

HIGHLIGHTS

**REMINDER MEDICAL BENEFITS PROGRAM**

The deadline to submit reimbursement requests for claims incurred in 2015 is June 30, 2016.

NEW MEDICAL BENEFITS PROGRAM HANDBOOKS

Electronic versions of the handbooks are available on the retirees website. To receive a paper copy please send a request to hrd/ins@iadb.org.

HIGHLIGHTS OF STAFF RETIREMENT PLANS JULY-DECEMBER 2015

As informed in the previous edition, 2015 was the initial year of changes introduced to the governance structure of the Retirement Plans, creating a new Committee to oversee the operational and strategic matters of the Plans.

The Managing Committee played a critical role helping to define two key proposals approved by the Board of Executive Directors in the second semester. The first was the establishment of a Risk Appetite Policy for the IDB retirement plans, providing for two measures to reflect the Plans' tradeoffs between risk and volatility, sustainability, and the required contributions. The second was a Long-Term Funding Policy for the Retirement Plans that stabilizes future contributions and creates a reserve fund for each of the three largest Plans.

During 2015, the Secretariat continued the modernization of its management information systems,

including the implementation of a new Pension Administration System. In September 2015, the core module of the new Pension system went live on time and on budget, and is scheduled to allow self-service capabilities for active participants of the Plans in 2016.

For Retirees, self-service capabilities are being implemented in the 1.2 release of the OPTIMA program. Retirees will have access to the SAP self-service portal through which they can update their personal information and verify their pension payments and tax information. A representative group of retirees has been selected to form an Advisory Group which will assist in the design of the deployment plan.

Lastly, the Cost of Living (COLA) adjustment for 2015 is of .502% and was processed in January for participants in the International Plan. The National Plan COLA increases will be processed as official country indexes became available.

HIGHLIGHTS - ANNUAL MEETING OF THE REVIEW COMMITTEE OF THE MEDICAL AND LIFE INSURANCE PROGRAMS

The annual meeting of the Review Committee of the Medical and Life Insurance Programs for the year 2014 took place on February 8, 2016 at the IDB Headquarters.

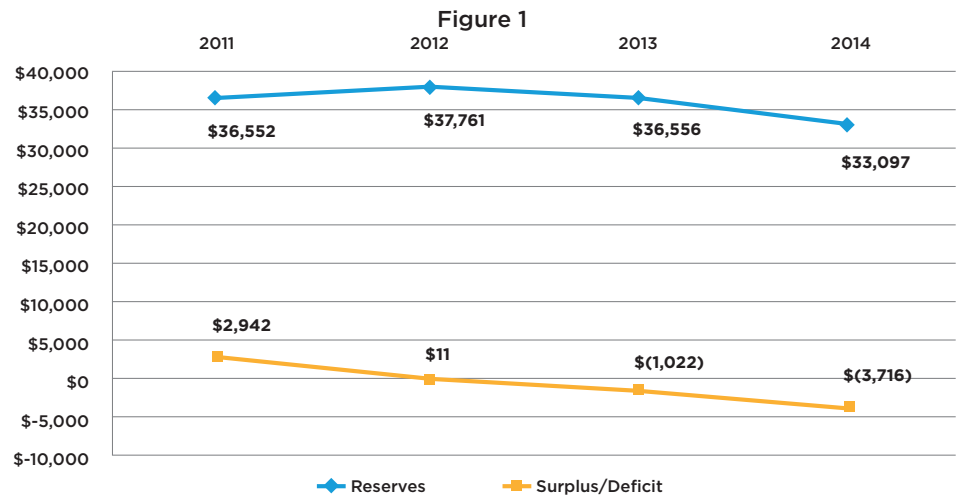
In 2014, the Medical Insurance Program covered a total of 9,616 members, of which 3,473 were retirees and their dependents. Approximately two-thirds (65%) of plan members covered resided in the United States and the remainder (35%) resided abroad.

The Plan incurred US\$59.84 million in claims of which, 65% were medical, 26% were pharmacy and 9% were related to dental services. Available reserves at the end of the year totaled US\$33 million or the equivalent to 7 months of claims.

Figure 1 shows a decline in the

level of reserves compared to 2013 due to a deficit between premium contribution and claims expenditures. The Plan experienced a net deficit of US\$3.5 million in 2014 which further decreased reserves down to US\$33 million from US\$36.6 million in 2013 and substantiated the need for a premium increase in 2016.

In 2014 the Committee work plan included the review of: 1) summary plan description (SPD), 2) premium level and reserves considerations, 3) dental and vision benefits, claims audit performed in the 2013-2014 period, and among others, 4) the coverage levels and funding rates for the Life and Accidental Death & Dismemberment insurance coverages.



1 Source: Bank Records

2 This amount includes pharmacy rebates deductions

To download the report, please access the insurance page of the Retirees website.

MEDICAL BENEFITS PROGRAM - SUMMARY CHANGES EFFECTIVE 2016

The Medical Benefits Program has been updated. Changes, effective in January 1, 2016, included new emergency room and out-of-network deductibles, and limits short-term rehabilitative therapy and infertility treatments.

Premiums were also updated. Premium for international retirees increased by 6%. Premium for national retirees increased by 15% applied to the minimums and maximums of coverage categories. New premiums also apply for dependent parents.

For further details, please access the insurance page of the Retirees website.

MEDICARE PART B PREMIUM REIMBURSEMENT

The IDB Medical Plan reimburses Medicare Part B premium to eligible participants. P&A Group handles Medicare Part B reimbursements for enrolled participants and their eligible dependents on behalf of the IDB. Enrollment is mandatory at age 65 for US citizens and residents.

To receive reimbursement you must send to P&A Group a copy of the letter from the Social Security Administration which indicates your 2015 Medicare Part B monthly premium. There is no deadline, however, the earlier you submit your Medicare premium information the faster you will receive your reimbursement. Retroactive payments apply for late submissions.

For more information please contact P&A Group at 1-844-852-2611.

NEW TAX REIMBURSEMENT HANDBOOK FOR IDB GROUP RETIREES

After several months of preparation, we are proud to finally announce the publication of the new tax reimbursement handbook for IDB Group retirees. This handbook includes clarifications and interpretations of the relevant tax reimbursement policy for IDB group retirees, such as: Tax obligations of retirees and survivors who are subject to US taxation, IDB Group's US Tax Reimbursement Process for SRP Benefits, and Reimbursements for taxes imposed outside the US.

The handbook can be found on the retirees' webpage. We have printed copies that you can request from the Tax Administration Office (NW461B).

NEW PRESCRIPTION DRUGS CO-PAYS EFFECTIVE ON APRIL 1, 2016

Members residing in the USA				
Type of Drug	Retail 30-day supply BEFORE	Retail 30-day supply AFTER	Mail order* 90-day supply BEFORE	Mail order* 90-day supply AFTER
Generic	USD\$5	USD\$5	USD\$0	USD\$10
Formulary brand (preferred)	USD\$10	USD\$15	USD\$0	USD\$30
Non-formulary brand (non-preferred)	USD\$10	USD\$30	USD\$0	USD\$60
Specialty	USD\$10	USD\$40	USD\$0	USD\$80
Members residing in other countries**				
Any drug	BEFORE		AFTER	
	USD\$5		USD\$5 (No change)	

New cards were mailed out to members. Please contact CIGNA if you did not receive your new card(s).

Limits also apply for the Lifestyle drugs utilization.

* Generic and preferred brand drugs are available for free (\$0 copay) via mail-order for the following conditions only: high blood pressure, high cholesterol, diabetes, asthma, osteoporosis, heart attack, stroke and prenatal nutrient deficiency.

** USA co-pays apply for purchases in the USA

For further details, please access the insurance page of the Retirees website.

REPORTING REQUIREMENTS FOR US TAXPAYERS UNDER THE US FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND RETURNS FOR PAST YEARS

Reporting requirements. Under FATCA, U.S. taxpayers who hold “specified foreign financial assets” with a total value exceeding certain thresholds must report such assets annually on Form 8938.

As communicated in February 2016, the Bank recently conducted a review of the U.S. tax status of the IDB’s Staff Retirement Plan (“SRP”), and determined that the SRP is considered to be a foreign trust for purposes of U.S. tax law. This determination may trigger a requirement for you to file Form 8938 if the amount of the SRP benefit and related tax reimbursement, when added to your non-SRP foreign financial assets, exceeds the applicable threshold. If you are required to file Form 8938,

the fillable IRS Form 8938 and its instructions are available on the IRS web-site (IRS.gov). You should review the instructions carefully, and/or seek advice from your personal tax professional.

Returns for past years. The FATCA reporting requirements and the Form 8938 first became effective for the 2011 tax year. If the total amount of your specified foreign financial assets, including the SRP and non-SRP foreign financial assets, exceeded the then-applicable threshold for any of the years 2011 through 2014, you should seek advice from your personal tax professional on whether you should file amended returns using Form 1040x to attach Form 8938 for the appropriate years.

If you decide to amend your federal tax returns for one or more years dating back to 2011 in order to submit IRS Form 8938 for the applicable years, the Bank considers it appropriate under the circumstances to assist you by defraying up to \$175 of the costs that you might incur for each year of such amended filing. To confirm whether you are eligible for the defray please refer to the communications sent regarding FATCA or contact the Tax Unit at taxunit@iadb.org.

For additional information please refer to the IDB Group Retirees Website. or call SRP at 202-623-3560.



To update your contact information, please email hrd/srp@iadb.org.



To contact the IDB Well-being & Health benefits Group, please email hrd/ins@iadb.org



IDB Group Retirees - Life and Medical Insurance Programs website <http://www.iadb.org/retirees>