives and contributions to your state-sponsored health insurance plan to retire.

You must apply for SERIP before **April 15, 2010**. The Department of Administrative Services will review your eligibility for the program and notify you that your application is in order. Once your application has been reviewed, you may leave state employment any time after providing the appropriate notice to your department, but you must separate from state employment no later than **June 24, 2010**.

If you're interested in applying for SERIP, your first step is to contact IPERS at 515-281-0020 or 1-800-622-3849 to obtain an estimate of your monthly retirement benefit. To be eligible for SERIP, you must submit an application for IPERS monthly benefits no later than the date you separate employment with the State.

BENEFIT ELIGIBILITY

You're eligible for SERIP if you are a permanent full-time or part-time benefit-eligible employee of the Executive or Legislative Branches, community-based corrections or employed in the office of a statewide elected official. Also, you must be fifty-five years of age as of July 31, 2010.

BENEFIT OVERVIEW

SERIP is a two-part program.

- A financial incentive based on full years of IPERS-covered service with the State of Iowa. The incentive plus your unused vacation balance at retirement is paid out over five years.
- Contributions toward the premiums of a state-sponsored health insurance plan up to five years.

You don't need to have ten years of IPERS-covered service with the State to be eligible for SERIP. If you meet all the eligibility requirements but have less than ten years of IPERS-covered service with State, you are not eligible for the financial incentive but you are eligible for the contributions to your state-sponsored health insurance.

FINANCIAL INCENTIVE

You will receive a payout of up to \$2,000 from your unused sick leave balance at retirement.



In addition, you will be paid your unused vacation balance at retirement **plus** a financial incentive of \$1,000 for every full year of IPERS-covered state service that you completed as of your separation of employment from the State. The minimum incentive is \$10,000 for ten full years of IPERS-covered state service and the maximum is \$25,000 for twenty-five full years of IPERS-covered state service. You can have more than twenty-five years of state service, but you will only be paid for up to twenty-five years.

This incentive will be paid in equal payments of 20 percent for a total of five years (2010 – 2014). The first payment will be mailed to your home on or around September 24, 2010. The remaining payments will be paid annually in September of 2011, 2012, 2013 and 2014. See the "Tax Deferral For SERIP Participants" article in this newsletter about electing to your deferred compensation account, the payment of up to \$2,000 from your unused sick leave hours and the 2010 financial incentive.

In the event of your death before the five payouts are made, the remaining payment(s) will be made to your beneficiary.

STATE CONTRIBUTIONS TO HEALTH INSURANCE

An additional component of SERIP is that the State will make contributions towards the premiums of your state-sponsored health insurance plan for up to five years either through the Sick Leave Insurance Program (SLIP), SERIP or a combination of both programs.

SLIP takes your unused sick leave balance (minus the \$2,000 payment) to pay the state share of the health insurance you select and you pay the active employee premium. SLIP continues to pay the state share of the health insurance premium until the account is exhausted or you become eligible for Medicare (in most cases, age 65).



More information on SLIP is available at the DAS Benefits website - http://benefits.iowa.gov/retirees_slip.html.

Once you have exhausted your SLIP account or you become Medicare-eligible within 5 years of retirement, you will receive SERIP contributions for the remainder of 5 years (including the time that SLIP was used).

Under SERIP, the State will contribute the total premium of Blue Access (single or family coverage) toward a state-sponsored health plan that you elected. If you or someone covered under your plan is Medicare-eligible, the state contribution will be the total premium for Blue Access enrolled in SilverScript (a Medicare Part D plan) premium. You can select any state-sponsored health insurance plan and coverage level, but the state contribution is the total premium of either the Blue Access single or family premium and you will pay the difference.

You can continue to participate in SERIP even when you become Medicare-eligible (in most cases, age 65) as long as you have not received a total of five years of state contributions toward health insurance. If you or someone is Medicare-eligible, you will be responsible for the Medicare Part B and the SilverScript premiums.

If your spouse is covered under your state health insurance plan at the time of your death, he or she can continue health coverage for his or her lifetime. In the event of your death within five years of your retirement, your spouse will receive the **remaining** years of your SERIP health insurance contributions.

Finally, after the state contributions ends (SLIP or SERIP), you are eligible to continue health insurance coverage in the state's retiree health insurance group with no additional contribution from the State.

If you have questions about SERIP, contact Rachel Orris (rachel.orris@iowa.gov) at 515-281-6124 or visit the DASSERIP website <http://benefits.iowa.gov/serip.html>

GROUP INSURANCE

GOLD PREFERRED

Effective April 1, 2010, SERIP retirees can select a new health insurance plan – Gold Preferred, a preferred provider (PPO) plan from Wellmark. Gold Preferred provides retirees the freedom to receive health care services with any provider across the country, but they will pay lower coinsurance if they receive services from a Wellmark's Alliance Select provider. Gold Preferred has higher deductibles, coinsurance, copays and an out-of-pocket maximum but has significantly lower premiums than Iowa Select the other state-sponsored PPO plan available to retirees.



A detailed side-by-side comparison of all the health plans available to retirees including Gold Preferred is located at the DAS SERIP website <http://benefits.iowa.gov/serip.html>.

At the time of retirement, you may elect to enroll in Gold Preferred regardless of the health insurance plan you are currently enrolled in.

For additional information about the Gold Preferred plan provisions, contact Wellmark Customer Service at 1-800-622-0043.

2010: YOUR BENEFITS ... AT A GLANCE

The 2010 edition of "Your Benefits ... At A Glance" is now available at the DAS Benefits website <http://benefits.iowa.gov>. The document is an overview of the benefits available to AFSCME-covered, UE/IUP-covered and non-contract employees. Whether you are a new employee or a long-term veteran, after reviewing "Your Benefits ... At A Glance," you will learn something new about your benefits and have a greater appreciation of your benefits as a State of Iowa employee.

RETIREMENT INVESTORS' CLUB

The Retirement Investors' Club (RIC) is a supplemental retirement savings program offered by the State of Iowa to help you save for your retirement. As a participant, you contribute through payroll deduction to your 457 account. You are fully vested from day one.

TAX DEFERRAL FOR SERIP PARTICIPANTS

Participants of the SERIP may choose to defer state and federal taxes on qualified amounts of their final pay as well as their 2010 SERIP payment. SERIP participants have the option to defer their last wages and up to \$2,000 in unused sick pay from their final paycheck to RIC. SERIP participants also have the option to defer their 2010 SERIP payment which includes 1/5th of their unused vacation pay. IRS annual 2010 contribution limits apply. The SERIP payments for years 2011-2014 may not be deferred. Deferred assets are not taxed until withdrawn from the plan.

SPOTLIGHT ON RETIREES

Did you know that your RIC accounts have a variety of funds available to help you generate income when you need it? A competitive income portfolio can be built inside your RIC plan with an appropriate mix of funds in categories such as:

- Fixed Rate accounts
- Money Market funds
- Intermediate-term, High Quality Core Bond funds
- High-yield Bond funds
- TIPS funds (treasury inflation-protected securities)
- Global Bond funds
- Government Bond funds
- Balanced funds and more



If you will need income in the near future, call your provider today and discuss what income investments are available in your RIC accounts. Before you decide to take retirement income out of your RIC plan, explore the wealth of investment options many RIC investors already enjoy.

PRESCRIPTION DRUGS

CLOSE THE DOOR TO THE SAMPLE CLOSET

Wellmark reminds us that more and more doctors are closing the door to the drug sample closet – and it's all meant to help save you money and keep you safe.



The “free” drug samples in your doctor’s drug sample closet are typically the newest and most expensive medications on the market, and are often prescribed for chronic conditions requiring ongoing therapy. Once the samples are gone and you fill your prescription at the pharmacy, you pay significantly more out of pocket than you would for an equally effective generic equivalent or alternative.

Remember to always ask for a generic alternative or equivalent to help you save money and help control rising health care costs.

WELLNESS

WEB UPDATE

The Wellness website has a new and simpler web address. The new address is <http://employeewellness.iowa.gov>. If you have pages of the Wellness website saved as favorites, please resave them with the new addresses. While the address changed, the Wellness website still has information that you and your family can use to improve your health. If you haven’t looked at the Wellness website lately, take a look!

FLEXIBLE SPENDING ACCOUNTS (FSA)

Remember, you have until **April 15, 2010**, to file claims for reimbursement of eligible expenses from your 2009 FSA. After April 15, your FSA will be closed and any balance remaining will be forfeited by you in accordance with federal regulations. You can download an FSA claim form at the DAS Flexible Spending Accounts website <http://das.hre.iowa.gov/fsa/home.html>.

There are four ways to submit FSA claim requests and supporting documentation to ASI, the administrator of the FSA plan:

1. By mail to the following address

ASI
P.O. Box 6044
Columbia, MO 65205-6044

2. By fax to 1-877-879-9038
3. By e-mail to claims@asiflex.com
4. **NEW!** A new method to submit claims is electronically. Log onto your ASI account at <http://asiflex.com> and attach a pdf version of your supporting documentation to your claim request.



DAS-SPONSORED BENEFIT EDUCATION

Benefit knowledge is power!

Employee benefits can be confusing. Benefit education is a service provided by DAS benefit staff. Learn to make the best use of your benefits by taking advantage of benefit education opportunities.



State Employee Retirement Incentive Program (SERIP)

*April 1 at 1:00 p.m.
April 7 at 9:00 a.m.*

*April 8 at 11:00 a.m.
April 13 at 12:00 p.m.*

Map Out Your Retirement

*April 1 at 1:30 p.m.
April 6 at 1:30 p.m.
April 8 at 10:00 a.m.*

Continuing Benefits at Retirement

*April 7 at 1:00 p.m.
April 21 at 9:00 a.m.
May 5 at 9:00 a.m.
May 26 at 9:00 a.m.
June 9 at 1:00 p.m.
June 23 at 9:00 a.m.*

Deferred Compensation Basics

*April 27 at 1:00 p.m.
May 25 at 1:00 p.m.
June 8 at 9:00 a.m.*

Deferred Compensation Distributions

*April 13 at 9:00 a.m.
May 11 at 1:00 p.m.
June 15 at 9:00 a.m.*

To find out more about benefit education, check out the DAS Benefit Education website http://benefits.iowa.gov/benefit_education.
