In This Issue:

Retiree Luncheon a Success

Medical Directives and Living Wills

Traveling Texans

Medicare Drug Plans

New Retiree Factsheet Enclosed!
Calendar

April
28 Joint Meeting-TMRS Board of Trustees and Advisory Committee, Austin
   Direct deposit of annuity payments

May
29 Memorial Day — office closed
31 Direct deposit of annuity payments

June
23-24 TMRS Board of Trustees Meeting, Austin
30 Direct deposit of annuity payments

July
4 Independence Day — office closed
31 Direct deposit of annuity payments

August
31 Direct deposit of annuity payments

September
4 Labor Day — office closed
29 Direct deposit of annuity payments

October
2-3 TMRS Annual Seminar— office closed
31 Direct deposit of annuity payments


How to Contact TMRS®
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The TMRS Act provides that the administration of TMRS is entrusted to a six-member Board of Trustees, appointed by the Governor with the advice and consent of the Senate. If you wish to contact the Board, forward comments to ExecOffice@tmrs.com.
Dear Friend,

The retirement community changes with each passing year. No matter their age, retirees constantly reinvent themselves or move into the next phases of their lives. We at TMRS know from speaking with our annuitants that you are a vibrant group of individuals. RetirementWise reflects that lively diversity, and I hope that you enjoy this issue.

I also wanted to take a moment and address a question many of you asked last year – why the distributive benefit (popularly called the “extra payment”) was lower. Remember that TMRS has traditionally shared annual interest earnings above 5% between active and retired members, and the extra payments are a way of giving retirees an additional benefit when earnings are higher. When you retired, a rate of 5% for all future years was built into the calculation of your annuity, so you are, in effect, still receiving benefits from the fund’s investments. In past years, TMRS earnings above 5% have been distributed as additional interest to active members and extra payments to retirees. Now, with the fund’s earning rate near 5%, active member accounts will increase by a rate closer to the rate that has already been applied to your accounts.

Each year, the amount of the additional payment is determined by the rates earned on TMRS’ investments. Currently, interest rates and fund earnings continue to be low. The distributive benefit is not guaranteed, and never has been. Unless the current investment environment changes and interest rates rise, there may not be an extra payment this year.

But it is important to understand that your overall TMRS benefit is not affected by lower interest rates. Unlike the pensions for employees in the airline industry and some other private sector professions, TMRS is soundly funded, and your monthly retirement payment will not get smaller or go away. Rest assured, your TMRS benefit is safe and secure.

Have a wonderful spring and summer, and please let us know if we can be of service to you.

Sincerely,

Gary W. Anderson
Executive Director
hanges to the Medicare drug coverage options (Medicare Part D) allow Medicare beneficiaries to choose from a number of plans that vary by state. This change to the way Medicare is handled has created confusion for many recipients.

Most retirees who use Medicare have made their decisions (the enrollment period for existing Medicare recipients ends May 15). According to a February 2006 Kaiser Family Foundation poll, 45% of recipients said they had enrolled in a drug plan, 29% said they did not intend to enroll, and 23% were not sure. Of those who had not enrolled in a drug plan, the primary reason they had not was because they have another plan that helps pay for prescription drugs.

Since last fall, Medicare recipients have been bombarded by letters and advertisements from Medicare-approved private companies showing their drug plan offerings for 2006. To make an informed decision, you need to compare plans. You can compare drug plans on-line at www.medicare.gov. Medicare.gov also features online lookup tools allowing you to:

- Compare Medicare Prescription Drug Plans
- See a demo of the Prescription Drug Plan Finder (see page 5 for tips on navigating the Plan Finder)
- Enroll in a Medicare Prescription Drug Plan
- Use the Formulary Finder (search program)

If you don’t have access to the Internet, this information is also available through a 24-hour phone line: (800) MEDICARE (1.800.633.4227). TTY users should call 1.877.486-2048.

Important Date!
May 15, 2006

If you are already on Medicare, this is the last day you can join a drug plan without paying a penalty, unless you qualify for an exception. (Those who are not yet on Medicare may sign up for drug coverage when they first join.)

Other Resources
The National Alliance of Caregiving lists several helpful documents at www.caregiving.org, including tip sheets on Medicare D. Click on Visit Medicare Resources, then on Access to Benefits Coalition for click-through screens that help you determine the best options. This on-line Q&A helps you learn about and enroll in government benefits, not only the new Medicare Prescription Drug Coverage but also other valuable federal, state, and private programs that can save you money on health care and prescription drugs. ✎
2. Click on Find a Medicare Prescription Drug Plan.
3. Ignore “Personalized Search.” Click on General Search.
4. Enter ZIP code. Under “Current Prescription Drug Coverage” check None of the above. Under “Eligible or Qualified for Extra Help” check No. Click on Continue. Verify your county is correct, then click Continue.
5. Click on Choose a Drug Plan Type.
6. Scroll down to C and click on Search for Medicare Prescription Drug Plans.
7. Ignore A and C. Go to B and click on Enter my medications.
8. Enter your first drug name in the box and click on Search for Drug, then Add Selected Drug to My List. Repeat for each drug used. (Each time, the screen will go blank and then the drug will appear in a list box.)
9. When all drugs are listed, click on the box below the list to remove the check mark. Then click on Continue with selected drugs.
10. Click on Change/Update my drug dosage & quantity. This is a very important step! Plug in exact dosages and quantities on the pull-down lists (the default for a 30-day period is 30, so be sure to enter the exact doses per 30 days). If you change quantities, refresh the information by clicking the Update Dosage/Quantity button to be sure the required change takes place. Then click on Continue with selected drugs. Then click on Continue to Plan List.
11. You’ll see a list of drug plans, starting with the least expensive. Starting with the top plan, click on the Select Below button under the “Plan Information” heading for each plan. Click on View Cost Details on the drop-down menu.
12. The View Cost Details page is packed with information you need to compare plans properly.

Mark and Paula Campbell work together well, as partners in life and in retirement. Mark is a writer, and Paula is a photojournalist. The husband-and-wife team travels together, documenting their journeys with pictures and words. Then they post their adventures on their Website, www.farflungusa.com, to share their experiences with others and syndicate the stories to Texas newspapers.

A Wichita Falls native and UT–Arlington graduate, Mark retired from the Arlington Fire Department in September 2003. He served with the department for almost 22 years and received the Firefighter of the Year award in 1983 and 1997. His wife Paula, a Dallas native, has earned numerous awards for her sports and wildlife photographs. Their collaboration started when Mark began covering school sports events for the local newspaper, and he asked Paula to grab her camera and come along.

Mark, 49, and Paula, 50, met as children when his family moved to a cabin on Lake Whitney next door to her family’s fishing lodge. Though Paula quickly made friends with “the boy next door,” and they both...
graduated from Meridian High School in 1974, they didn’t start dating until they met up at a University of Texas–Arkansas football game. They married August 9, 1975. The couple has two daughters (whom Paula home-schooled), ages 26 and 24.

The Campbells are typical of a growing group of younger retirees who are redefining their careers in mid-life. At the time of his TMRS retirement, Mark was working a 56-hour-week as a firefighter, and also had a full-time reporting job with Azle’s weekly newspaper. “When I retired, I didn’t really retire,” he says. “I simply cut my jobs in half!”

After spending 10 years getting up at 4:40 in the morning, his current career seems like a vacation. “Had I stayed in the fire department for 30 years, it would have been beneficial, but being younger when I retired gave me an advantage. I feel like Paula and I are still young enough to do a lot of traveling.” They are both physically fit, and seek out new places to take day hikes. One such excursion involved hiking Guadalupe Peak, the highest in Texas, in about eight hours. Mark turned the experience into a Dave Barry-esque travelogue, posted on the Website along with his other stories.

One of their biggest rewards of early “retirement” is sharing their summers together. “I wouldn’t trade them for the world,” Paula says. She laughingly explains that the travel conditions are sometimes less than desirable. There is a fair amount of “roughing it,” so some of their adventures are not as glamorous as they might appear. According to Paula, “He lives on the edge, and I want everything planned out.” With this perfect combination of spontaneity and good planning, they have been lucky to strike a true balance.◆

Wild turkeys at Palo Duro Canyon State Park near Amarillo.
The flyer bound into this issue of RetirementWise contains questions and answers specifically for TMRS retirees. They range from how to change your address to what happens if you marry after retirement. Please call us anytime if you have additional inquiries or concerns.

Direct Deposit Delivers

Why fiddle around with paper checks that can get lost in the mail when your benefit could be electronically deposited each month, directly into your account? With direct deposit, your payments are credited to your account on the last business day of every month.

Signing up for direct deposit is easy! Just call us at 1.800.924.8677 and we’ll send you a Direct Deposit Authorization form.

Changes to Accounts

It is important to let us know when major life changes occur, such as moving, marrying, losing a beneficiary, and changing your financial institution. Whenever you change your TMRS personal information, you’ll need to send us a completed form. These may be obtained from our Website (www.tmrs.com) or by calling 800.924.8677.

- Address change, name change – use Address or Name Change Form
- Direct deposit authorization or change – use Direct Deposit Authorization form
- IRS withholding change – use IRS Form W-4P (also available from www.irs.gov)
- Beneficiary change – use Change of Beneficiary After Retirement
Texas’ governments get a big return on the dollars they put into their retirement systems. Besides the obvious benefit of supporting hardworking public employees when they retire, public pension dollars also feed the economy.

Texas’ Public Retirement Systems

Dollars contributed by members and governments are invested, producing income, jobs, and economic growth.

Money paid out in benefits returns to the communities where retirees live.

94% of TMRS retirees live in Texas.
What's New?

TMRS ID Numbers

You may soon see a TMRS ID Number on correspondence from TMRS. The TMRS ID Number is a specific number assigned to you for your TMRS account identification. Using ID numbers instead of Social Security numbers on printed information helps safeguard your identity and personal information.

Ask the Expert

Bond Investing 101

This is a recurring series in question-and-answer format where we consult with staff about the management and operations of TMRS. In this article, we asked Kristin Berly, Investment Analyst, questions about why we invest in bonds.

Q. What type of bonds does TMRS invest in?

Q. How much of our total investment portfolio is in these long-term bonds?
A. 100%.

Q. Why does TMRS invest in bonds instead of other options, such as mutual funds?
A. Bonds meet our need for consistent income, guaranteed principal amount back at maturity and long-term assets to support long-term annuity obligations.

Q. What has the performance of these bonds been like over the past 10 years?
A. The realized income return for the 10-year period is 7.03%, and the total return is 8.56%.

Q. Is there anything else retirees need to know about TMRS’ investments?
A. TMRS’ primary consideration is consistent, quality income. Our strategy is a lower risk approach that will ensure that funds will be available annually to support our pension obligations in the future. ✪

Definition

What Is a Bond?

A bond is the equivalent of a promissory note that states the interest rate (coupon rate) that will be paid and when the loaned funds are to be returned (maturity date). Interest on bonds is usually paid every six months (semiannually). The main types of bonds are corporates, municipals, agencies, and treasuries.

Generally, the higher the yield a bond offers, the more risky the investment. There have been instances of companies failing to pay back the bond (default), so, to entice investors, most corporate bonds will offer a higher yield than a government bond. It is important for investors to research a bond just as they would a stock or mutual fund. The bond rating will help in deciphering the default risk.

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Dealing with Grief and Loss

Losing a loved one is one of the most difficult of life’s experiences. Free publications are available from the American Association of Retired Persons (AARP) to help you cope and handle the legal aspects of death. The brochures, available in both English and Spanish, cover these topics:

- On Being Alone
- Final Details: A Guide for Survivors
- Understanding the Grief Process
- When a Parent Loses a Spouse
- Men and Grief
- Coping with Celebration Days
- Special Issues for Younger Widowed Persons
- Grief and Loss Fact Sheet
- Coping with the Death of a Parent

To receive copies, write or e-mail the AARP Grief and Loss Programs, 601 E. Street, NW, Washington, DC 20049, or go to www.aarp.org/griefandloss, and click on Publications Order Form. ♦
Retiree Luncheon in Victoria a Big Success

Braving blustery March weather, retirees from the Victoria area arrived promptly for the first TMRS regional luncheon held at the Victoria Community Center. At the door, they were greeted by TMRS employees and provided with name tags and goody bags. Inside the Dome, approximately 150 retirees and their spouses visited with former co-workers and friends. Charles Windwehen, City Manager of Victoria, welcomed attendees to the luncheon. Door prizes provided by the exhibitors were given out over the course of the event. A tasty buffet luncheon was served to all attendees and exhibitors.

Our next retiree luncheon is planned for Amarillo in late June. We’ll announce details about other future luncheons in upcoming issues of this magazine and post them on www.TMRS.com. If you are interested in having a luncheon in your area, let us know! ♦
Retirees and spouses at the first TMRS Retiree Luncheon at the Victoria Community Center.

Charles Windwehen, City Manager, Victoria.

Charlotte and J.W. Garrett, Victoria.
Life support systems can keep a person alive for years, even after the brain is no longer functioning. The highly publicized Terri Schaivo case brought this issue to the attention of many Americans and got us thinking about advance medical directives.

The decision to create an advance directive is strictly personal. Most advance directives are written by older or seriously ill people. But even healthy, young people may wish to specify instructions in case they are incapacitated. Accidents or serious illnesses can happen suddenly, and if you already have a signed directive, your wishes are more likely to be followed.

Advance Directives
An advance directive (sometimes called a self directive) tells your doctor what kind of care you want if you become unable to make medical decisions. Using a thorough advance directive, you can choose treatments depending on how sick you become. For example, a directive could instruct what care to administer if you have an illness that you are unlikely to recover from. It can tell your doctor that you don’t want certain kinds of treatment, or it can allow a certain treatment no matter how ill you become.

Advance directives can take many forms, including living wills, medical powers of attorney, and do-not-resuscitate orders. The rest of this article will focus on the living will. If you are admitted to the hospital, the staff may talk to you about advance directives. In most cases, directives submitted at the time of a hospital visit will supersede any you may have drafted previously. Generally, the most recent directive is the one that will be followed.

Living Wills
A living will is a type of advance directive that comes into effect only if you are terminally ill (in other words, if you have less than six months to live) or have an irreversible condition that cannot be cured. (In Texas, a living will is referred to as a “Directive to Physicians and Families or Surrogates.”) In a living will, you can describe the kind of treatment you want in certain situations.

A living will lets you decide whether or not to be kept on life-sustaining treatment. You may use this directive to appoint someone to make important health care decisions on your behalf in case you are unable to do so.

How Can I Write a Living Will?
Many people use standard forms provided by their doctor or a hospital upon admission. Other options are to call your health department or state aging agency to get a form; locate forms on the Web; or create a document with your lawyer.

These do not have to be complicated legal documents. They can be short, simple statements that clearly express what you want done or not done if you can’t speak for yourself. The document you use should follow your state’s laws. For example, in Texas a living will requires two witnesses. It is a good idea to have your document reviewed by your doctor and your lawyer to ensure the instructions are exactly as you
intended. When you are satisfied with your directive, execute it in accordance with your state’s laws and give copies to your family and your doctor.

Sample Directive and Helpful Resources

If you search for help on the Web, be aware that a market has developed to provide living wills and other advance directives for a fee. However, you can create such a document absolutely free, following a template provided at the Texas Department of Aging and Disability Services Website. To see the sample document, type in this URL: www.dads.state.tx.us/handbooks/dahs/appendix/v/att-3.htm.

The Website for the Texas Attorney General’s office (www.oag.state.tx.us) features a Senior Texans Page that contains links to documents for Advance Planning. These documents, which may be downloaded and printed from the Website, include:

- Medical Power of Attorney
- Directive to Physicians and Family or Surrogates
- Out-of-Hospital Do-Not-Resuscitate (DNR)

For more information, view the Advance Care Planning brochure on the Website at http://www.oag.state.tx.us/AG_Publications/pdfs/advancedcare.pdf.

Another helpful source of legal advice for Texas residents is the Texas Legal Services Center’s legal hotline for older Texans (1.800.622.2520). They also have a Website at www.tlsc.org. ✶
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