



Retirement Plan Review

John Leasher

Each year, Johns Manville sends every retiree a Summary Annual Report showing summarized information about the Retirement Plan, the Thrift Plan, and the Retiree Medical Plan. This Summary mentions the full annual reports that are available for review by any retiree. Your Retirees Association obtains the voluminous full annual reports and reviews them. Here are some updated observations that resulted from our review of the Retirement Plan for the years 1993 through 1997 (numbers for 1998 won't be available until later this year).

Payments of pension benefits have held fairly steady over the last five years, at about \$39 million per year. Administrative expenses paid from the plan had been fairly steady, at about \$2.6 million per year, from 1993 to 1996. However, in 1997 the expenses were only \$1.9 million. Investment advisory fees, which constitute the majority of these expenses, were lowered by about \$700,000 in 1997.

The Retirement Plan's income (consisting of earnings on investments plus the company's contribution) ranged from a \$12 million loss in 1994 to a \$116 million gain in 1995. The company contributed \$7 million in each of the 1993 through 1995 years, but made no contribution in 1996 or in 1997. Income from investments was \$54 million in 1997, compared to \$36 million in 1996.

Due to the poor market conditions in 1994, the Retirement Plan's assets declined from \$475 million to \$422 million. The assets bounced back to \$496 million in 1995, were \$491 million at the end of 1996 and grew to \$505 million at the end of 1997.

The company also computes, actuarially, the present value of the estimated future payouts from the Plan. Essentially, this number represents how much money would have to be set aside today to earn enough money to pay all persons expected to be retired in future years. This number is computed as of January 1 of each year, so the latest available number is as of 1/1/97.

On 1/1/97, the present value of future benefits was \$442 million (as compared to the total assets of \$491 million on 12/31/96).

	Million \$				
	1993	1994	1995	1996	1997
Income	79.0	(11.9)	115.8	40.0	54.2
Benefits Paid	38.8	39.0	39.0	38.9	38.8
Assets	475.3	422.3	496.6	491.1	504.6
Future Payments	449.1	383.3	461.3	441.9	N/A

Medicare and JM Medical Claims

Roy Hillmer made a presentation to Denver retirees on April 15 in which he covered aspects of Medicare coverage and how it relates to Johns Manville *Unicare* coverage. Roy is a Johns Manville retiree with a great deal of experience in dealing with medical claims.

Some of the points he brought out during the presentation were as follows:

- Medical benefits are big expenses to corporations. These are especially costly to companies like Johns Manville, the so-called "smokestack industries" that, in their glory years had large numbers of employees and large numbers of retirees. Following the window retirement, there were more retirees than active employees. That ratio has now been reversed and there are now a few more active employees than retirees. Hopefully this trend will continue.

• Medical Claims (million\$):

- 1993 \$20.7
- 1994 20.0
- 1995 21.3
- 1996 15.0
- 1997 15.6

(1982 "Window retirees" are now covered by Medicare)

Johns Manville Standard Comprehensive Plan and Medicare:

Annual deductible: \$300 per individual
Annual Out-of-pocket: \$1,150 per individual

After you pay the deductible of \$300, Standard Comprehensive Plans pay at 80/20% until you reach the out of pocket total of \$1,150, then claims are paid at 100%.

All medical benefits are coordinated with Medicare. That means Medicare is the primary insurance and Johns Manville is the secondary insurance.

Medicare has a \$100 deductible. Johns Manville has \$300. Once you reach the \$100 with Medicare, your Medicare "Explanation of Benefits" will indicate this. You now have \$200 left on your Johns Manville deductible. Medicare pays at 80/20%. The 20% you paid counts toward the Johns Manville deductible and the out-of-pocket so be sure all claims are submitted to Johns Manville.

Prescription drugs: None of the dollars from the mail-in program count toward your out-of-pocket charges. If you buy them at your local pharmacy and you send in the claims, they do count. You need to figure out which is better for your personal situation. *Submit All Claims.*

If a benefit is denied, call *Unicare* 800-523-2928. Challenge the denial and ask for reconsideration. It is not unusual for them to reverse their decision. In addition, you can also call the Retiree Service Center at 800-877-4979. If you get their voice mail, leave a message and they will call you back.

Questions and Answers

Q: What do I get for those premiums I pay each month?

A: After the maximum out-of-pocket of \$1,150, claims are paid at 100%. Also, prescription drugs are paid by the Johns Manville plan.

Q: What happens if the primary physician recommends special treatment by a Non Medicare provider?

A: Call *Unicare* **before** getting treatment. Find out how much that non-member is going to charge. You can get the care, but it may cost you more. Make good notes.

Q: If a retiree dies, what steps should the surviving spouse take?

A: Call the Johns Manville Retiree Service center. Get lots of copies of the death certificate – one for each life insurance, each mutual fund, each stock certificate (even if in joint account) and each bank account. They are inexpensive at first but expensive to get additional copies. Cancel all insurance coverage for the deceased. Apply for Social Security death benefit (only if retiree is drawing social security under his/her own social security number). This is only a few of the things you will need to do,

President's Corner

John Leasher

On behalf of the Retirees Association, I recently met with Johns Manville executives, Mary Rhinehart, Vice President, Corporate Human Resources and Ron Hammons, Sr. Vice President, Human Resources, Purchasing, Transportation & HS&E. (We try to get together informally once each quarter to keep the channels of communications open.)

Mary told me that she was sending all retirees an announcement regarding the secondary public offering of stock by the Trust, which you should have received by now. We also discussed what retirees could be doing for Johns Manville. The Association Board will be doing more "brainstorming" on this issue but we would like to receive some feedback from our members also. Please send in your ideas about what retirees could be doing to help the company (send to my address listed below.)

We learned that Jerry Henry, President & CEO of Johns Manville, will be speaking to Denver area retirees at a luncheon to be held at the Columbine Country Club later in July. (Joe Goldfield, George Kinzer and Bill Johnson manage these luncheons independently from the Retiree Association.) In the next newsletter, we'll let you know what Jerry's comments were.

The next board meeting of the JMRA directors will be focused on pro-active steps the Association could be doing on behalf of its members. Several issues have been discussed and actions suggested. We have an ongoing project now on which we would like input from you. If you know retirees of other companies who belong to a retiree association, could you send this information to me? Any and all suggestions from our members are appreciated.

The address to send your feedback to is: John Leasher, 6142 S. Willowbrook, Morrison, CO 80465-2237 or send it via e-mail at JohnLeasher@Compuserve.com. Again, any and all suggestions are

depending on your situation.

Q: *When asked for the name of our secondary or supplemental insurance, do we use Johns Manville, Alliance or Unicare?*

A: Give them the information on your insurance card and indicate it is Johns Manville insurance.

Most important: *Submit claims!*
You even have twelve months to file old Medicare claims.

In Memory

Retraction and apology: In the February newsletter, Helga Petersen was reported in the “In Memory” section. That was an error and I sincerely apologize.

Since the February newsletter was published, letters have been received telling us of the deaths of other retirees. These deaths may have occurred some time ago but dates are not available. All of the names received are listed even though this may not be current information.

Roy C. Bailey (Newark, OH)

G. C. Birdsong (San Juan Capistrano, CA)

Cecil Bonzo (Lathrop, CA)

Alvin W. Buechner (Thomasville, GA)

James Fiddner (Pipe Div., N.E. Div)

Archie Franks (Alvarado, TX)

Ervin T. Graham (Rogers, AR)

Joseph A. Grimmer (Belleville, IL)

Lewis B. Haskins (Littleton, CO)

John J. (Jack) Hayes, Jr.
(Denver)

Thomas Jackson (Panama City Beach, FL)

Donald E. Johnson (Santee, SC)

Billy W. Moon (Colbert, OK)

Joseph E. Kindregan (Littleton, CO)

Harry B. Kuesel (Green Valley, AZ)

Murray MacDonald (Rogers, AR)

James V. Magee (Denver, CO)

Philip Marinaro (Raritan, NJ)

John Martin (Pittsburg Plant)

John J. McCarthy (Denver, CO)

Bob Mills (Finance Dept, Denver)

Oscar F. Moore (Essex, CT)

Pauline Ostapovich (E.

Brunswick, NJ)

Martha Owen (Olympia, WA)

Philip Proctor (Walliingford, CT)

Carol E. Railey (Antioch, CA)

Roy Robichaux (Belle Chasse, LA)

James Shearer (Manville, NJ)

Sam Shliff (Norca, CA)

David E. Spriggs (Chillicothe, Ohio)

Joseph Stankiewicz (Lowell, MA)

Richard A. Stapleton (Willis, TX)

Charles R. Swihart (Eldorado, OH)

Ralph Walker (Hartland, WI)

Ray W. Wood (Tulsa, OK)

Jack Zettel (Alexandria, IN)

Reminder: We do not stop sending the newsletter when a retiree dies. We wait to hear from a surviving spouse and will continue sending the newsletter in the spouses' name. If there is no surviving spouse, please let us know and we will discontinue sending the newsletter.

New Legislation

Legislation has been introduced in Congress proposing a major Medicare expansion that would cover up to \$1,700 a year in prescription drugs. Rep. Pete Stark sponsored the House Bill, #1495, and Sen. Ted Kennedy sponsored the Senate Bill, #841.

Under this plan, senior citizens would have to meet a \$200 deductible and pay 20% of drug costs. Medicare would pay 80%, up to \$1,700 a year. For the very sick, Medicare would pay all costs once annual out-of-pocket spending exceeded \$3,000. Private third parties, such as benefit managers or retail pharmacies, would negotiate prices and administer the benefit.

You can express your wishes on this legislation by writing your congressional representatives, mentioning the bill number in your correspondence.

Mailing List Summer/Winter

We have the ability to handle two addresses (summer and winter) for each retiree. The winter issues will go to the winter address and the summer issues will go to the summer address.

If you'd like us to use two addresses for your mailings, drop Bill Snyder a note with the details. His address is 1952 W. Ridge Road, Littleton, CO 80120-3139.

Regional Representatives

Anaheim CA	Harold Kahlen (714) 535-3537
Atlanta GA	Jim Barnwell (404) 355-4434
Defiance OH	Charlie Farr (419) 782-1372
Denver CO	Bill Russo (303) 347-9347
Denver CO	Dick Ducey (303) 770-2458
Fort Worth TX	Al Lock (817) 732-6756
Manville NJ	Joseph Manara (908) 725-4969
Marco Island FL	Bob Manahan (941) 394-1202
Marrero LA	Delton Theron (504) 341-5216
Nashua NH	Keith Hart (603) 889-9419
Parkersburg WV	Bernie Schoolcraft (304) 485-0326
Ridgewood NJ	Catherine Montgomery (201) 447-5926
Pittsburg CA	Adrian Verduzco (925) 439-3276
Richmond IN	Al Young (317) 966-0071
Sacramento, CA	Vic Viani (916) 332-5454
Savannah GA	Peggy Carlisle (912) 925-5935
Tucson AZ	Lynn Norred (520) 648-0794
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