

# JDRO

*A Family of John Deere Retirees*

[www.jdro.org](http://www.jdro.org)

# Agenda

- Introduction of Officers and Board members
- Brief History of JDRO
- Membership update
- Treasurers report
- Training activities
- JDRO – Deere Meeting
- NRLN update
- Iowa Taxes on Pension Income
- RMC Refresher
- Q & A

# JDRO

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JDRO's primary objectives are to protect John Deere Salaried Retirees benefits now and in the future and to provide relevant information and assistance to members.

# Officers

Mike Stohlmeyer	Executive Committee
Gary Stolley	Executive Committee
Sharon McAllister	Executive Committee
Steve Darling	Secretary
Jim Manley	Treasurer

# Board of Directors

Bart Bontems	Jim Manley
Dave Cantrell	Sharon McAllister
Steve Darling	Wally Mochal
Dave Davis	Mike Stohlmeyer
David MacKenzie	Gary Stolley

# Membership Update

- 2480 Names on the JDRO Database
- 420 in the Waterloo Area
- 370 Members for 2016

# JDRO

## Treasurer's Report

<b>Starting Bank Balance</b>		<b>189,087.34</b>
Income		
Bank Deposits	5,811.00	
Interest	39.91	
<b>Total Income</b>		<b>5,850.91</b>
Expenses		
Postage	0.00	
Copies	0.00	
Faxes	0.00	
Bank Charges	0.00	
Office Supplies	0.00	
Airline Tickets & Baggage	0.00	
Food	0.00	
Taxi, Car Rental, Fuel & Parking	0.00	
Milage	0.00	
Hotel, Conf Call, Rooms Rental	100.00	
PO/Deposit Box rental	0.00	
NRLN Dues & Project Contributions	2,825.00	
Misc	0.00	
Website/Domain/Phone	320.00	
<b>Total Expenses</b>		<b>(3,245.00)</b>
<b>Ending Bank Balance</b>		<b>191,693.25</b>
TD Ameritrade		
100 Shares Deere stock @ 59.00 **	5,900.00	
Money Market balance 1/1/2016	1,422.66	
Money Market Interest	0.05	
Stock Dividends	120.00	
		<b>7,442.71</b>
<b>Ending Cash Balance</b>		<b>199,135.96</b>
Unrelaized Gain/(Loss) on Deere stock	\$82.29	2,329.00
<b>Net Assets</b>		<b>201,464.96</b>

\*\* Note - We purchased 100 shares of Deere & Company stock at \$59/share so we would get Annual Reports, proxy notices etc.

# JDRO Training Activities

- Transition to Medicare Sessions
  - Before I start Medicare
  - Transition year
  - Iowa SHIP ([www.shiptalk.org](http://www.shiptalk.org))
  - Use of RMCs



# JDRO – Deere Meeting

- New policy on dependent coverage
- Deere has access to statistics about our health care usage as reported to GDI
- Deere is targeting 65% to 70% of our medical expenses
- Changes in pension administration (AON Hewitt)

January 2016

## Change in Administration of John Deere Pension Plan Calculation & Payment

Currently, our defined benefit pension plan calculation and payment processes are administered internally by the Company's Global Benefits department. Effective November 1, 2016, we will transition the administration of these processes to Aon Hewitt. Aon Hewitt administers these processes for over 450 U.S. companies.

This change in administrative processes **does not** impact the pension plan benefits that you are eligible for or receiving from John Deere.

This notice is meant to provide you with early awareness of this administrative change to our defined benefit pension plan processes. No action is required from you at this time. You will receive additional information closer to the effective date to help you understand the details of this transition.

If you have any questions, please contact Deere Direct at 1-888-432-3373

# NRLN

## National Retiree Legislative Network

The JDRO Board strongly supports our continued involvement with the NRLN.

### Focus is only on Protecting Retiree Benefits

- JDRO member serves on the NRLN Board of Directors
- BOD normally meets twice a year in Washington D.C.
- Volunteer Organization
- American Retiree Education Foundation

# NRLN Update

## National Retiree Legislative Network

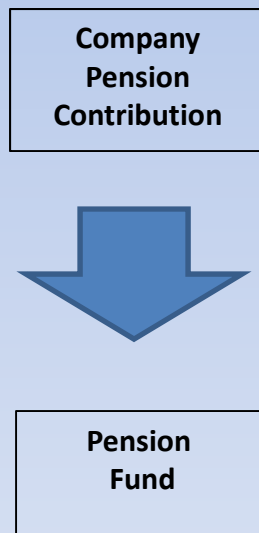
- Board Meetings
  - 1<sup>st</sup> Day – Discussion on White Papers, Meeting with: Department of Labor, PBGC, IRS and/or ERISA
  - 2<sup>nd</sup> Day – Lobby on the Hill with Senators & House of Representatives

# NRLN Focus for 2016

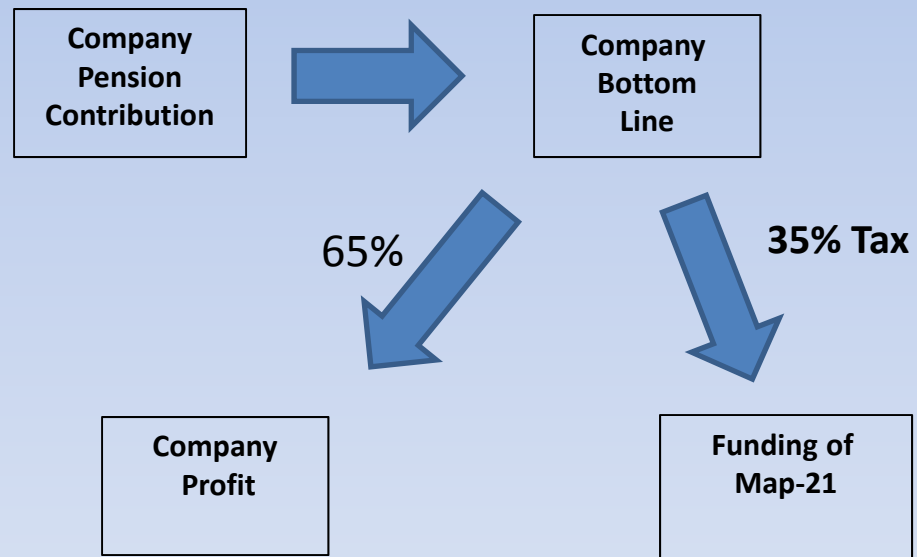
- Moving Ahead for Progress in the 21<sup>st</sup> Century Act
  - MAP 21
  - Smoothing
  - Jobs Bill 2014

# Impact of MAP-21 on Company Pension Funding

Before Map-21



With Map-21



# MAP-21

	<b>MAP-21 Information Table</b>							
	Plan Year 2014		Plan Year 2013		Plan Year 2012		Plan Year 2011	
	With MAP-21 Interest Rates	Without MAP-21 Interest Rates	With MAP-21 Interest Rates	Without MAP-21 Interest Rates	With MAP-21 Interest Rates	Without MAP-21 Interest Rates	With MAP-21 Interest Rates	Without MAP-21 Interest Rates
Funding Target Attainment Percentage	105.86%	84.07%	101.76%	81.68%	106.59%	84.54%	N/A	88.58%
Funding Shortfall	\$0	\$892,485,286	\$0	\$1,007,282,327	\$0	\$799,556,509	N/A	\$538,470,700
Minimum Required Contribution	\$0	\$141,136,940	\$0	\$144,801,516	\$0	\$128,668,758	N/A	\$112,873,766

# NRLN Focus for 2016

- Protection of Retirees in Pension De-risking
  - Cash payout
  - Annuity
  - Consolidation of Plans



# NRLN Focus for 2016

- Reduction in the cost of Prescription Drugs
  - Safe and Affordable Drugs from Canada Act
  - Medicare Prescription Drug Negotiations Act
- Protecting Medicare Beneficiaries with Pre-existing Conditions
  - Same for those over 65 as under 65
- Limit Out-of-Pocket Costs for Medicare Beneficiaries
  - Same for those over 65 as under 65

# NRLN Focus for 2016

- Correct Payment of Premiums Discrepancy
  - Medigap 65%
  - Others 85%
- Eliminate the Medicare 3-Day Inpatient Rule
  - Be careful of Observation

# NRLN Action Alerts

- [www.nrln.org](http://www.nrln.org)
- Click on Take Action Now
- 3 Minutes to complete
- Your message goes to both Senators and your Representative

# Traveling overseas

- Be AWARE
- Check things out with your insurance provider before you go

# Committee for Pension Reform (CPR)

- Driving force behind eliminating state income tax on first \$12,000 of pension benefits. (joint returns)
- Driving force behind eliminating state income tax on Social Security benefits.
- HF280 & SF277 carried over – Eliminate all state income tax on pension benefits.
- Call your state Representative and Senator!

# JDRO

## Retiree Medical Credits Refresher

# Who are the players ?

- Deere Direct
- RMC – Retiree Medical Credits
- GDI – Group Dynamic, Inc.
- AFI – Advantage Freedom, Inc.
- CMS – Centers for Medicare and Medicaid Services
- SHIP – Senior Health Insurance Information Program

# RMC Usage

- Turn in ALL your Medical Expenses to Group Dynamic
- Use RMC's before HSA's
- Keep information current with Deere Direct
- Option to roll expenses or not



# Retiree Medical Credits

- Your (and your spouse) account of medical credits
- Amount adjusted by Deere each year
  - Not tied to any index
  - Not guaranteed
- Can claim credits for any valid IRS out of pocket medical expense
- Not an HSA

# Retiree Medical Credits

Year	Retiree	Spouse or Surviving Spouse	Combined	% Increase
2010	\$3280	\$2620	\$5900	---
2011	\$3600	\$2880	\$6480	9.8%
2012	\$3865	\$3105	\$6970	7.6%
2013	\$4130	\$3300	\$7430	6.6%
2014	\$4380	\$3500	\$7880	6%
2015	\$4380	\$3500	\$7880	0%
2016	\$4380	\$3500	\$7880	0%

# Retiree Medical Credits

- General Process
  - Incur the expense and pay for it yourself
  - Submit claim to GDI with documentation
  - Receive payment ( Direct Deposit or Check )
- Ability to claim expires the end of year after expense occurred.
- Unused RMC's carry over from year to year.
- Unused RMC's return to Deere after both the retiree and spouse pass.

# Retiree Medical Credits

- Rules of Thumb
  - Use RMCs before using your HSA
  - Set up a simple record keeping system
  - File for RMC's on a regular basis
  - **Continue to make claims after RMCs are used up for the year**

# Q & A

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Thanks for your ongoing support

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