



REFLECTIONS

A monthly source of information for beneficiaries of the Adventist Retirement Plans.

Tax Time

April is the time when tax preparers and taxpayers become particularly busy in fulfilling their obligations to Uncle Sam. This is the time when we receive frantic calls from retirees who have misplaced or never received their forms 1099-R, or have questions about the need to file.

The question of the need to file has many factors. TurboTax provides the following guidelines that apply to most people. Keep in mind that “gross income” includes all income that is considered taxable such as wages, pension, taxable distributions from a 401(k) or 403(b) or IRA, but not including Social Security income.

Tax Status

Single, 65+	\$10,750
Married, filing jointly, one spouse 65+	\$19,850
Married, filing jointly, both spouses 65+	\$20,900
Qualifying Widow or Widower 65+	\$16,150

Must File if your Gross Income is at least:

There are a couple of points to remember. TurboTax suggests that if you are self-employed (perhaps you make and sell quilts) and your net earnings from your business exceeded \$400 during 2009, you may need to file and pay self-employment tax.

Some retirees who do not meet the above thresholds may still choose to file for several reasons:

- If an employer or retirement plan withheld taxes from wages or pension, you can only recover these credits by filing a return.
- You may be eligible for an Earned Income Credit or other “refundable” credits, paid by the government to qualifying low- and middle-income workers even if they owe no taxes.
- If you are a minister, you should consider the gross income before reducing your income because of parsonage allowance exclusion in determining if you meet the thresholds above. Some ministers have told us they assumed they didn’t have to file because parsonage allowance exclusion brought their income below the threshold, but the IRS goes by what is reported to them.

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REPORTING the DEATH of a RETIREE or SPOUSE

In the sad event of a death, it is very important to contact the Retirement Office immediately, as future benefits will be affected.

- Main Retirement Phone Number:
(301) 680-6249
- Retirement Fax: (301) 680-6190
- Retirement email: NADRetirement@nad.adventist.org
- Mailing Address: Adventist Retirement Plans, 12501 Old Columbia Pike, Silver Spring, MD 20904

Usually this contact will be made by a relative or estate personal representative. Please provide us with contact information for the one informing us of the death. In order to properly complete our documentation, we need a copy of the certificate of death.

The family may be eligible for a modest death benefit. If there is a surviving spouse, the death benefit will be issued to the spouse. If no spouse, the benefit will be issued to the estate or a relative managing final expenses.

PLEASE FILE THIS WITH YOUR IMPORTANT PAPERS!

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Our office is not trained or authorized to give tax advice, and if you are uncertain, it is best to either go ahead and file, or get advice from a tax preparer. Computerized tools to assist with tax preparation are getting better, and cheaper. I found eleven companies that provide free on-line software for simple tax preparation. The IRS web site has a tool to assist you in finding the right web site for you at www.irs.gov. Find the “FreeFile” icon and fill out a simple form. Ministers or those with significant investment income may find some of these to be inadequate.

Some Senior Centers provide free advice and assistance for tax preparation. If you are a minister and hire a tax preparer, make sure your preparer is familiar with and understands clergy tax preparation.

“SHARP Corner”

Preferred Drug Step Therapy

Beginning January 1, 2010 an additional cost containment program, the Preferred Drug Step Therapy, was implemented by the Plan. This program has been added for certain brand name medications which treat conditions such as depression, ulcers, osteoporosis, hypertension, insomnia, allergies and headaches. Certain medications will no longer be covered; however preferred brand name or generic medications can be used in their place. Medco will work with you and your treating physician to identify medications that are covered by the Plan. This program is listed on page 11 of the 2010 SHARP document.

Medco Website

The Medco website: www.medco.com provides you with the ability to set up your personal account. Once you establish your own login there are multiple options on the left hand side of the page for you to choose from such as ordering prescriptions, locating a pharmacy, printing forms, updating your profile and benefit highlights. When you click on Drug Information, the medication formulary will appear and you will see a red letter warning note about the cost containment rules of the SHARP Plan. The formulary is searchable by specific medication name, either brand or generic, or by alphabetical listing. You also have the options of accessing your prescription benefit information by contacting Medco by telephone @ 800-841-5396.

Other Medco Rules and Information

On page 11 of the 2010 SHARP document other prescription rules are discussed for Prior Authorization, Member Pays the Difference, Retail Refill Allowance, Dose Optimization, Quantity per Dispensing Event and Medicare Part B prescriptions. Please take the time to review these cost containment rules. For instance the Retail Refill Allowance has limits on the number of prescriptions for the same medication that may be filled at a retail location. The limit is 3. If you choose to fill the 4th refill at a retail pharmacy you will be charged your regular co-pay plus 50% of the actual retail cost of the medication. For medications you take regularly, the mail order option can save you money due to the fact that in most instances you receive a 90 day supply of medication instead of the 30 day supply given at retail pharmacies.

Pre-Retirement Seminars

As I prepare the content for April's newsletter I'm in the midst of a series of pre-retirement seminars. These are half-day workshops targeted at employees who are approaching retirement. We invite those who are 55+ years of age, and deal with the frozen pension plan, the current tax-deferred retirement savings plan, healthcare in retirement and other issues. By the end of May, if all goes as planned, I'll have done pre-retirement seminars in Lincoln NE, Denver CO, Pierre SD, Minneapolis MN, Silver Spring MD, Loma Linda CA, Bozeman MT, Boise ID, Walla Walla WA, Portland OR and Seattle WA. While the travel is intense, it is one of the most satisfying parts

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PAYROLL BULLETIN BOARD

Checks/EFT Released

This Month: **Apr. 27**

Next Month: **May 27**

Adventist Retirement Plans

Del Johnson
Administrator

Lyn Wick
Associate Administrator

Judy Beers
Associate Administrator

Maurine Wahlen
Associate Administrator

Adventist Risk Management: 1-800-447-5002
Healthcare Claims Queries

SHARP: 301-680-5036
SHARP@nad.adventist.org
Healthcare Eligibility Queries

Submit all claims to:
Adventist Risk Management—SHARP
PO Box 1928
Grapevine, TX 76099-1928

Medco Health: 1-800-841-5396
Verify pharmacy participation with
Medco Health

Payroll: 1-888-838-8955
Bulletin Board of Payroll Information

NAD Retirement Department
Fax: 301-680-6190
12501 Old Columbia Pike
Silver Spring, MD 20904-6600

Barbara Yowell: 301-680-6244
Lost checks, direct deposits, 1099R,
tax withholding, change of address,
verification of benefits for loans,
housing, Medicaid

Retirement Reception: 301-680-6249
General Retirement Office Information

Chris Meier: 301-680-6192
Reporting a death, disability reviews



www.RenewedandReady.com

General Conference of SDA
NAD Retirement Plans
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Silver Spring, MD 20904-6600

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of my work, to talk face to face with those who have given their careers in service to God, and are approaching the uncertainty of moving from “active” to “retired” status.

Scams

A recent spate of scams have targeted grandparents. According to the Better Business Bureau, “Most grandparents have no softer spot than their love for their grandchildren. So, it should come as no surprise that scammers have found ways to use this love and concern to steal from good people.”

A grandparent may receive a frantic call from a person claiming to be their grandchild. “It’s me, grandma, and I’m in trouble.” Often the child claims to be in Canada, and has been involved in an accident, or has been arrested for possession of drugs and needs money wired immediately for bail or to pay an attorney or repair a car. “Don’t tell my parents,” they plead. Sometimes a “lawyer” makes the call and explains the need.

The Better Business Bureau suggests that if you receive a frantic call, make sure you know who you are talking to. Ask questions that only your real grandchild would know the answer to before wiring money anywhere. A physician recently wired \$19,000 to a total stranger pretending to be his granddaughter’s lawyer. Don’t let scoundrels play on your love for your grandkids to take your money.