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New look for HSMedicareRx.com

Your tax time checklist

Reminders about the information you may need

Tax season is around the corner. Here is a reminder about the forms and information you may need to file your return:



Form 1099-R: This form shows how much you earned (gross earnings) for your annuity and the taxes that were withheld. You should receive your form for 2020 in the mail by early February or you can view it through your ERS OnLine account starting January 15. To view or print your form in ERS OnLine, look for “My Payroll Information” on the Retiree homepage and click “1099-R Summary.” You also can access 1099-Rs from the past three years.

Form 1095-B: This is proof of medical coverage. If you participated in a Texas Employees Group Benefits Program (GBP) health plan and were not enrolled in Medicare in 2020, ERS will report this information to the IRS. Your health plan insurer or administrator also will mail the form to you by the end of February. Covered dependents do not get a separate Form 1095-B; you may provide them a copy for their records.

Medicare-enrolled retirees: If you are 65 or older and were covered by Medicare Part A for all of 2020, you will not get a Form 1095-B. The Centers for Medicare & Medicaid Services will report your coverage to the IRS. You will get the form if you enrolled in Medicare Part A for the first time, you had Medicare Part A for part of the year or you are under age 65 with Medicare Part. A.

Continued on page 3

Stay safe and save with the Discount Purchase Program

This holiday season, shopping online to avoid crowded stores and malls may be more of a necessity than a choice. If you’re going to be making your list and checking it twice in front of your computer, don’t forget to take advantage of the Discount Purchase Program.

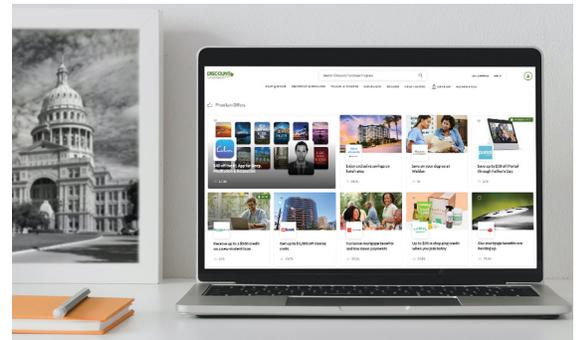
ERS offers the Discount Purchase Program to all retirees participating in the Texas Employees Group Benefits Program (GBP) and their immediate families. The site has hundreds of discounts from recognized vendors on big-ticket items like computers and cars, and everyday necessities like grocery delivery.

To access the discounts, go to www.beneplace.com/discountprogramERS.

If you haven’t already, register by entering your email address and creating a password. Once logged in, you can view categories of discounts, such as “Holiday deals” or search for a particular vendor or item. Offers include discount codes and/or links to the vendor’s site where you can redeem the offer.

(ERS does not endorse or sponsor any Discount Purchase Program service or service provider and it does not benefit from members’ participation in the program.)

To learn more, visit the ERS website and search “Discount Purchase Program FAQs.”





Message from the Executive Director

Planning in uncertain times

Every two years at this time, we anticipate the return of our state lawmakers to Austin for the biennial legislative session. We always begin preparations months before and remain in contact with legislators during the interim. The session brings an intensity and focus, with multiple hearings and more frequent meetings as we inform lawmakers about the current status of the benefits we administer, the outlook for them and factors that might affect them for better or worse.

Of course, this session will be different. As I write this, we don't know how meetings and hearings will take place. With a projected budget shortfall due to the coronavirus pandemic, lawmakers may not be deciding which priorities to fund, but rather which ones to cut. The evolving timeline for a COVID-19 vaccine makes planning for the future that much more difficult.

Still, there are things to feel positive about. Thanks to aggressive cost management, including rebidding third-party administrator contracts for our medical and prescription drug plans, ERS health plans remain on solid financial footing. As a result, we are not asking the Legislature for additional funding to be able to offer high-quality benefits. This is remarkable in a time of rising health care costs and a global pandemic. There is some uncertainty ahead: Plan costs likely will return to more normal levels as postponed medical procedures and doctor visits resume. That's why we encourage members to help us control costs by adopting healthy behaviors, participating in wellness and disease management programs, and understanding how to make the best use of their benefits. For retirees enrolled in HealthSelectSM

Medicare Advantage, that includes making good use of UnitedHealthcare's great specialty benefit programs starting January 1 (see details on p. 4).

Our other budget priority is the state retirement program. As with our health plans, administrative costs for the retirement plans are already very low. And, while investment earnings are important to the long-term health of the plan, we cannot rely on them to make up for the insufficient contributions over the last 20 years. For the Retirement Fund to remain solvent over the long term, it will need increased contributions, reduced benefits for future retirees or both. Our funding request for the upcoming biennium recognizes that the longer the situation is not addressed, the sooner the Fund could deplete, and the more costly it will become for the state to meet its obligations for future retirees. It's important to remember that, as a retiree, whatever happens during session, your annuity payments are not at risk.

In the meantime, an experienced ERS Investments team led by Chief Investment Officer Tom Tull will continue to manage the Trust Fund to earn the best possible returns while minimizing risk. Tom has played a critical role in building our investment portfolio and shaping an investment policy that reflects ERS' mission. We will miss his guidance and expertise when he retires this summer (see "ERS CIO Tull to retire" on p. 3), but we wish him a long and healthy retirement.

Stay in touch, stay informed and above all, stay well.


Porter Wilson

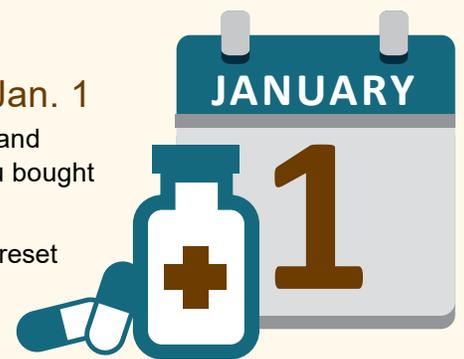
Don't be caught off-guard

Deductibles, out-of-pocket maximums for many plans reset Jan. 1

Maybe you've experienced this: You're paying for your prescription at the pharmacy and the amount is more than you expected or higher than what you paid the last time you bought the medication.

Remember, most prescription drug deductibles and, if applicable, medical deductibles reset January 1. You'll have to reach the deductible amount before the plan pays its share. Coinsurance and out-of-pocket maximums also start over with the new year. (Copays for Community First Health Plans and Scott and White Care Plans reset September 1. HealthSelect Medicare Advantage Plan preferred provider organization does not have a deductible.)

You can see annual deductible, coinsurance and out-of-pocket maximum amounts on the Health Plan Comparison chart that came in your annual benefits enrollment packet earlier this year, or on the ERS website at <https://ers.texas.gov/Retirees/Rates>.





Newly retired?

If you retired in 2020 and opted for a partial lump-sum payment in addition to your monthly payment, you will get two Form 1099-Rs. If you are retired from another system, such as Teacher Retirement System of Texas (TRS), contact that system directly with questions about tax forms from them.

For more information

For more information about Form 1099-R or federal tax withholding on annuity payments, go to the ERS FAQs page (www.ers.texas.gov/Contact-ERS/FAQs) and click links under “Annuitant Information.”

Tax time readiness

You can do these things now to prepare for tax time:

- ✓ **Update your mailing address:** If necessary, update your address by December 31 to ensure your 1099-R from ERS goes to the right place. Do this through your ERS OnLine account or call (866) 399-6908, TTY: 711.
- ✓ **Activate your ERS OnLine account:** If you did not activate your ERS OnLine account before you retired or within 90 days after, call ERS at (866) 399-6908, TTY: 711 to register or re-activate your account. With an ERS OnLine account, you can access annuity payment information and your Form 1099-R, make changes to your benefits elections during annual enrollment periods, review and update your beneficiaries, and more, 24 hours a day, seven days a week.

You can do these things in January and February:

- ✓ **View and print your 2020 Form 1099-R through ERS OnLine starting January 15.** You also will get a copy in the mail by early February.
- ✓ **Request another Form 1099-R by mail:** After **February 15**, you can call (877) 275-4377 to ask ERS to mail you another Form 1099-R.

ERS CIO Tull to retire

ERS Chief Investment Officer Tom Tull will retire in the summer of 2021 after almost 12 years with the agency. ERS announced his planned departure in October and is working with a search firm to find his successor.

ERS Executive Director Porter Wilson says Tull has been a critical part of ERS' success in managing its \$29 billion investment program.

“Tom’s skill and expertise helped transform the investment portfolio by moving more investment management in-house, saving on external fees and incorporating alternative assets including internal high-yield and infrastructure teams,” he says.

Tull joined ERS in 2009 as director of strategic research following a successful career in the private sector. He was named chief investment officer in 2012. Before joining the agency, he served for 11 years on the agency’s Investment Advisory Committee (IAC), which advises the ERS Board of Trustees on investments and related issues.



“It has been an honor and pleasure to serve ERS in a number of roles over the years. I have been very fortunate at ERS to have had a tremendous Board and IAC to work with as well as an excellent team.”

Tull’s industry accolades include the CIO Industry Innovation award, Institutional Investor Public Funds CIO of the Year and AIF Institute Statewide Accredited Program Excellence award. He also served a three-year term on the National Adjudicatory Council of the Financial Industry Regulatory Authority (FINRA) and was a member of the Investor Advisory Board of the National Institute of Public Finance.

Tull says he hopes to continue to serve ERS in whatever capacity he can for the benefit of the Trust and its beneficiaries.

“It has been an honor and pleasure to serve ERS in a number of roles over the years,” he says. “I have been very fortunate at ERS to have had a tremendous Board and IAC to work with as well as an excellent team.”

Organizational consulting firm Korn Ferry is assisting ERS in the transition, with help in finding Tull’s replacement.

HealthSelect Medicare Advantage participants

Learn how your plan's "Extra Benefits" can help you save money, be healthy

Starting January 1, UnitedHealthcare® will be the insurer for the HealthSelectSM Medicare Advantage Plan preferred provider organization (MA PPO). In addition to comprehensive medical coverage, plan participants have access to "Extra Benefits" (also called Specialty Benefits), a collection of health and wellness programs available at no additional cost to you. At right is a sampling—see details and the full list of Extra Benefits at https://www.uhcretiree.com/ers-ma/specialty_benefits.html or in plan materials mailed in November.



Welcome to your UnitedHealthcare plan

- Use the information on your new UnitedHealthcare member ID card (to be mailed in December) to create a secure online account at www.HealthSelect-MAPPO.com. If you've already registered for an account through HealthSelectSM Medicare Rx, you can use the same login information for both plans.
- While you'll receive your new member ID card in December, use your current card for medical claims with dates of service occurring through December 31 and contact Humana if you have a question about a claim.
- Visit www.HealthSelect-MAPPO.com for more information.

HealthSelect
Medicare Advantage Plan

Note: ERS cannot and does not guarantee the length of time that a specific type of Extra Benefit is offered. Benefits vary by area. Limitations and exclusions apply. Refer to your Evidence of Coverage for details. Questions or concerns about these products or services should be directed to UnitedHealthcare. Consult a health care professional before beginning any exercise program. SilverSneakers is a registered trademark of Tivity Health, Inc.



In-home personal care: Up to eight hours per month of non-medical (non-skilled) in-home care for participants who qualify



FirstLine Essentials+: A \$40 quarterly allowance to spend on over-the-counter health care items listed in a catalog. Unused credits roll over to the next quarter but must be used by the end of the calendar year



Personal Emergency Response System (PERS): An in-home monitoring device for quick access to emergency help



Post-discharge meals: Home-delivered meals after a stay in the hospital or skilled nursing facility when referred by a UnitedHealthcare clinical advocate



Real Appeal: Weight management program with tools and tailored plans to help you lose weight and achieve long-term health goals (must have BMI of 19 or greater)



SilverSneakers®: Access to thousands of fitness locations and group exercise classes nationwide, at no cost to you. At-home workout kits also are available



Transportation: Up to 24 one-way rides for non-emergency, medical-related visits, such as doctors' appointments and pharmacy trips



UnitedHealthcare Hearing: Access to UnitedHealthcare's hearing aid network and hearing aids at a discounted rate



Caring for your mental health

Mental and physical health go hand in hand. In fact, taking care of your mental health can sometimes improve your ability to take care of your physical health.

The Texas Statewide Behavioral Health Coordinating Council this fall launched its redesigned Mental Health Texas website (mentalhealthtx.org) to serve as a one-stop resource representing services available through more than 20 state-funded agencies.

The site features information on common topics such as anxiety, substance use and depression, as well as behavioral health resources related to the COVID-19 pandemic. Resources are organized in a user-friendly format and by population groups, including seniors.

Remember, your ERS health plan includes coverage for mental health office visits, including virtual visits, and outpatient and inpatient treatment. For information, visit your plan's website or call your plan toll-free:

- **HealthSelect of Texas® and HealthSelectSM Secondary Nurseline:** (800) 581-0368
- **HealthSelectSM Medicare Advantage:** Humana First NurseLine: (800) 622-9529 (through December 31); **UnitedHealthcare:** (855) 853-0453 (after January 1)
- **KelseyCare Advantage Medicare HMO:** (713) 442-2377 (through December 31)
- **Community First Health Plans NurseLink:** (210) 358-6262
- **Scott and White Care Plans VitalCare Nurse Advice:** (877) 505-7947

2021 annuity payments

Why the amount you earn may change in the new year

In January, some ERS retirees may see a change in their monthly annuity payment (net earnings). This isn't uncommon with the start of a new year. Here are reasons your monthly payment may change:

Changes in federal tax withholding

Federal tax withholding tables can change every year, and are published by the IRS. ERS is required to implement the IRS' changes to the tax withholding tables as soon as feasibly possible after the IRS releases the new tables. You can see any federal tax-based changes to your next monthly payment through ERS OnLine generally the last week of the month. (Depending on when the IRS publishes the tax tables, it may or may not be reflected in your January payment.) A tax advisor can help you decide whether you should make changes to your tax withholding.

Changes in insurance premiums

If an insurance premium payment is deducted from your annuity (for your coverage or for a dependent's), the amount of your annuity payment could change with a new benefits plan year. The plan year for Medicare-eligible participants in the Texas Employees Group Benefits Program (GBP) starts January 1; the plan year for retirees not eligible for Medicare started September 1.

Upcoming annuity payment dates



December 31

January 29

February 26

For Plan Year 2021, GBP insurance premium rates for retirees and covered dependents did not increase, and decreased significantly for the HealthSelectSM Medicare Advantage Plan preferred provider organization (MA PPO). If you and/or your dependent are enrolled in HealthSelect MA PPO or if you are changing from another health plan to HealthSelect MA PPO, starting January 1 you could see the lower premium reflected in a higher annuity payment. This includes KelseyCare Advantage Medicare HMO participants who transition from KelseyCare to HealthSelect MA PPO. Medicare-eligible retirees could also see an increase in their annuity payment if they dropped any insurance coverage during Fall Enrollment.

If you switched from another health plan (including KelseyCare Advantage) to HealthSelectSM Secondary; added optional insurance like dental, vision or life insurance; or added coverage for dependents, you could have a new or higher premium deduction, which could cause your annuity payment to be lower.

How to view and manage your payments

Remember, ERS deposits or mails your annuity payment on the last business day of the month. To see 2021 annuity payment dates, change your tax withholding and more, go to <https://ers.texas.gov/contact-ers/additional-resources/Manage-Your-Annuity-Payments>.

YOUR ERS CONNECTION

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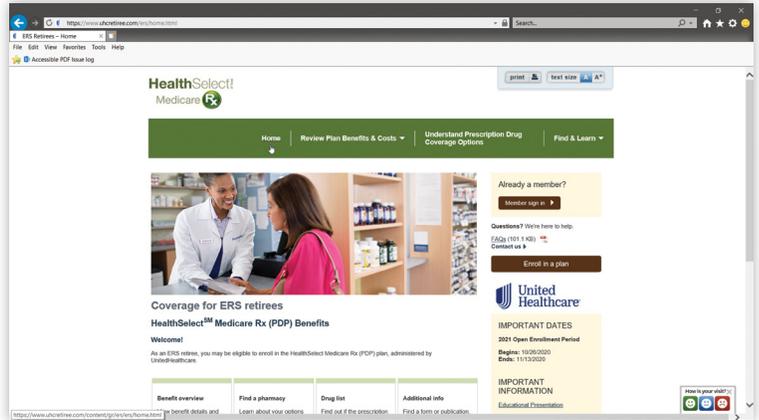
www.ers.texas.gov

Toll-free (877) 275-4377
TTY: toll-free (800) 735-2989



Upcoming webinars

Don't forget to check the ERS Events calendar (www.ers.texas.gov/Event-Calendar) regularly for a list of free learning opportunities you can enjoy anywhere you have access to a computer. Check out wellness presentations designed to help you stay physically, emotionally and financially fit. Access recordings of previous wellness webinars at <https://www.ers.texas.gov/wellness-resources-en/wellness-webinars>.



HealthSelect Medicare Rx website gets a new look

The website for the HealthSelectSM Medicare Rx prescription drug plan has a refreshed look. The information on the site hasn't changed—you can still find network pharmacies near you, a list of covered medications and other details about your plan. Visit the site at <https://www.HSMedicareRx.com>.