



For Your Benefit

■ Montgomery County Public Schools ■ Rockville, Maryland ■

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COUNTDOWN TO RETIREMENT 3...2...1...Retire!

Are you thinking of retiring this July 1? The Employee and Retiree Service Center (ERSC) is here to assist you in planning your retirement and ensuring that your transition from employee to retiree is a smooth one. This issue of *For Your Benefit* offers retirement planning resources throughout. In addition, here is a countdown of the top three actions to take to prepare for your retirement.

3. Ask the Experts at a **RETIREMENT INFORMATIONAL SESSION**

ERSC retirement experts present essential information and are available to answer questions during Retirement Informational Sessions. Designed for employees who are considering retiring within the next two years, ERSC staff discusses

a retirement timeline, eligibility, benefit formulas, leave payoff, and more. Many people find that bringing a spouse or attending more than once is helpful. Once you have attended an Informational Session, you will have the tools you need to make a successful transition to retirement.

After you have made the decision to retire, you also may want to attend a Forms Workshop, where ERSC staff offers a review of the necessary retirement forms, provides tips to help you complete them, and answers questions.

In addition to the regular Informational Sessions and Forms Workshops, ERSC holds sessions specifically intended for members of the Montgomery County Public Schools (MCPS) core and supplemental retirement plans.

To register for an Informational Session or Forms Workshop, log in to Professional Development Online (PDO) and search

for "Retirement." See above for dates and times of upcoming events. Be sure to check the [ERSC website](#) prior to attending an event, as dates and times are subject to change.

Regular Informational Sessions and Forms Workshops are held in the Carver Educational Services Center (CESC) auditorium, located at 850 Hungerford Drive, Rockville, Maryland 20850. Sessions and workshops for MCPS core and supplemental plan members are held in the Maple Room at 45 West Gude Drive, Rockville, Maryland 20850.

Members of the state core pension plan also should attend a Maryland State Retirement Agency (MSRA) Pre-Retirement Planning Seminar. State seminars are day-long events and cover topics such as Social Security, legal considerations, and financial planning. You must register to attend an MSRA seminar. For more information, please visit the [ERSC website](#). These sessions fill quickly, so register early.

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Visit these retirement resources to learn more:

- **Understanding Your Retirement** walks you through the retirement process, timeline, and pension calculation formulas.
- **Retiree Benefit Summary** informs you of benefits options for retirees, including costs and enrollment process.
- **Retirement Planning web page** offers links to these and other essential resources. ■

Retire!

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In addition, state representatives offer personal counseling sessions for members of the state core plan who are planning an imminent retirement. Counseling sessions must be scheduled online in advance by visiting the [MSRA Online Appointment Scheduler](#). For more details and to see upcoming counseling session dates, please visit the [ERSC website](#). These also are very popular, so register early.

2. Obtain a RETIREMENT BENEFIT ESTIMATE

A retirement benefit estimate is a must-have tool in preparing for your retirement, as it provides more personalized, detailed information than your yearly retirement benefit statement. How you obtain a retirement benefit estimate depends on your core membership.

If you are an MCPS county core and/or supplemental plan member, predetermined benefit estimates based on your early or normal retirement date are available via PenPoint. In addition, if you choose to estimate your retirement benefit based on any other date, you can run a personalized estimate on PenPoint.

If you are a state core plan member, you should request a retirement benefit estimate from MSRA 9 to 12 months before your planned retirement date. Allow enough time to receive your estimate—current response rates are 12 weeks. During the spring and early summer—retirement season—the

response time is as much as 16 weeks. See [current wait times](#) for receiving your [MSRA estimate](#).

Keep in mind that any unused, earned sick leave you may have at retirement will not be included in your retirement estimate. For that reason, your final benefit may be higher than indicated on your estimate. For more information about the value of sick leave, you may review “Your Sick Leave’s True Value: More Than Pocket Change,” in the [Winter 2014 issue](#) of *For Your Benefit*. After your retirement date, your final unused, earned sick leave balance is recertified and reported to MSRA. If you use sick leave in the period between submitting your retirement forms and your retirement date, the final unused, earned sick leave balance may result in a recalculation of your retirement benefit.

When you retire, you will be able to choose one of several different payment

options that affect both how much you will receive for your lifetime and, if you choose, how much your beneficiary will receive in the event of your death. A retirement benefit estimate can help you determine which payment option to choose by providing personalized figures based on your age and your beneficiary’s age for each option, something your annual retirement benefit statement does not provide.

Knowing this information may help you make—or confirm—some of your major retirement decisions. For example, you may be planning to choose a payment option that allows you to leave a portion of your pension benefit to a beneficiary, such as your spouse, after your death. However, you may not realize how much this option will change your monthly retirement benefit. Your retirement benefit estimate will detail every option so you can be better prepared to make retirement decisions that are best for you and your family.

1. Meet Important DEADLINES

Once you have received answers to your retirement questions and determined your pension payment option, you will need to consider the following important retirement deadlines:

- **Three months prior to your retirement date:** Final deadline to apply for active duty military service

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NOT SURE ABOUT YOUR CORE PLAN MEMBERSHIP?

You are either a member of the Maryland State Teachers’ Pension System (state core pension plan) or the Montgomery County Public Schools (MCPS) Pension System (MCPS core pension plan).

Knowing how you receive your yearly statement will help you identify your core plan. If you are a member of the state core pension plan, MSRA sends you a yearly statement detailing your projected retirement benefit to your home address. If you are a member of the MCPS core pension plan, you access your yearly statement of retirement benefits online via PenPoint—the MCPS self-service retirement system.

In addition to a core plan membership, all permanent MCPS employees are members of the MCPS supplemental plan. Whether you are a state core plan member or an MCPS core plan member, you access your supplemental plan yearly statement via PenPoint. ■



ACCESS PENPOINT FROM THE RETIREMENT PLANNING WEB PAGE

To get there, search for “Retirement Planning” from any MCPS web page and select Retirement Planning from the recommended links on the next screen. Once there, click on

the log-in button under the PenPoint logo, and enter your MCPS username and password—the same username and password you use to log in to your MCPS Outlook e-mail.

Retire!

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credit or purchase of additional service to increase the amount of your retirement benefit and perhaps allow you to retire at an earlier date. For details about active duty military service credit, see page 5 of [Understanding Your Retirement](#). For more information about purchasing service, see page 6 of [Understanding Your Retirement](#), or “Did You Spend Time Working Outside MCPS,” in this issue of *For Your Benefit*.

- **April 1:** Deadline for Montgomery County Education Association (MCEA) unit members retiring July 1, 2015, to submit retirement forms to ERSC and be eligible for payment of 35 percent of unused, earned sick leave. Submitting your retirement forms after April 1 will result in sick leave payout at 20 percent. For complete details, please see our [MCEA sick leave payout flyer](#).
- **Three months prior to your retirement:** Deadline to begin the Medicare application process if

you or a covered dependent will be eligible for Medicare at the time of your retirement. Participants in MCPS retiree benefits are required to enroll in Medicare Parts A and B when first eligible to maintain MCPS medical and prescription benefits. In addition, you **MUST** send a copy of your Medicare card with Parts A and B to ERSC at least 60 days prior to the effective date of your Medicare coverage.

- **One month prior to your retirement date:** Final deadline for submitting all retirement forms to ERSC. For non-MCEA members who are planning to retire on July 1, all paperwork must be submitted to ERSC by May 30. Visit the [ERSC Forms web page](#) to find and download your retirement application forms or simply click on your core plan membership to access them:
 - [MCPS Core Pension Plan](#)
 - [State Core Pension Plan](#)

Final retirement forms received between June 1 and June 30, 2015, will delay the effective date of your retirement to August 1, 2015. Please

be advised: if you are a member of the state core pension plan and retire on August 1, 2015, you will not receive your first cost-of-living adjustment (COLA) to your state pension benefit until July 1, 2017. The state requires that you be retired for at least one year before you are eligible for a COLA on your state core pension benefit. The one-month delay in your retirement will delay your first cost-of-living adjustment by 11 months.

- **One month prior to your retirement date:** Deadline to complete and submit leave payout forms to ERSC, if you wish to make contributions to your 403(b) or 457(b) retirement savings plans from payments of accumulated unused, earned sick or annual leave. You will find the leave payout forms listed as “Additional Related Forms” at [MCPS Core Pension Plan](#) or [State Core Pension Plan](#).

An abbreviated retirement timeline is available in this issue of *For Your Benefit*. For a complete list of necessary actions, please visit the [ERSC website](#). ■

IRS ANNOUNCES New Limits for Defined Contribution Plans

The Internal Revenue Service (IRS) has increased the 2015 contribution limits for the 403(b) and 457(b) plans to \$18,000 for each plan, up from \$17,500 in 2014.

In addition, the IRS has increased the limits for the Age 50 Catch-up Provision. Under the provision, any participant who is 50 years of age or older at any point during the calendar year may contribute an additional \$6,000 to each plan. If you are an employee who will be at least 50 years of age in 2015, you may contribute a total of \$24,000 to each plan.

- Download the [403\(b\) Salary Reduction Agreement](#) to update your 403(b) plan contributions.
- Download the [457\(b\) Salary Deferral Agreement](#) to update your 457(b) plan contributions.

Not saving with a 403(b) or 457(b) plan yet?

Defined contribution plans allow you to save for retirement with pretax dollars, which reduces the taxes you pay on your current income. You do not pay taxes on that income or on your investment earnings until you withdraw the money. Once you choose how much to contribute, your contributions will be taken directly from your pay and deposited into your retirement savings plan account. You may start and/or stop contributions or change your contribution amounts throughout the year.

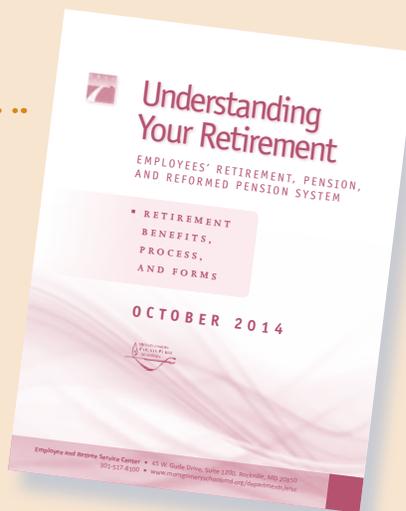
Learn more about 403(b) and 457(b) plans and how to start saving for retirement on our [web page](#). ■



Retirement **TIMELINE**

9 TO 12 MONTHS

- Review your annual retirement statement via [PenPoint](#) and/or from [MSRA](#), depending on your core plan membership.
- Read [Understanding Your Retirement](#).
- Attend an [Informational Session](#).
- Review or run an estimate of retirement benefits via PenPoint and, if applicable, request an estimate from the Maryland State Retirement Agency.
- Apply to purchase any eligible service and/or military service credit. (See “Did You Spend Time Working Outside MCPS?” on page 5 of this issue.)
- Prepare your retirement budget.



6 MONTHS

- Read the [Retiree Benefit Summary](#) for retiree benefit options.
- Discuss your benefit payment options with your family and/or financial advisor.

3 MONTHS

- Attend a [Forms Workshop](#).
- Download your retirement application forms.
 - [Members of the MCPS Core Pension Plan](#)
 - [Members of the State Core Pension Plan](#)
- Determine your federal and state withholding amount. Consult with your tax advisor for assistance.
- If eligible, [contact the Social Security Administration](#) to file for Social Security benefits and [enroll in Medicare Parts A and B](#) if you and/or your spouse are 65 or older. Be sure to send a copy of your Medicare card with Parts A and B to the Employee and Retiree Service Center (ERSC) at least 60 days prior to the effective date of your Medicare coverage.

1 TO 2 MONTHS

- Send in your retirement forms. ERSC must receive all forms (State core, MCPS core, and/or supplemental plan) at least 30 days prior to your retirement date. This includes forms to direct your final leave payment to your 403(b) and/or 457(b) accounts.

For a more detailed list of actions, visit the [ERSC Retirement Planning web page](#). ■

REMINDER

NEW YEAR, NEW INFORMATION?

Make Sure Everything Is Up to Date

Make sure your employee information is up to date so you can receive important notifications and the beneficiaries for your pension plan and other benefits are in line with your wishes.

Update Your Personal Information

- To update your address, phone number of record, or other personal information, please submit [MCPS Form 445-1: Change in Personal Information](#), to ERSC.

Update Your Banking Information

If you have changed bank accounts or wish to enroll in or change your summer pay savings with Educational Systems Federal Credit Union (FCU), you must make your change using direct deposit on Human Resources Online (HRO). When you use HRO to make your direct deposit change, you will receive e-mail confirmations that allow you to track the progress of your request.

- [Log in to HRO](#)

Update Your Beneficiaries

While ERSC is the first stop for much of your beneficiary paperwork, we are not able to report or confirm the beneficiaries on your existing plans. If you are unsure of your earlier decisions, submit a new beneficiary form to be certain that your beneficiary records are in line with your wishes.

To change your basic employee term life insurance beneficiaries:

- Submit [MCPS Form 455-20: Employee Benefit Plan Enrollment](#).

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DID YOU SPEND TIME WORKING OUTSIDE MCPS? You May Be Eligible for Retirement Credit

You may be eligible for service credit on your pension for time worked with other institutions. **Purchasing service** and submitting for credit for **military service** are two ways that you can earn service toward your retirement for time spent at other organizations.

Why Apply for Additional Service?

Applying for or purchasing additional service credit toward your retirement can help you achieve your retirement goals. Depending on your circumstances, additional service may increase your retirement benefit or even allow you to retire earlier than you had anticipated.

There are two ways to gain additional service credit.

1. Apply for military service credit for time spent on active duty in the United States military.

You can receive up to five years of service credit for active duty military service on your Montgomery County Public Schools (MCPS) county core and/or supplemental pension plan or state pension after accruing 10 years of creditable service with MCPS. There is no cost to you to obtain military service credit. However, you may not claim this service with any other retirement or pension system, including your military pension.

You must apply for military credit and complete the required forms before retirement or resignation from MCPS. Once you have retired or resigned, no additional credit may be claimed.

To apply for military service toward your MCPS pension plan (core and/or supplemental), submit **MCPS Form 455-18: Statement of Military Service**, to the Employee and Retiree Service Center (ERSC).

To apply for military service credit toward your state core pension plan, submit **State Form 43: Claim of Retirement Credit for Military Service**, to the Maryland State Retirement Agency.

2. Purchase service credit for time spent employed by the federal government; an out-of-state municipality; a nonparticipating Maryland municipality; or a private, parochial, or out-of-state school (as a teacher).

You may purchase a minimum of one month, up to a maximum of 10 years, if you were previously employed by one of the following:

- Federal government
- Out-of-state municipality
- Nonparticipating Maryland municipality
- Private, parochial, or out-of-state school (as a teacher only)

This service must be purchased at least 90 days prior to retirement. You pay the full cost of purchased service. The cost depends on age, final salary, and the amount of service you wish to purchase. Typically, purchasing service is expensive.

In addition, previous service may be purchased for periods of the following types of qualified approved leave:

- Personal illness
- Professional leave
- Academic leave
- Adoption leave
- Maternity/paternity leave
- Government-sponsored or subsidized employment
- Service in a professional or employee organization

If you are on a paid, qualified leave of absence, contributions are paid during the time of leave and you earn service credit. If you are on an unpaid, qualified leave of absence, you can purchase service for the period of leave after returning to work.

You do not have to wait until the time of retirement to purchase credit for periods of approved leave. Purchasing leave of absence time is less costly when it is done immediately after returning to work.

It is extremely important to file all required paperwork during an approved leave of absence. This ensures that you are eligible to purchase service credit

for the period of leave and the active employee pension death benefit will remain in effect while you are on leave. You must pay any pension contributions missed during the approved leave (plus interest) to be eligible for retirement credit.

To purchase service toward your MCPS core and/or supplemental pension plan, you must submit **ERSC Form 421: Request to Purchase Service**, to ERSC at least 90 days prior to your retirement.

To purchase service toward your state core pension plan, you must submit **State Form 26: Request to Purchase Previous Service**, to MSRA, as indicated in the form's instructions. If you also need to purchase this service toward the MCPS supplemental pension plan, you need to forward the cost to purchase service notice you received from the state to ERSC. ■

TAX TIME WILL BE HERE SOON: Do You Know Where Your W-2 Is?

April 15 will be here before you know it. The Employee and Retiree Service Center (ERSC) urges those employees who may have misplaced their 2014 IRS Form W-2 to request a duplicate as soon as possible by contacting us at 301-517-8100 or **ERSC @mcpsmd.org**.

Typical processing time for duplicate W-2 requests is three days. Your duplicate 2014 W-2 may be picked up from ERSC, sent via the Pony to your work location, or by U.S. mail to your home address.

Please be aware that there is a \$15.00 fee for duplicate W-2s from 2013 or earlier. You may pay this fee in cash, check, or money order; and you must pick up these forms in person at ERSC.

When requesting a duplicate W-2, be sure to include your full name, employee ID, and preferred method of receipt.

ERSC is located at 45 West Gude Drive, Suite 1200, Rockville, Maryland, 20850. Our hours of operation are 8:00 a.m.–4:30 p.m. Monday–Friday. ■

HEALTHCARE in Retirement

A great benefit of retiring from Montgomery County Public Schools (MCPS) is the security that comes with knowing that you can continue your MCPS healthcare benefits into retirement. If you are planning to retire in the near future, you should begin researching retiree health benefit options to see which one is right for you. Consider questions such as the following:

- What will be the cost of my retiree health plan?
- Will I continue to cover my current dependents?

Who is Eligible for Medicare?

You are eligible for Medicare if you—

- are age 65 (or over if you have been employed and covered by an active group health plan), or
- receive disability benefits from the Social Security Administration and are beginning the 25th month of entitlement, or
- have end-stage renal disease (ESRD) or Amyotrophic Lateral Sclerosis (ALS). ■

- If you are moving after retirement, also ask yourself: Does my chosen retiree health plan offer coverage in the area where my new home is located? Please note that moving is not a qualifying event, so you will not be able to change your plan at the time of your move.

Details about retiree benefits are available on the [Retiree Benefits web page](#) and in the [Retiree Benefit Summary](#).

Medicare and Retiree Health Care Coverage

After you retire, and as soon as you become Medicare-eligible, Medicare will become your primary medical coverage and your MCPS retiree medical plan will become your secondary medical coverage.

Therefore, if you enroll in MCPS retiree benefits, you also must enroll in Medicare Parts A and B when you first become eligible in order to continue receiving your health benefits through MCPS. You become eligible for Medicare when you turn age 65 or if you begin receiving disability benefits from the Social Security Administration and are beginning the 25th month of entitlement.

The Employee and Retiree Service Center (ERSC) must receive a copy of your Medicare card with Parts A and B 60 days before your retirement date.* That means that if you are Medicare-eligible, you must contact the Social Security Administration at least three months prior to your retirement to enroll in Medicare Parts A and B.

Prior to your retirement, research the Medicare program and make sure you know how Medicare will impact your future health coverage. You can learn more about Medicare on the [Medicare website](#).

Medicare and Active Employee Health Care Coverage

If you or your spouse (or other dependent) become eligible for Medicare enrollment while you are still an active employee with MCPS and are covered under our active employee health plan, there is no need to enroll in Medicare. Medicare enrollment can be deferred until three months prior to your retirement.

**If you are already retired when you become eligible for Medicare, ERSC must receive a copy of your Medicare card with Parts A and B 60 days before you (or your spouse) reach age 65. ■*

WELLNESS INITIATIVES: Save Money on Your Medical Insurance

As part of the new MCPS Wellness Initiatives program, you can learn more about your health and reduce your contributions to your medical



insurance beginning in 2016. To take full advantage of these rate reductions, complete biometric health screenings and a health risk assessment

yearly, and, if you smoke, consider quitting.

Biometric Health Screenings

If you are covered by an MCPS health insurance plan, you should consider completing biometric health screenings of your cholesterol, blood pressure, blood sugar, and body mass index by October 9, 2015—and yearly thereafter. Why? If you do, beginning in 2016, you will pay 1 percent less of the total cost of your health insurance than you would pay if you do not complete the health screenings.

Let us say you are currently paying 8 percent of the total cost of your health insurance, and MCPS is picking up the other 92 percent. Effective January 1, 2016, if you complete the health screenings within the above timeframe, you will pay 7 percent of the total cost and MCPS will pay 93 percent. Your health screenings may be completed by your primary care physician or at the screenings held by Well Aware, the MCPS employee wellness program. Dates, times, and locations for the Well Aware

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WELLNESS INITIATIVES: Save Money on Your Medical Insurance

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spring health screenings are listed in the table below. Be sure to sign up for a screening associated with your medical insurance carrier.

Note to CareFirst BlueChoice plan members: If you choose to have your primary care physician conduct your health screenings, you must complete the **CareFirst Biometric Screening Information form**. Be sure to bring the form to your physician for completion and signature. Then, follow the instructions on the form for sending it to CareFirst's wellness organization, Health Fitness Corporation (HealthFitness).

Health Risk Assessments

In addition to the biometric health screenings, you can save another 1 percent of the total cost of your health insurance by completing your insurance carrier's online health risk assessment by October 9, 2015—and yearly thereafter. To complete your health risk

assessment, first review instructions for accessing your medical insurance carrier's assessment (**CareFirst, Cigna, or Kaiser Permanente**). Then, as instructed, visit your medical insurance carrier's web page (**CareFirst, Cigna, or Kaiser Permanente**) and log in to your password-protected account. Please note: When completing your health risk assessment, you will be asked to include your blood pressure and cholesterol levels. For that reason, you may wish to complete your biometric health screenings prior to the health risk assessment. Also, to take advantage of the rate reduction, be sure to complete the health risk assessment in its entirety.

Remember: For the reduced rates to take effect on January 1, 2016, you have until October 9, 2015, to complete your health risk assessment and biometric health screenings. Also, you must complete the assessment and screenings each year to maintain the rate reductions.

Smoker Surcharge

Also effective January 1, 2016—and each benefit year thereafter—MCPS will impose a surcharge to benefit costs on health plan members who smoke. If you are an MCPS employee who smokes at any time during 2015, your contribution to the total amount of your health insurance will increase by 3 percent. To avoid the smoker surcharge, you will need to be tobacco-free for the 12 months prior to each January 1 effective date. During the Employee Benefits Open Enrollment held in the fall of 2015, you will need to attest to whether or not you have been tobacco-free since January 1, 2015, and will be smoke-free for the remainder of 2015. ■

SUBMIT 2014 FSA CLAIMS by the Deadline or Risk Losing Your Balances!

If you are one of the many employees who had a flexible spending account (FSA) in 2014, then it is time for you to review your account and make plans to use any remaining balances before March 15, 2015.

Qualifying expenses from your medical and/or dependent care FSAs incurred between January 1, 2014, and March 15, 2015, may be reimbursed from your 2014 plan election. Any remaining 2014 balances will be forfeited. All 2014 plan-year FSA claims must be submitted by April 30, 2015.

For additional information about FSAs or to download a form for filing an FSA claim, visit our [website](#). To review your account, visit the [ADP website](#). ■

BIOMETRIC HEALTH SCREENINGS			
Medical Insurance Carrier	Date	Time	Location
CareFirst	Friday, March 27, 2015	12:00–4:00 p.m.	Maple Room 45 West Gude Drive Rockville, Maryland 20850
	Friday, June 26, 2015	1:00–5:00 p.m.	
Cigna	Tuesday, February 3, 2015	1:00–5:00 p.m.	Maple Room 45 West Gude Drive Rockville, Maryland 20850
	Friday, April 10, 2015	12:00–4:00 p.m.	
	Monday, June 22, 2015	12:00–4:00 p.m.	CESC Auditorium 850 Hungerford Drive Rockville, Maryland 20850
Kaiser Permanente	Friday, April 10, 2015	12:00–4:00 p.m.	Maple Room 45 West Gude Drive Rockville, Maryland 20850
	Monday, June 22, 2015	12:00–4:00 p.m.	CESC Auditorium 850 Hungerford Drive Rockville, Maryland 20850

TO REGISTER for a Well Aware biometric health screening, **e-mail Well Aware** with the date and time that you prefer.

WHAT IS “EXS Life?”

Are you wondering about the line on your pay advice that refers to “EXS Life?” EXS Life, one example of “imputed income,” is noncash income and comes from MCPS group term life insurance. Imputed income, for group term life insurance, is calculated using a uniform government table (see below) that provides rates for each age group.

Excess Life Insurance applies only to employees who are enrolled in the MCPS life insurance program and whose salary is above \$25,000. IRS rules require employees to pay taxes on the value of group life insurance over the amount of \$50,000.

Therefore, the value of the noncash income listed as EXS Life on the pay advice is added to your taxable income. The amount of life insurance coverage is not taxable; however, the premium value of the life insurance coverage is taxable.

Under IRS regulations, the premium value for the first \$50,000 of employer-paid group term life insurance is exempt from income and Social Security taxes.

MCPS provides group term life insurance to “benefit-eligible” active employees working 40 or more hours biweekly and in the amount of two times their annual salary, rounded up to the nearest thousand dollars. MCPS and the employee share the cost, with employees paying 10 percent of the cost for basic employee life insurance.

IRS regulations require that the taxable life insurance value be determined using the Uniform Premium Rate table. This table lists the biweekly value per \$1,000 of insurance, based on the employee’s age as of December 31 of the current calendar year.

The following example shows how the taxable amount for your life insurance benefit is calculated.

EXAMPLE:

- **Andy is a 60-year-old, 12-month employee earning \$50,555 per year. He is eligible for the group term life insurance plan.**

The plan provides term life insurance in the amount of

$$2 \times \$50,555 = \$102,000.$$

The value of the first \$50,000 is excluded from taxation; the employer-paid portion of the value of \$52,000 is subject to taxation

$$(\$102,000 - \$50,000).$$

The Uniform Premium Rate as determined by the IRS is \$15.86 per pay period

$$(\$52 \times .305).$$

\$15.86 is considered to be the biweekly value of the life insurance in excess of \$50,000. Andy pays \$.44 per pay period for his life insurance, \$15.40 is the imputed income shown as EXS Life that Andy realizes.

The value of the imputed income for excess life is reported separately on the W-2 as an adjustment to income in Box 12 under Code C, Group Term Life Insurance over \$50,000. Excess life premiums are taxed each year that the coverage is provided. Life insurance proceeds (the amount paid to your beneficiaries in the event of your death) are not taxed. There is no cash value of this term life insurance; however, since MCPS pays 90 percent of the premium, it represents a great value to the employee and his/her beneficiary(ies). ■

IRS UNIFORM PREMIUM RATE TABLE— Biweekly Cost per \$1,000 of Insurance

Age (as of Dec. 31)	IRS Rate per year	IRS Rate per month	12-month per pay	10-month per pay
under 25	0.600	0.050	0.023	0.030
25-29	0.720	0.060	0.028	0.036
30-34	0.960	0.080	0.037	0.048
35-39	1.080	0.090	0.042	0.054
40-44	1.200	0.100	0.046	0.060
45-49	1.800	0.150	0.069	0.090
50-54	2.760	0.230	0.106	0.138
55-59	5.160	0.430	0.198	0.258
60-64	7.920	0.660	0.305	0.396
65-69	15.240	1.270	0.586	0.762
70+	24.720	2.060	0.951	1.236

EMPLOYEES LEARN That Small Changes Really Can Lead to Big Results

Last fall, Montgomery County Public Schools employees lost more than 1,600 pounds and 240 collective body mass index points by making small healthy changes to their lifestyles. Some began drinking more water, taking the steps instead of the elevator, or walking 5-10 additional minutes per day. Others opted to grocery shop only after eating, so an empty stomach wouldn't lead to unhealthy purchases. In fact, these employees made a variety of small changes that led to positive improvements in their health.

You have a chance to join them this spring, when **Small Changes, Big Results**, Well Aware's physical activity challenge for the 2014-2015 school year, continues.

You may believe that drastic changes to your lifestyle are the only ways to achieve the results you want, but that is hardly the case. In fact,

when changes are drastic, they are potentially overwhelming. Small lifestyle changes are much easier to achieve and maintain. Join Well Aware this spring and learn what your fellow MCPS coworkers learned this fall; small lifestyle changes lead to big results.

By setting and accomplishing small, tangible goals, you get an immediate sense of gratification, which is self-motivating. You can check that goal off of your to-do list and proudly proclaim, "I did it!" When successful, small lifestyle changes are more likely to become habits and can lead to increased self-confidence, in addition to a healthier body. ■



Small Changes, Big Results Will Resume on MONDAY, MARCH 9, 2015

To participate in the 10-week challenge, sign up for an account on the online **Well Aware Fitness Log**. Then, throughout the 10-week challenge, log and track your activity and progress.

(If you have registered on the fitness log for a previous challenge, you do not need to register again. Simply begin logging your activity on March 9.)

MAKE A SMALL CHANGE OR TWO. You will be amazed at the results!

New Year, New Information?

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Indicate your desire to change your beneficiaries in Section II and indicate your changes in Section VI of this form.

To change your optional employee life insurance beneficiaries:

- Submit **MCPS Form 450-1: Optional Employee Term Life Insurance**.

Indicate your desire to change your beneficiaries in Part III and indicate your changes in Part IV.

To change your 403(b) or 457(b) plan beneficiaries:

- Contact your vendor. If you do not know how to contact your vendor—

- Visit mcps.yourplan.info/
- Click on the "Vendors" tab.
- Select your vendor from the list to see information on updating your beneficiaries.

To change your pension plan beneficiaries:

- MCPS core and/or supplemental pension plan: Submit **MCPS Form 455-5: Designation of Beneficiary/Beneficiaries**.
- State Retirement and Pension System of Maryland: Submit **State Form MSR004**. ■



For Your Benefit

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