

IN THIS ISSUE:

Page 1:
Be careful about giving out your financial information

Page 2:
Executive Director's Corner | Change to ERS rules

Page 3:
Staying in Motion | Mental health virtual visits

Page 4:
Some deductibles and out-of-pocket maximums start over in January | When a stranger calls...

Page 5:
End-of-the-year reminders | What is a drug formulary?

Page 6:
Discount Purchase Program | Annuity payment dates | ERS events

Be careful about giving out your financial information

As a state agency or higher education retiree with a pension, you may get a lot of marketing material from financial advisors and investment professionals. If you decide to seek investment or financial advice, you should do your research, especially if you are contacted directly by an advisor. The Employees Retirement System of Texas (ERS) does not provide independent financial advice and will not contact you with any offers for financial services. If you're a member of the TexaSaver 401(k) / 457 Program, you might hear about their optional financial advisor services through Advised Assets Group, LLC (AAG), a federally registered investment advisor. If you get mail or a phone call from Advised Assets that mentions TexaSaver, you should feel comfortable considering their services.

Tips for making informed financial decisions

If you are thinking about outside investment or financial counsel, there are important things to keep in mind.

- In retirement, TexaSaver participants maintain access to the TexaSaver Advisor Service. Through three levels of guidance—including two that are available at no additional cost to members—participants can create personalized retirement strategies through AAG.

More information about Online Investment Guidance or Online Investment Advice (both available at no cost to the member), or the Managed Account (which has additional fees) can be found at <https://texasaver.empower-retirement.com/participant/#!/articles/TexasWR/managedAccounts>.

Note: There is no guarantee that participation in the TexaSaver Advisor Service will result in a profit or that your account will outperform a self-managed portfolio.



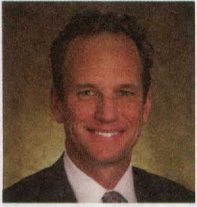
- If you seek other investment or financial advice, you should do your own research to learn about the financial professional or company. Find out about their qualifications or certifications and try to identify potential conflicts of interest. Here are some ways to research:

- **Check with the State Securities Board (SSB)** to verify the business or professional is registered. The SSB offers free regulatory background checks on registered brokers and investment advisers.
- **Ask a family member or a trusted friend.** They may be able to help you find out if the offer is too good to be true.
- **Check online for credentials.** Be cautious of bankruptcy filings or regulatory sanctions.
- **Review the advisor's fee arrangement** to learn if the advisor will get a commission from particular securities for investing in them, or if their fees are for advice only. An advisor who gets a commission—instead of simply charging a fee for advice—may be more likely to steer you to an investment regardless of whether it is right for you.

The SSB website has information for investors about making investments and resources to help make educated investment decisions. One tool is the Texas Investor Guide, which has useful information on how to avoid investment scams and how to find a trusted financial professional, among other topics.



Go to the ERS homepage at www.ers.texas.gov and click the "Retirees" news tab, then click "Retiree News" on the bottom-left.



Executive Director's Corner

Porter Wilson

Every two years, ERS submits its Legislative Appropriations Request (LAR) to ask for state funding for retirement and health insurance, our two primary fiscal responsibilities.

Throughout the legislative session, which begins January 8, 2019, we at ERS will provide information to legislators about the importance of retirement and health insurance benefits to state retirees and active employees.

We want the ERS Retirement Trust Fund to return to an actuarially sound status again, as it has been in the not-so-distant past. There are three main reasons for working toward actuarial soundness:

1. Restoring the Trust Fund to actuarial soundness will help the state keep its promise to current and future retirees.
2. A healthier Retirement Trust Fund will help Texas maintain its strong credit rating, which is critical to state budgeting and operations.
3. State law prevents any benefit increases unless the fund is sound.

During the 2015 legislative session, lawmakers increased state and member contributions to the Retirement Trust Fund. This put the Fund on the path to becoming actuarially sound, but we're not there yet.

There is good news for your pocketbook on the health insurance front. I am proud to report that ERS does not need to request an increase in funding for health insurance premiums. As a result of sound cost management, we expect to maintain current coverage levels without increasing funding from the state or health plan members. That means very slight or no increases in premiums for retirees who cover dependents, based on which plan they're in.

These days, very few health plans can report this kind of good news.

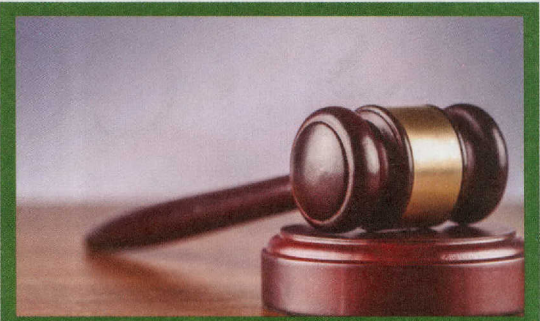
Of course, the state has many funding priorities and must work to balance all the needs. Our focus is on the benefit programs that are entrusted to ERS. We believe it is in the state's interest to support you who have worked so hard on behalf of your fellow Texans.

In the coming months, we will keep you informed about our efforts. Check regularly on the ERS website and our Facebook page for updates.

Stay in touch, and stay informed!

Sincerely,

Porter Wilson



The next ERS Board of Trustees election is scheduled for spring 2019. Stay tuned for more information in our next issue of *Your ERS Connection*.



Changes to ERS Rules

Rules, statutes and other regulations relating to ERS are posted on our Statutes and Rules webpage at

<https://ers.texas.gov/About-ERS/ERS-Organization/Statutes-and-Rules>. Proposed and adopted changes to ERS rules are published throughout the year in the Texas Register at <http://texreg.sos.state.tx.us/public/regviewctx%24.startup>. ERS members and retirees, and the general public, are invited to comment on proposed rule changes.

On August 29, the ERS Board of Trustees adopted amendments to the following rules with no changes to the proposed text:

- **Chapter 67:** The rule has been updated to allow ERS to grant mediation rights in cases related to disability retirement and certain Texas Employees Group Benefits Program (GBP) plans, including disability insurance, the State of Texas Dental Choice PPO and dependent eligibility.
- **Chapter 81:** In response to changes by the Centers for Medicare & Medicaid Services to Medicare identification numbers, ERS amended rules to clarify the process for enrolling in the HealthSelectSM Medicare Advantage Plan, a preferred provider organization (MA PPO) and the HealthSelect Medicare Rx prescription drug program.



Staying in Motion!

Wellness: Gratitude and your health

A quick exercise:

Think of the things that you are most grateful for. List the top three with as much detail as possible.

By doing this simple exercise, you have created a

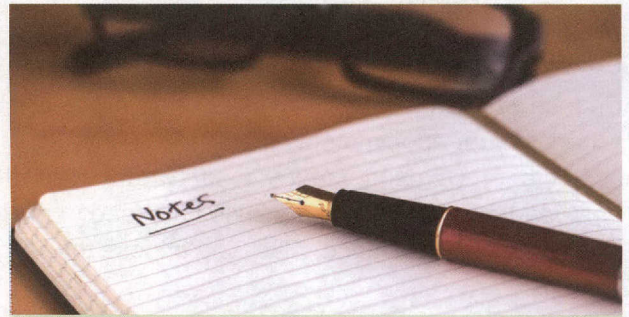
shift in your hormone pathways that can improve your health. And, if practiced regularly, you can begin to rewire your neural network (the way you think).

A formal practice of gratitude has proven to reduce inflammation that leads to heart, joint, and other types of chronic disease. For many of us, gratitude doesn't come easy. As with most things worth doing, it takes effort and energy. Over time, this simple technique can make a lasting change in the way we see the world.

Like ruts in a road, if we continue to use the same pathways (positive or negative), our brain forms deeply rooted patterns that can be hard to change. A person who tends to look for what is wrong rather than what is right, experiences the effects of negative pathways.

Counting blessings or writing a gratitude list before bed promotes:

- better sleep,
- lower blood pressure,
- better digestion and
- a stronger immune system.



The next time you are feeling down, pull out your gratitude lists, mentally or literally, and remember all you have to be grateful for.

Here are a few ways to incorporate gratitude into your daily life:

- **Write in a journal about your gratitude as part of your morning or evening ritual.** Focus on the things you are grateful for such as specific events, moments, people you have interacted with, pets, or even technology.
- **Ask friends, family, and colleagues what they are grateful for.** An example might be: "Tell me about the best part of your day."
- **Download a gratitude app.** There are many gratitude apps available for use with a smartphone.

If you would like to share your gratitude list with us at ERS we would love to hear from you at wellness@ers.texas.gov.

Mental health virtual visits

HealthSelectSM of Texas, HealthSelect Secondary, Consumer Directed HealthSelect, and HealthSelect Out-of-State now offer virtual visits for mental health. With a virtual visit, you can consult licensed mental health professionals online from the convenience of your home. You have a choice between two different virtual visit providers, Doctor on Demand or MDLive. Both providers offer access to a number of licensed mental health professionals, such as therapists, social workers, psychologists and psychiatrists. If necessary, the psychiatrists can prescribe certain mental health medications. However, they will not prescribe controlled substances.

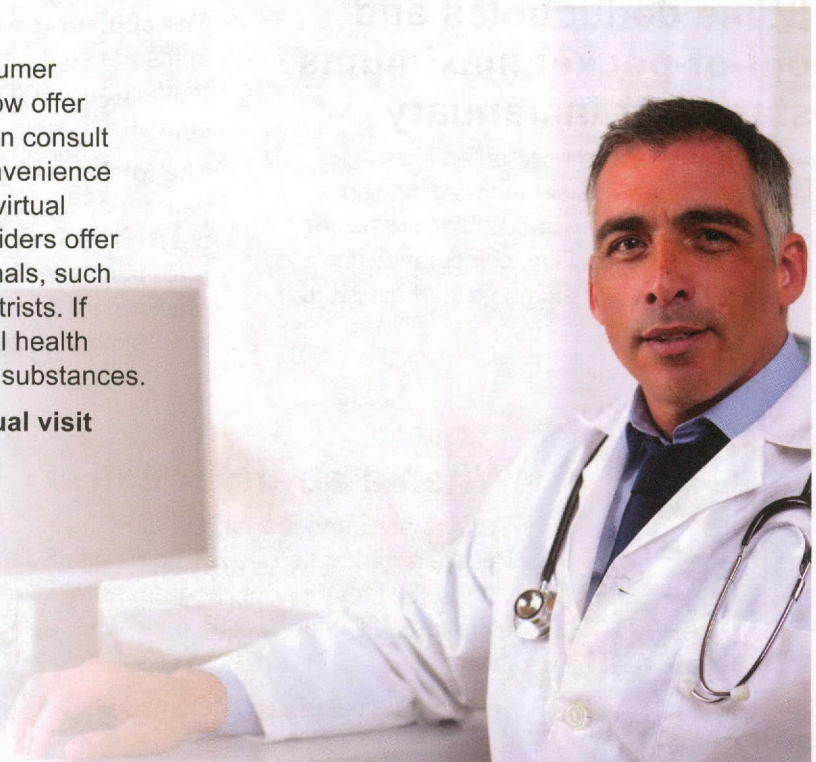
You can choose one of the following in-network virtual visit providers:

Doctor on Demand

- doctorondemand.com
- (800) 997-6196 (TTY: 711)

MDLive

- mdlive.com/healthselect
- (800) 770-4622 (TTY: 711)



Continued on page 4

How do I schedule an appointment?

Choose which of the two providers you want to use and schedule your appointment directly with either MDLive or Doctor on Demand. *Mental health* virtual visits differ from *medical* virtual visits because you need to make appointments in advance. Also, you choose the length of your visit.

Appointments are usually available within two weeks, often more quickly. You can make convenient evening, weekend and holiday appointments. This may be a good option if you have limited availability during the day.

If you need assistance or want more information about mental health virtual visits, call a Blue Cross and Blue Shield of Texas (BCBSTX) Personal Health Assistant toll-free (800) 252-8039 (TTY: 711), Monday–Friday, 7 a.m.–7 p.m. CT and Saturday 7 a.m.–3 p.m. CT.

All applicable health plan benefits for mental health virtual visits will apply based on the mental health office visit benefit.

• The following benefits apply when you use an in-network mental health virtual visit provider:

- **HealthSelect of Texas and HealthSelect Out-of-State (for members not enrolled in Medicare):** \$25 copay then covered at 100%
- **Consumer Directed HealthSelect:** 20% coinsurance after the annual deductible is met
- **HealthSelect Secondary:** 30% coinsurance after the annual deductible is met
- **HealthSelect Medicare Advantage PPO (available starting January 1, 2019):** no deductible and 100% covered

Note: *HealthSelect Medicare Advantage, a preferred provider organization (MA PPO), will begin covering mental health virtual visits beginning January 1, 2019. Please call Humana at (855) 377-0001 (TTY: 711) or visit <https://our.humana.com/ers-medicare/> for more information.*

*Virtual visits are currently **not** available to health maintenance organization (HMO) participants.*



Some deductibles and out-of-pocket maximums start over in January

As another year comes to an end, it's important to remember that most medical and prescription drug deductibles will restart on January 1. In addition, coinsurance and total out-of-pocket maximums start over with the new year.

What is a deductible?

- A medical deductible is the amount you pay for health care before your medical insurance begins to pay for any of your benefits.
- A prescription drug deductible is the amount you pay for drugs before your prescription drug insurance pays any benefits.

What is an out-of-pocket maximum?

- The **coinsurance out-of-pocket maximum** is the most you'll pay in coinsurance during the year for certain health care services, such as lab tests, x-rays and physical therapy. This does not include deductibles or copays.
- The **total out-of-pocket maximum** is the most you'll pay during the year for any in-network health costs including coinsurance, copays, covered health care and prescription drugs. If you reach the out-of-pocket maximum, the plan pays 100% of your covered in-network health and prescription costs for the rest of the year. View the online table to find out how much your deductibles and maximums are, and when they start over.



When a stranger calls...

Seniors are often the targets of high-pressure sales or scam phone calls. These calls may be from telemarketers or even criminals. Some of the callers may try to seem like they're associated with ERS or one of our program administrators (such as Humana or Blue Cross and Blue Shield of Texas). It's important to know whom you are speaking with before you give any personal information.

To find out how to avoid telemarketing fraud read the full article online.



End-of-the-year reminders:

No delay! You can print your Form 1099-R online starting January 15

If you received a payment from ERS in 2018, we plan to mail your Form 1099-R to you by January 31, 2019.

Starting January 15, 2019, you can log in to ERS OnLine to view and print your Form 1099-R for 2018 and the prior three years.

To view or print your form(s):

1. Visit www.ers.texas.gov.
2. Go to your ERS OnLine account by clicking the “**My Account Login**” button in the upper right navigation bar.
3. Click the “**Proceed to Login**” button if you already have an ERS OnLine account, or select “Register now” if you do not have an account. (It takes only a few minutes to set up a new account.)
4. Click the “**1099-R Summary**” link under My Payroll Information from your Retiree Home Page.
5. Follow the prompts to print or access your 1099-R Form(s).

Important Dates:

- **By December 28, 2018**, update your address (if needed). Make sure ERS has your correct mailing address by this date so you get your tax forms and information.
- **Starting January 15, 2019**, log in to view and print your 2018 Form 1099-R and the prior three years.
- **By January 31, 2019**, ERS will mail a Form 1099-R to anyone who received a payment from ERS in 2018.
- **Beginning February 15, 2019**, you can submit requests for another Form 1099-R to be mailed to you or you can log in to your account to print your 1099-R.

ERS retirees can visit <https://ers.texas.gov/Contact-ERS/Additional-Resources/FAQs/Getting-your-Form-1099-R> for more information.

Note: *If you are retired from another system such as Teacher Retirement System of Texas (TRS) or the Optional Retirement Program (ORP), contact that system directly with questions about tax forms.*

Retirees will get federal Form 1095-B from health plan administrators

Form 1095-B provides proof of medical coverage for you and your dependents.

Why am I getting this form?

Most people are required to report medical coverage they had during the previous year to the IRS. The Centers for Medicare & Medicaid Services (CMS) will only mail Form 1095-B to participants who meet the following criteria:

- Are under age of 65 with Medicare Part A
- Enrolled in Medicare Part A for the first time
- Had Medicare Part A for part of the year

If you were covered by Medicare Part A for all 12 months of the year and will not receive a Form 1095-B, just check the box on your Federal income tax return indicating you had qualifying health coverage all year. CMS is reporting your coverage to the IRS.

This includes members enrolled in:

- HealthSelectSM Medicare Advantage (MA PPO) or
- KelseyCare Advantage Medicare health maintenance organization (MA HMO)

Note: *If you have multiple dependents you will get a single form that lists each dependent.*

When will I get it?

You can expect to get your Form 1095-B by the end of February 2019. You should keep it with your tax records as supporting documentation. If you don't get a Form 1095-B by the end of February, contact your health plan administrator directly. You can find the contact information on the back of your medical ID card or by clicking on the provider link under the benefits programs section on the ERS homepage at www.ers.texas.gov.



What is a drug formulary?

To learn more about drug formularies and where to find them, read the article online.



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Discount Purchase ProgramSM

This holiday season, your Discount Purchase Program can help you save money on gifts, restaurants, and even groceries. Samsung and the HP Employee Purchase Program have the perfect gift for the tech expert in your life. Find special offers on tablets, phones, and more. For a more nostalgic present, send an artistically arranged, hand-delivered bouquet from Teleflora. Planning a family meal for the holidays? Shipt can help. Shipt delivers the groceries you love from stores you trust. If your family is going out, check out Restaurant.com, and get eGift cards to restaurants in your city. Visit "<https://www.beneplace.com/discountprogramERS>" to save on these great deals and more.



ERS annuity payments

- December 31, 2018
- January 31, 2019
- February 28, 2019
- March 29, 2019

Generally, direct-deposit annuities are sent on the last business day of the month. Paper checks are mailed on the second-to-last business day of the month.

Retirees from another system, such as TRS, TCDRS or TMRS, need to contact that system for annuity payment dates.

Get your money quicker and safer and help the environment by switching to direct deposit. Contact ERS customer service if you wish to switch from a paper check to direct deposit.

Note: Members can update their direct-deposit by logging into ERS OnLine.

Visit www.ers.texas.gov/Contact-ERS/Additional-Resources/Manage-Your-Annuity-Payments to manage your annuity payments, change tax withholding and personal information, and more.



Events

ERS Board Meeting

Austin – Employees Retirement System of Texas,
 Tuesday, December 11, 8 a.m. CT – Live streamed
 via the ERS website.

Visit www.ers.texas.gov/Event-Calendars to view all upcoming events.