MICHIGAN OFFICE OF RETIREMENT SERVICES
Big Plans. Small Steps.

Planning Your Retirement

You're almost there

As you're nearing the end of your career as a Michigan public school employee, your retirement plan is more important than ever. Now is the time to evaluate your plan and make adjustments to ensure a smooth transition into retirement. The Michigan Office of Retirement Services (ORS) is here to help.

We've created this workbook to explain upcoming milestones and accompanying decisions, so you'll feel more confident, in control, and ready for the next steps in your retirement journey.

Take charge of your retirement

Manage your retirement with miAccount, our online tool where you can track your contributions and service credit totals, designate a beneficiary, estimate your pension, and apply for retirement. Access and update your account at **Michigan.gov/ORSmiAccount**.

After you retire, keep your personal email and street address up to date in miAccount to ensure you receive important notifications from ORS about your account.

The retirement process

The retirement process involves five simple steps, as seen below. Each step is color-coded to make it easier to track your progress throughout the book.

1	2	3	4	5
MEET ELIGIBILITY	PICK YOUR PENSION	DECIDE ON INSURANCE	REVIEW & APPLY	ADJUST TO RETIREMENT
pages 4–9	10–21	22–39	40–45	46–49

Icon legend

Look for these symbols throughout the book. Each symbol indicates a tool to help make your retirement planning easier.

Activity

This indicates an activity that will help you prepare for retirement.

E-learning module

This indicates that an e-learning module about this topic is available on our website.

miAccount tool

This indicates valuable information that is available to you in **miAccount**.

Search term

This indicates a search term you can use to quickly find information about that topic on our website, **Michigan.gov/ORSSchools**.

STEP 1

Meet pension eligibility

ORS administers two Defined Benefit (DB) retirement plans within the Michigan Public School Employees' Retirement System: the Basic plan and the Member Investment Plan (MIP). Members in these plans have access to retiree healthcare plans and death and disability benefits.

When you're vested

You're vested when you have the equivalent of 10 years of full-time public school employment. When you're vested you have sufficient years of service (YOS) to qualify for a pension, though you may not meet the age requirement.

If you converted to the Defined Contribution (DC) plan, you must still meet age and service requirements to be eligible for your pension. After you've converted, you'll continue earning service credit toward your pension eligibility as long as you work for an employer reporting to the retirement system.

Basic plan

You're in the Basic plan if you began public school employment before Jan. 1, 1990, and you did not elect the MIP during enrollment periods. There are three benefit structures in the Basic plan:

- Basic.
- Basic 4%.
- Basic DC Converted.

Full retirement provisions

- **Basic 55 with 30**

  You're eligible for your pension at age 55 with at least 30 YOS. At least 15 YOS must be earned through the Michigan Public School Employees' Retirement System.

- **Basic 60 with 10**

  You're eligible for your pension at age 60 with at least 10 YOS.

Member Investment Plan

You're in the MIP if you elected this plan during enrollment periods, or if you first worked within the retirement system on or after Jan. 1, 1990, but before July 1, 2010. There are five benefit structures in the MIP:

- MIP Fixed.
- MIP Graded.
- MIP Plus.
- MIP 7%.
- MIP DC Converted.

Full retirement provisions

- **MIP 46 with 30**

  You're eligible for your pension at any age with at least 30 YOS. If you purchased service credit, you must be at least age 46. At least 15 YOS must be earned through the Michigan Public School Employees' Retirement System.

- **MIP 60 with 10**

  You're eligible for your pension at age 60 with at least 10 YOS.

- **MIP 60 with 5**

  You're eligible for your pension at age 60 if you have earned service in each of the five school fiscal years (July 1 through June 30) — including the month — immediately before your retirement effective date. You must also terminate employment immediately before your retirement effective date and work within the month of your 60th birthday.

You may be able to use other government service to be eligible for your retirement using the Reciprocal Retirement Act. Find this information by selecting Service Credit: Earning and Purchasing **in the top navigation, select** Types of Service Credit, **then select** Public Act 88 - Reciprocal Retirement Act of 1961.

Early reduced retirement

Regardless of which DB plan you're in, you can take an early reduced retirement as soon as age 55, if you have at least 15 but fewer than 30 YOS. Your pension amount is permanently reduced by one-half of 1% (0.005) for each month you take your pension before age 60. **See Page 19**.

You must meet ALL of the following conditions to be eligible for the early reduced option:

- You're an active member, still working under the retirement system and earning creditable service.
- You worked in the month of your 55th birthday. (An exception may apply. **See Page 8**.)
- You have at least 15 but fewer than 30 YOS, with at least 10 YOS earned under this retirement system.
- You earned creditable service in each of the five school fiscal years — including the month — immediately before your retirement effective date. The fiscal year in which you're retiring counts toward the five years.
- You terminated with your employer immediately before your retirement effective date.

You're NOT eligible for the early reduced option if:

- You terminated employment before the month you reach pension eligibility age, deferring your pension. As a deferred member, you don't qualify for the early reduced pension.

Deferred retirement

If you leave public school employment after you're vested but before you reach pension eligibility age, you're choosing to defer your pension. Apply for your pension three months before your 60th birthday. Your pension amount won't be any higher if you wait and you could lose money.

Early reduced vs. deferred retirement

If you're between ages 55 and 60 and leaving public school employment, you might face a choice between taking an early reduced retirement or deferring your retirement until you meet age eligibility. Calculate your pension both ways before deciding. Your choice may affect your lifetime pension amount, along with your eligibility for an insurance premium subsidy and when the subsidy may begin. Make sure you fully understand the requirements for the subsidy before you make your decision.

Deferred vs. Early Reduced Retirement

Early reduced	Deferred
Permanent reduction of your pension.	Full pension calculation.
Available at age 55 with 15<30 YOS.	Available at age 60.
Members with the premium subsidy benefit receive the full subsidy unless it's delayed due to a service credit purchase. **See Page 26**.	Deferring could affect the amount of your insurance subsidy.

Summer Birthday Provision

Summer birthday provision

A special provision applies for those who were born in the summer months of July, August, and September and stop working when school ends in June.

If you're applying for a full retirement (excluding MIP 60 with 5) or an early reduced retirement, and your 46th, 55th, or 60th birthday falls during the summer, we will consider you an active (not deferred) member if you meet both of the following conditions:

- ✓ You're a regularly employed 10-month employee who does not normally work during the summer months. (Substitute employees and those employed on an irregular basis do not qualify.)
- ✓ You file your retirement application by June 30 in the year of your qualifying birthday.

With this provision, your retirement effective date will be the first day of the month following your birthday in which you reach the required age to satisfy the full or early reduced retirement provision, as displayed below.

Birthday month	Retirement effective date
July	Aug. 1
August	Sept. 1
September	Oct. 1

Your retirement effective date

Your retirement effective date is the first day of the month following the month in which you've met all eligibility requirements and you've terminated employment.

- ✓ You must have a bona fide termination of employment before your retirement effective date. A bona fide termination is a complete severing of your employer-employee relationship. **You cannot have a promise of reemployment or a contract for future employment in place before you terminate employment.**
- ✗ You cannot work for a Michigan public school reporting unit, even as a volunteer, in the month of your retirement effective date. Contact ORS for details before completing your retirement application.

STEP 2

Pick your pension

Calculating your pension

Your annual pension is based on a formula that multiplies your final average compensation (FAC) by your pension factor times your years of service (YOS). This is your pension calculation:

FAC x Pension factor x YOS

Your specific pension formula depends on your benefit structure. Use the Estimate Pension tool in miAccount at **Michigan.gov/ORSmiAccount** to estimate and save up to four different personalized pension calculations using your up-to-date service credit and wage details. If you're divorced with an Eligible Domestic Relations Order (EDRO) on file, get your pension estimate by contacting ORS on the miAccount Message Board.

Remember, it is just an estimate. Your actual pension amount will be calculated after ORS receives your retirement application, required proof documents, and final payroll details from your employer.

Verify your pension factor and benefit structure in miAccount.

Your final average compensation

Basic plan	MIP
5 year average of highest **consecutive** earnings	**3** year average of highest **consecutive** earnings

Calculating your FAC

To calculate your FAC period we average your highest three or five consecutive years of earnings, no matter when they occurred during your career. We will verify your final wages with your employer(s).

Your highest three or five consecutive years of earnings may have occurred earlier in your career; however, we still refer to it as your FAC.

We will capture all that you earned during your FAC period; it doesn't matter if you retire during or at the end of the school year, you receive some of your wages during the summer months after you retire, or you worked for multiple employers during that time. If your employer settles a contract that contains wages affecting your FAC, we will review and update your account.

Types of compensation included in your FAC

- Gross wages.
- Longevity pay.
- Used vacation or holiday pay.
- Used sick leave pay (or weekly workers' compensation).
- Overtime pay.
- Merit pay.

For details, including types of compensation not included in your FAC, visit **Michigan.gov/ORSSchools**.

Your pension factor

The pension factor used in your calculation depends on the choice you made during the 2012 reform. You have either a 1.50% (0.0150) pension factor, or a combination of a 1.50% (0.0150) and a 1.25% (0.0125) pension factor in your calculation.

What's your pension factor?

During the 2012 reform, did you increase your contributions to maintain a 1.5% multiplier or leave your contributions as they were to receive a combination of 1.25% and 1.5% multipliers?

○ **1.50%**

○ **1.50%** + **1.25%**

Mason's YOS:

Mason works 2,080 hours a year. However, he will be limited to 1 year of credited service, because the annual cap is 1,020 hours.

Your years of service

Your YOS used to calculate your pension reflects the years, or fractions of years, you've worked for a Michigan public school. The school fiscal year begins July 1 and ends June 30. You earn 1 YOS when you work the equivalent of 1,020 hours between July 1 and June 30. You can only earn 1 YOS even if you work more. No more than 30 hours can be credited in a one-week period if you're on a weekly payroll, or 60 hours if you're paid biweekly.

1 YOS = **1,020** hours

If you work less than full time

If you don't work a full school year or if you're considered part time because you don't work a typical school day, you will earn proportional service credit. Visit **Michigan.gov/ORSSchools** to see how service credit is earned for a variety of school work schedules.

The Estimate Pension tool in miAccount assumes that you're earning service credit during the summer even if you're a 10-month employee. If you're a 10-month employee, you earn service credit only during the months you're working, even if you're receiving paychecks during the summer.

Service credit

You may also increase the YOS in your pension calculation by adding service credit. You may be eligible to:

- Add your active duty military service.
- Restore service credit canceled by a refund.
- Receive service credit for periods during which you were receiving weekly workers' compensation benefits as the result of a duty-incurred disability.

The straight life calculation

If you choose this payment option, you receive the maximum monthly benefit payable throughout your lifetime. No ongoing pension payments or insurance benefits are provided to your survivors.

Calculate your annual straight life pension using your pension formula. Divide that amount by 12 to calculate your monthly straight life benefit.

Every calculation for other payment options (survivor, equated, and early reduced) begins with your straight life pension calculation.

Points to consider with straight life

- If you have the premium subsidy benefit, your spouse and other eligible dependents can enroll in the retirement system's insurances while you're alive. Their coverage ends upon your death.
- If you have the Personal Healthcare Fund, you and your dependents may enroll in the retiree health plan immediately when you retire, but you're responsible for the entire premium.

Carl's straight life pension		Sherri's straight life pension		
FAC	$29,240.00	$64,716.56	$64,716.56	
Pension factor	0.0150	0.0150	0.0125	
YOS	30.2354	24.5623	6.1256	**Combined pension**
Yearly pension	$13,261.25	$23,843.81	$4,955.35	$28,799.16
Monthly pension	**$1,105.10**	**$1,986.98**	**$412.95**	**$2,399.93**

Retirement income projection

1. **How much income do you need in retirement? Compare your projected retirement income to see if it's 60%–80% of your working income.**

   Working income ____________

   Retirement income ____________

2. **What income sources will you have in retirement?**
   - ○ Pension.
   - ○ Social Security.
   - ○ Savings or investments.
   - ○ Employment.

3. **If needed, what steps can you take to strengthen your retirement income?**
   - ○ Pay off debt.
   - ○ Downsize my home.
   - ○ Move to an area with a lower cost of living.
   - ○ Work part time.
   - ○ Sell assets.
   - ○ Have an emergency fund in place.
   - ○ Share living expenses.
   - ○ My retirement income will be enough.

4. **Action items:**
   - ○ Run a Social Security estimate (**ssa.gov/myaccount**).
   - ○ Run pension estimates (**Michigan.gov/ORSmiAccount**).
   - ○ Review the working after retirement rules if you plan to return to work for a Michigan public school.
   - ○ Check the withdrawal rules for any additional investments such as a 401(k), 457, 403(b), or Roth IRA.

Your payment options

When choosing your pension payment option consider:

- How much will your retirement lifestyle cost?
- What income sources will you have in retirement?
- What are your financial and insurance needs while you're retired?
- What are your eligible dependents' financial and insurance needs after you die?

You must choose your payment option when you apply for your pension. After your retirement effective date, you can't change your option or your designated survivor pension beneficiary. However, if you marry after your pension begins, you may be able to name your new spouse as a pension beneficiary under limited conditions.

Read more at **Michigan.gov/ORSSchools**, ask questions, run pension estimates under various scenarios, and talk with your family before you submit your application.

Survivor options

Beneficiary

Your survivor options

If you elect a survivor option when you apply for retirement, you receive a reduced pension throughout your lifetime. However, upon your death your pension continues for the lifetime of your pension beneficiary.

Beneficiary choices

- ○ Spouse.
- ○ Sibling.
- ○ Child.
- ○ Parent.

Retirement law does not allow you to name a legal entity, such as a trust, as a pension beneficiary — you can only name a specific, eligible person to receive a pension benefit. However, you may name an eligible person in care of, as the trustee of, or as the administrator of a legal entity. Benefits end with the beneficiary's death.

Learn your option reduction by running a pension estimate in miAccount. You'll need your survivor's birthdate.

Your pension payment options

You have four pension payment options at retirement:

- Straight life.
- 100% survivor.
- 75% survivor.
- 50% survivor.

If you elect a survivor option, upon your death your survivor will receive either 100%, 75%, or 50% of your monthly pension before any tax, insurance premium, or other deductions.

After your retirement effective date, you can't change your payment option or your survivor pension beneficiary. If your beneficiary dies before you, your pension increases to the straight life amount (either full or early reduced).

First, we calculate your straight life pension amount. Next, we reduce your pension based on life expectancies for you and your beneficiary. Finally, we multiply your reduced pension by the survivor option you choose to calculate your survivor's monthly pension amount.

Sherri's survivor pension calculation example

Pension payment option	100% survivor	75% survivor	50% survivor
Straight life	$2,399.93	$2,399.93	$2,399.93
Option reduction	x 0.86	x 0.89	x 0.92
Retiree pension	$2,063.94	$2,135.94	$2,207.94
Survivor option	x 1.00	x 0.75	x 0.50
Survivor pension	$2,063.94	$1,601.95	$1,103.97

Pension beneficiary

Marriage and survivor options

- If you're married and name someone other than your spouse as your beneficiary, or you elect any option other than the 100% survivor option, your spouse must waive his or her right to the 100% survivor option by signing the *Pension Election and Spousal Waiver (R0869C)* form in the presence of a notary public. You must also sign the form in front of a notary public.
- **You're not able to change your option or your survivor pension beneficiary after your retirement effective date.** However, if you marry after your pension begins, you may be able to name your new spouse as a pension beneficiary under limited conditions.
- If you get divorced after your pension begins, and your spouse is your pension beneficiary, the court could order that your pension election be changed from a survivor option to the straight life option.

Will insurance benefits continue for your survivor?	
Straight life	No
100% survivor	Yes
75% survivor	Yes
50% survivor	Yes

My pension survivor choices

1. **You can only name one survivor beneficiary. Who are your top choices?**

   First choice ____________________

   Second choice ____________________

2. **After reviewing your pension estimates, which option are you considering?**
   - Straight life.
   - 100% survivor.
   - 75% survivor.
   - 50% survivor.

3. **Action items:**
   - Run pension estimates for each possible beneficiary.
   - Consider consulting a financial advisor to determine what option might be right for you.

Pension options decision tree

Which pension option should you choose? There's no right or wrong answer. Everyone's situation is different. These questions will help you find the option that best meets your needs.

If you're **MARRIED**, consider:

1. **Is your spouse willing to waive his or her right to the 100% survivor option?**
   - Yes. You can consider all the survivor options and straight life. Continue to question No. 2.
   - No. Your only option is the 100% survivor option.

2. **Will your spouse rely on you for insurance benefits and/or your monthly pension income?**
   - Yes. Consider the 100%, 75%, and 50% survivor options.
   - No. You can consider all the survivor options and straight life.

If you're **SINGLE**, consider:

Does your child, sibling, or parent depend on you for monthly income?

- Yes. You can consider all the survivor options. You'll need to enter your beneficiary's birthdate in the Estimate Pension tool in miAccount to create a pension estimate to see which best meets your needs and his or her needs.
- No. If you want to leave your beneficiary something when you die, discuss your decision with him or her. Explain that naming a beneficiary to your pension will reduce the amount you receive each month. Discuss other options, such as a will or life insurance policy.

Early reduced pension

If you're at least age 55, active (still working, not deferred), with at least 15, but fewer than 30 YOS, you may qualify for an early reduced pension. If you're not certain you qualify, verify you meet the requirements with ORS before terminating employment.

Calculate your straight life pension, and then reduce it by one half of 1% (0.005) for each month you take your pension before age 60 (6% per year). Run early reduced pension estimates in miAccount.

Months before age 60 x **0.005** = **% of pension reduction**

Points to consider with early reduced

- **The reduction in your pension is permanent.**
- The early reduced pension calculation is performed before determining your pension amount under a survivor option or the equated plan.
- MIP retirees will get the standard 3% post-retirement increase that is based on the initial amount of the early reduced pension.
- For most members, choosing early reduced has no effect on insurance eligibility or premium subsidy.
- Your retirement effective date is the first of the month following the date you last earned any reportable compensation unless the summer birthday provision applies.

Early reduced pension	Retire at age 55	Retire at age 59
Months before age 60	60	12
Reduction factor	0.005	0.005
Pension reduction	0.30	0.06
Straight life pension	$2,399.93	$2,399.93
Early reduced pension	**$1,679.95**	**$2,255.93**

Create a combined equated and survivor option pension estimate in miAccount.

Equated plan

The equated plan pays you a higher pension until age 62, and then your monthly pension is **permanently reduced**. You might choose the equated plan if you want your overall income to remain relatively even before and after Social Security begins.

Your pension income before age 62 is calculated to be close to your combined pension and Social Security income after age 62. Your increased pension before age 62 is based on your projected Social Security benefit. If you apply for an equated pension, provide us with your age 62 Social Security benefit estimate. Obtain your estimate from the Social Security Administration (SSA) at **ssa.gov/myaccount**.

Equated survivor options

You can elect any of the survivor options with the equated plan. These are known as the 100% equated, 75% equated, and 50% equated plan options.

We calculate your equated survivor pension starting with your applicable survivor pension amount. We use that figure and your Social Security estimate at age 62 to determine your pre-62 and post-62 equated amount.

Upon your death, your survivor will receive the standard survivor amount calculated under a 100%, 75%, or 50% survivor benefit, as if the equated plan wasn't chosen. If your beneficiary dies before you, your benefit reverts to the straight life equated plan.

Equated pension reduction example

Age during retirement	55 with equated	62 with equated	55 without equated	62 without equated
Pension	$1,570.00	$588.00	$1,570.00	$1,570.00
Advanced amount	$551.00	$0.00	$0.00	$0.00
Social Security	$0.00	$1,533.00	$0.00	$1,533.00
Total	**$2,121.00**	**$2,121.00**	**$1,570.00**	**$3,103.00**

Points to consider with the equated plan

- Your pension is permanently reduced the month of or after your 62nd birthday, regardless of when you begin receiving your Social Security.
- You can't change your mind after your retirement effective date.
- Keep in mind, your Social Security estimate assumes you will continue working until age 62, so the amount you actually receive at age 62 could be lower.
- You cannot choose the equated plan if you're age 61 or older as of your retirement effective date, or if you're eligible for a disability retirement.
- MIP retirees will get the standard 3% increase that is based on the initial pension amount calculated before the advance.

Sandra is considering the equated plan because:	**Gabrielle** isn't considering the equated plan because:
She plans to start collecting Social Security at age 62.	She doesn't plan to collect Social Security until age 67.
She prefers to have a relatively even income throughout her retirement.	She likes the idea of having more monthly income when Social Security begins.
She wants to receive as much income as soon as she can because her life expectancy is uncertain.	She expects to live longer, so she believes the permanent reduction will end up costing her money.
She prefers to be in a relatively even tax bracket before and after age 62.	She doesn't want the higher pre-62 income to put her family in a higher tax bracket.

STEP 3

Decide on insurance

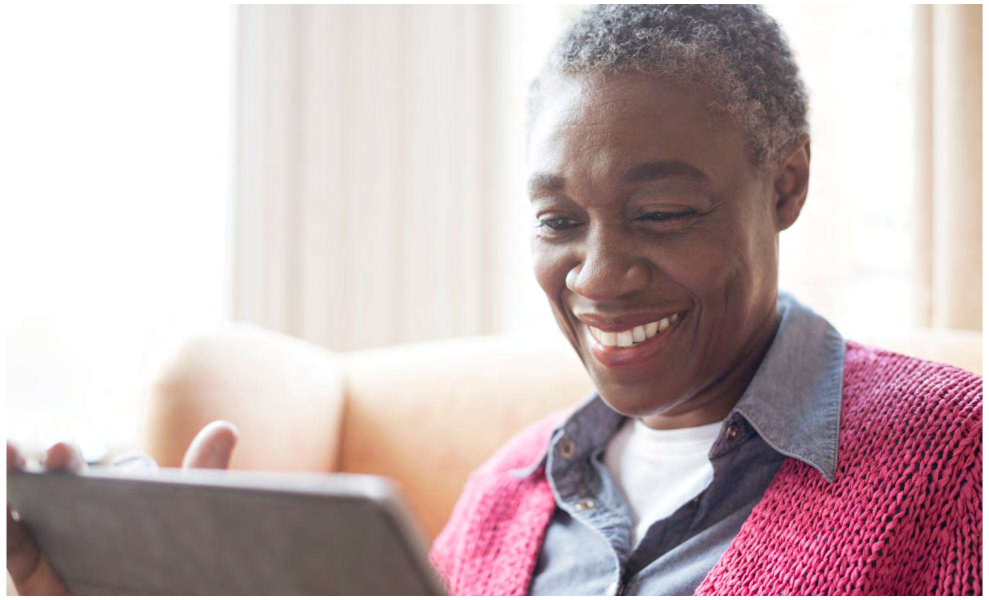
Your retiree healthcare benefit is based on the choice you made during the reform under Public Act 300 of 2012. Your benefit is either the Personal Healthcare Fund or the premium subsidy:

- **Personal Healthcare Fund** is a portable, tax-deferred fund that can be used to pay for healthcare expenses in retirement. You will be responsible for the entire insurance premium.
- **Premium subsidy** is an insurance benefit where the retirement system pays a portion of your monthly insurance premiums when you retire, if you qualify.

Verify your insurance benefit by logging in to miAccount.

When you retire, you and your eligible dependents can enroll in the retirement system's health, prescription drug, dental, and vision insurances. If you enroll, your share of the insurance premium is deducted from your monthly pension payment. If your pension is less than the premium amount, we will bill you for the remainder of the premium.

We mail up-to-date details about carriers, benefit plans, and current premium rates with your miAccount retirement packet.



Personal Healthcare Fund

The Personal Healthcare Fund consists of:

- **Your contributions.**
- **Your employer's matching contributions.**
- **An additional one-time employer contribution to a Health Retirement Account if you have 10 YOS.**

Contributions to your Personal Healthcare Fund are invested in the State of Michigan 401(k) and 457 Plans. For more information contact Voya Financial at **800-748-6128** or **StateOfMI.Voya.com**.

Personal Healthcare Fund enrollment

You and your dependents may enroll in the retirement system's insurance plans if you enroll immediately when you retire and begin coverage on your retirement effective date. As long as your coverage is continuous you can change plans. You cannot enroll in our insurances after you retire.

If you disenroll from the plan at any time, you, your spouse, and your dependents will not be able to reenroll.

If your spouse or dependents disenroll at any time, they will not be able to reenroll.

Personal Healthcare Fund premiums

If you have the Personal Healthcare Fund, you're not eligible for subsidized health, prescription drug, dental, or vision insurances under the premium subsidy benefit through the retirement system. You will be responsible for the entire premium. If you die from a work-related injury or illness incurred during your public school employment, subsidized insurance coverage would be available to your beneficiaries.

Survivor coverage

If you choose a pension survivor option and you have the Personal Healthcare Fund, any eligible beneficiaries and dependents who were already enrolled in the retirement system's insurance plans at the time of your death may continue to be enrolled in those insurance plans. They will continue to be responsible for the entire premium.

Personal Healthcare Fund

Survivor coverage

Premium subsidy

You have the premium subsidy retiree healthcare benefit unless you switched to the Personal Healthcare Fund.

As an active or deferred member with the premium subsidy benefit, you may be eligible for a premium subsidy where the retirement system pays a percentage of your insurance premiums (or a percentage of the maximum subsidy for some deferred members). You're responsible for paying the remaining balance of the premium.

When were you hired?

Your premium subsidy benefit depends on when you began working for a Michigan public school reporting unit.

- **Before July 1, 2008:**
  Maximum subsidy (80% of the premium)
- **On or after July 1, 2008, but before July 1, 2010:**
  Graded premium subsidy

Premium subsidy enrollment

You, your spouse, and your eligible dependents may enroll in health, prescription drug, dental, and vision insurance plans.

Survivor coverage

If you choose a survivor option for your pension and you have the premium subsidy benefit, your designated pension beneficiary can enroll in or continue group insurances after your death. If you choose your spouse as your survivor pension beneficiary, your eligible dependents who were covered at the time of your death will also continue to receive insurance benefits, as long as they remain eligible.

If you elect straight life, which does not provide a monthly pension to a beneficiary, enrolled dependents will have no subsidized group coverage after your death. Your enrolled dependents may be eligible for unsubsidized insurance with COBRA continuation.

Graded premium subsidy

Premium subsidy eligibility

If you began working on or after July 1, 2008, but before July 1, 2010, you're eligible for a graded subsidy based on your YOS, as long as you're vested. The amount of your subsidy depends on how long you've worked for a Michigan public school and which retirement provision you plan to retire under:

MIP 46 with 30 — eligible for the maximum subsidy (80%).

MIP 60 with 10 — eligible for the graded subsidy if you have 10–23 YOS. The subsidy starts at 30% for 10 YOS and increases 4% for each year, to the maximum subsidy (80% of the premium).

Early reduced — eligible for the maximum subsidy if you have at least 25 YOS. If you retire with less than 25 YOS, you qualify for the graded subsidy at age 60.

Delayed subsidy

Factors that affect the subsidy

Delayed subsidy

Your subsidy will be delayed if you purchased service credit on or after July 1, 2008, and that allows you to qualify for your pension earlier than if you didn't purchase service credit.

If a delayed subsidy applies, your subsidy begins at age 60 or the age you would have been eligible to retire without your service credit purchase, whichever happens first. You can enroll in the insurance plans before your subsidy is available, but you have to pay the entire premium until your subsidy begins.

Jon's service credit	Sara's service credit
Retirement age: 55 years **Earned service:** 13 years **Service purchase:** 2 years	**Retirement age:** 55 years **Earned service:** 27 years **Service purchase:** 3 years
Jon's service credit purchase qualifies him to retire with the early reduced pension. Since he's using 2 years of purchased credit to be eligible, his insurance subsidy will be delayed two years.	Sara is eligible to retire with the early reduced pension, but will retire with the full pension. Since she didn't have to use any purchased credit to be eligible for retirement, her insurance subsidy will not be delayed.

Deferred member at retirement

You're deferred if you're vested but leave public school employment before you meet the age requirement for retirement, and you did not take a refund of your pension contributions. If you're a deferred member with the premium subsidy benefit, you may be eligible for an insurance premium subsidy. The amount of the subsidy depends on your YOS and when you terminated public school employment.

Your insurance subsidy is based on your YOS if you terminated your employment after Oct. 31, 1980. With 20 YOS or less you won't receive a subsidy. With 21 YOS, you get 10% of the maximum subsidy, which is 8% of the total premium. For each additional YOS you get an additional 10% of the subsidy. You'll receive the maximum subsidy at 30 YOS.

Deferred member insurance premium costs

Years of service	What ORS pays	What you pay
20 or less	0%	100%
21	8%	92%
25	40%	60%
28	64%	36%
30	80%	20%

Active at retirement

For subsidy eligibility, you're considered active if you earned 0.1 YOS (102 hours) or more in each of the five school fiscal years immediately before your retirement effective date, or at least 0.5 YOS (510 hours) within the two school fiscal years immediately before your retirement effective date. Remember, there are caps on the amount of service you can earn per pay period. You must be employed in the month before your retirement effective date, unless the summer birthday provision applies, or your employer granted you an unpaid leave of absence due to a mental or physical disability supported by a physician's letter.

When you retire, you will become eligible for the maximum premium subsidy allowed by law as of your retirement effective date (unless your premium subsidy is delayed).

Deferred member

Subsidy eligibility

Is your subsidy affected?

1. **Did you initiate a service credit purchase on or after July 1, 2008, that allows you to retire early?**
   - ○ Yes. You may have a delayed subsidy. **See Page 26**.
   - ○ No. You won't have a delayed subsidy due to a service credit purchase. Continue to question No. 2.

2. **Will you have:**

   0.1 YOS in the five school fiscal years immediately before retirement OR at least 0.5 YOS immediately before retirement

   AND

   be employed the month before your retirement effective date (unless the summer birthday provision applies, or your employer granted you an unpaid leave of absence due to a mental or physical disability supported by your physician)?
   - ○ Yes. I will be an active member when I retire and I will be eligible for the maximum subsidy as long as I don't have a delayed subsidy due to a service credit purchase.
   - ○ No. I will not be an active member when I retire. I am a deferred member. **See pages 26–27**.

Notify ORS of any change in insurance eligibility for yourself or your dependents. If ORS discovers an ineligible person is covered, that person's coverage will be terminated on the date the person became ineligible. You may be responsible for repaying any claims paid on his or her behalf.

Dependent coverage

Coverage and time frames to submit an enrollment request and proofs for eligible dependents are the same as yours.

Eligible dependents for health, drug, dental, and vision insurance plans include:

- Your spouse. If your spouse is an eligible public school retiree, you'll be covered together under one contract.
- Your unmarried child by legal guardianship until age 18.
- Your unmarried child until Dec. 31 of the year in which he or she turns age 19. In the case of legal adoption, a child is eligible for coverage as of the date of placement. Placement occurs when you become legally obligated for the total or partial support of the child in anticipation of adoption.
- Your unmarried child who is a full-time student and dependent on you for support, until Dec. 31 of the year in which he or she reaches age 25 or the end of the graduation month, whichever happens first.
- Your unmarried child age 19 or older who is totally and permanently disabled, dependent on you for support, and incapable of self-sustaining employment.
- Either your parent(s) or your parent(s)-in-law residing in your household — one set of parents, not both.

The provision of the Affordable Care Act that extends coverage to adult children through the age of 26 does not apply to governmental retiree-only health insurance plans, such as the one offered by ORS.

Dependent coverage

Medicare

Medicare is the federal health insurance program for people who are 65 or older, or otherwise receiving Social Security disability benefits. For most people, Medicare begins at age 65 or after 24 months of receiving Social Security disability benefits.

What you need to know

If eligible, you must have Medicare parts A and B in place the month of your 65th birthday, to enroll in retiree insurance and prescription drug programs. All of the retirement system's plans are Medicare Advantage Plans that combine parts A, B, and D.

You can only be enrolled in one Medicare Part D plan. Do not enroll yourself or your eligible dependents in an individual Part D plan or any plan outside of the one offered by the retirement system.

You may owe more than the standard Part B premium if:

- You enrolled late.
- You disenrolled from Medicare and later reenrolled.
- You have a higher yearly income that makes you owe a Part B Income-related Monthly Adjustment Amount (IRMAA). You may also owe Part D IRMAA to Social Security. Contact the SSA at **ssa.gov** for more information about Part B premium costs.

Medicare coverage and premiums		
Part A	Hospital	No premium
Part B	Medical	Premium varies
Part D	Prescription drug	Included

Do not enroll yourself or your eligible dependents in an individual Part D plan or you'll be disenrolled from all the retirement system's plans.

Will you or your dependents be eligible for Medicare when you retire?

Medicare status	Next steps
Eligible for Medicare at retirement, but haven't applied	Contact the SSA to enroll in Medicare at least three months before your retirement effective date. Submit your proofs to ORS at least one and a half months before your retirement effective date.
Enrolled in Medicare at retirement	Enter your Medicare number and effective dates for parts A and B when you enroll in insurance. Submit your proofs to ORS at least one and a half months before your retirement effective date.
Eligible for Medicare after retirement	Enroll in Medicare at least three months before age 65. Tell ORS your Medicare number and effective dates for parts A and B as soon as you receive your card.

What happens if I don't enroll?

If you or your dependents don't enroll in Medicare Part B when first eligible, the insurance for that person will be canceled. If your coverage is canceled, the coverage for your dependents will also be canceled.

If you become disenrolled from Medicare for any reason, you will be disenrolled from the retirement system's insurance plans. If you request reenrollment, coverage will begin on the first day of the sixth month after ORS receives all required forms and proofs. You may be billed for the services Medicare would have covered back to the date of disenrollment.

Insurance rates

Monthly insurance rates for the next calendar year are established each fall and go into effect in January. For current rates go to **Michigan.gov/ORSSchools**, then select **Forms and Publications** in the top navigation and scroll to the **For Retirees** section to download the monthly *Insurance Rates (R0072C)* sheet. How much you will pay for your insurance depends on whether you're eligible for the premium subsidy benefit, how many people you're enrolling, and if anyone you're enrolling is eligible for Medicare parts A and B.

Determining your insurance costs

1. **You had the option to move from the subsidy to the Personal Healthcare Fund. What did you choose?**
   - Personal Healthcare Fund: You do not receive a subsidy with the Personal Healthcare Fund. You're responsible for the entire insurance premium. **See Page 23**.
   - Premium subsidy benefit: You will receive a subsidy, which means the retirement system pays a percentage of your insurance premium depending on when you were hired and your YOS. Continue on to question No. 2.
2. **If you have the premium subsidy, when did you first work for a Michigan public school reporting unit?**
   - Before July 1, 2008: You have the maximum subsidy, which is 80% of the premium.
   - On or after July 1, 2008, but before July 1, 2010: You have the graded premium subsidy. The amount of your subsidy depends on your YOS. **See Page 25**.
3. **Did you stop working when you were vested, but before you met age eligibility for your pension?**
   - Yes. You're a deferred member. You may be eligible for a subsidy based on your YOS. See Page 2 of the *Insurance Rates (R0072C)* sheet.
   - No. Your insurance rates appear on Page 1 of the *Insurance Rates (R0072C)* sheet.

Insurance carriers

If you enroll in the retirement system's insurance plans, you have a choice between a preferred provider organization (PPO) or a health maintenance organization (HMO).

PPO	HMO
Blue Preferred Blue Cross Blue Shield of Michigan	**Blue Care Network or Priority Health**
Higher deductible.	Lower deductible.
You can go to any healthcare professional, typically without a referral.	You pick one primary care physician who will coordinate all your health services.
You don't need a referral to see a specialist.	You need a referral to see a specialist.
If you go outside your network, you might pay more.	If you go outside your network, there may be no coverage and you may need to pay all costs.

Choosing your insurance carrier

1. **Are you moving outside of Michigan after you retire?**
   - ○ Yes. Your only option is our Blue Preferred PPO Blue Cross Blue Shield of Michigan. It's accepted all over the United States.
   - ○ No. You can choose from several options.

2. **Is staying with your current doctor important to you?**
   - ○ Yes. Ask your doctor if he or she participates in any of the health insurance carriers we offer. This may help narrow down your choices.
   - ○ No. You can choose from several options.

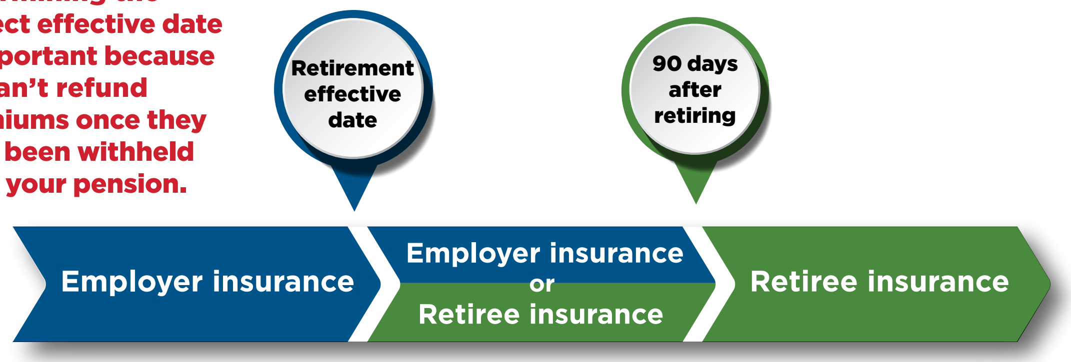
3. **How do I compare the insurance plans ORS offers?**
   a. Find your county on Page 2 of the *Insurance Option Summary (R0379C)* so you'll know which carriers you can enroll in. Blue Preferred PPO Blue Cross Blue Shield of Michigan is available everywhere.
   b. If you will not be on Medicare when you retire, turn to pages 3–4. If you will be on Medicare when you retire, turn to pages 5–6.
   c. Review the *Health Care Benefit* column on the far left and select five to eight benefits that are most important to you.
   d. Compare each health insurance provider on the benefits you selected.
   e. Write down any questions you have for the providers.
   f. Call the providers at the phone numbers at the top of the column and get answers to your questions.
   g. Select the best plan for you.

Insurance coverage

Enrolling at retirement

Retiree coverage for yourself and your eligible dependents can begin on your retirement effective date or up to 90 days past your retirement date if you will have insurance coverage with your school employer after you retire. Check with your school employer to determine when your present insurance(s) will terminate so you won't have a break in coverage or duplication of coverage.

Determining the correct effective date is important because we can't refund premiums once they have been withheld from your pension.



Insurance effective dates for retirees	
Medicare status	**Enrolling at retirement**
Eligible for and enrolled in Medicare	Coverage begins the first day of the **second month** after all required documentation is received.
Not eligible for and not enrolled in Medicare	Coverage begins the first day of the **first month** after all required documentation is received.

Verifying eligibility

When you apply for retirement you will print a checklist that includes a list of proofs to verify pension and insurance eligibility. Regardless of when you want your coverage to start, we must receive your application and proofs for everyone you want to enroll no later than 30 calendar days after your retirement effective date. If the supporting information is not received within those 30 calendar days, your insurance coverage will begin six months after we receive the enrollment request and proofs.

If you have a retroactive retirement date, coverage can begin no earlier than the first day of the month after the enrollment request and required proofs are received, even if your retirement effective date is earlier than that.

Enrolling after retirement

If you or your dependents have a qualifying event such as change in family status or involuntary loss of other group coverage, and you have the premium subsidy benefit, your coverage can begin as early as the first of the month after you apply and we receive the required proofs.

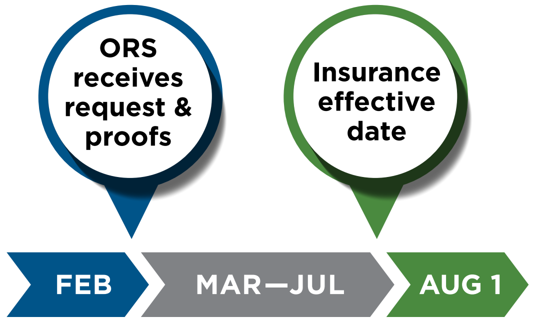
You can apply for a change in your insurance enrollment in miAccount and mail your signed confirmation page to ORS or you can download, complete, and mail an *Insurance Enrollment/Change Request (R0452C)* form. ORS must receive your completed application and proofs within 30 days of the qualifying event. If you do not meet this time frame, your insurance enrollment period will begin six months from the date we received your completed application and proofs. Your start date depends on if you have Medicare, and when you submit your request.

Qualifying event

The following are considered qualifying events to add or remove a dependent on your insurance and the proofs required to make an insurance change:

Qualifying event	Acceptable proof(s)
Involuntary loss of coverage in another group plan	Provide a statement on letterhead (certificate of creditable coverage) from the terminating group insurance plan explaining who was covered, the type of coverage, why coverage is ending, and the date coverage ends.
Marriage	Government-issued marriage certificate or a copy of you and your spouse's matching addresses on valid driver's licenses and your most recent IRS *Form 1040* showing you filed married **AND** your spouse's government-issued birth certificate.
Birth	Government-issued birth certificate.
Adoption	Adoption papers **AND** child's government-issued birth certificate.
Death	Death certificate.
Divorce	For enrollment, provide a statement on letterhead (certificate of creditable coverage) from the terminating group insurance plan explaining who was covered, the type of coverage, why coverage is ending, and the date coverage ends.
Medicare Part B enrollment	Acceptable proof is a letter from the SSA showing confirmation of Part B enrollment. This qualifying event applies if the enrollee was previously terminated or denied enrollment because of no Part B coverage.
Student status	First page of your most recent IRS *Form 1040* listing the dependent **AND** school records, such as current student transcript documenting full-time school attendance. The school's name must appear on the document.
Public Act (PA) 184 of 2022	Proof of this qualifying event is not required. ORS must receive your completed application and dependents' proofs within 30 days of July 25, 2022, when PA 184 of 2022 went into effect.

If you divorce, your former spouse's coverage ceases as of the end of the month in which the divorce occurs. He or she may be eligible for COBRA continuation. If you're covered under your spouse's plan at the time of divorce and lose coverage, that is a qualifying event.



If you or your dependents voluntarily enroll in insurance after your retirement effective date and you have the premium subsidy benefit, your coverage will begin on the first day of the sixth month after ORS receives all required forms and proofs. For example, if we receive your *Insurance Enrollment/Change Request (R0452C)* form with proofs on Feb. 10, your coverage would begin Aug. 1.

If you change insurance coverage, ORS will adjust your premiums, if needed, the month your insurance is effective. We cannot refund premiums withheld before or in the month you report the change.

Insurance effective dates for retirees*

Medicare status	Enrollment with a qualifying event	Voluntary enrollment after retirement	Changing insurance plans
Eligible for and enrolled in Medicare	Coverage begins the first day of the **second month** after all required documentation is received.	Coverage begins the first day of the **sixth month** after all required documentation is received.	Coverage begins the first day of the **second month** after all required documentation is received.
Not eligible for and not enrolled in Medicare	Coverage begins the first day of the **first month** after all required documentation is received.		

*If you have the Personal Healthcare Fund and you're enrolled in the retirement system's insurance plan, *Changing Insurance Plans* is the only column that applies to you.

Verification of coverage

If you have other health insurance it is your responsibility to keep ORS informed of any changes that may affect your own and your dependents' eligibility and/or coverage. Be sure to notify ORS when anyone on your insurance has coverage under another insurance plan.

You'll receive a verification of coverage request annually. The letter will ask if you or your dependents are enrolled in other insurance coverage. If you don't respond, coverage for you and your dependents will be canceled.

After you're enrolled

When your retirement application is processed, we forward your insurance enrollment information to the health, prescription drug, dental, and vision insurance carriers. Each insurance carrier will mail insurance identification (ID) cards and materials directly to you. If you apply three months before your retirement, your cards will usually arrive by your retirement effective date.

If you need health services before your cards arrive, contact the insurance carrier directly to get your policy number or to verify coverage.

The chart below helps you identify where to find additional information regarding your insurance questions.

Where to find insurance answers

Office of Retirement Services	Your insurance carrier
• Enrollment. • Eligibility. • Monthly premium payments. • Add/remove a dependent. • Change of carrier.	• Request ID cards. • Claims for services. • Billings for services. • Copays. • Covered procedures. • Deductibles. • In network vs. out of network. • Plan benefits. • Services. • Yearly plan changes.

STEP 4

Review and apply

Choosing your retirement date

Some people are ready to retire the minute they're eligible. Others like to weigh every factor before deciding on a date. Only you can answer if you're ready to retire or if you should continue to work.

Retirement effective date

Remember, your retirement effective date is the first day of the month following the month in which you've met all eligibility requirements and you've terminated employment. The date you terminate employment is your choice. It can be any time in the year, and any day of the month.

- ✓ You must have a bona fide termination of employment before your retirement effective date.
- ✗ You can't have a promise of reemployment or a contract for future employment in place prior to your termination of employment.

How to apply

Before you apply

Download and complete the *Preparing to Apply for Retirement (R0870C)* worksheet under the **Forms and Publications** tab on our website at **Michigan.gov/ORSSchools** to gather everything you'll need to complete your application.

Apply for retirement in miAccount and send copies of your proofs to ORS at least three months before your retirement effective date. You can receive retroactive benefits up to 12 months after you become eligible for a pension.

Before you apply checklist

- ○ I have notified my human resources office of my intent to retire.
- ○ If I have tax-deferred payment agreements in progress and I plan to use that service credit to retire, I will pay it off in the 90 days before I terminate employment.
- ○ If I have any outstanding MIP window payments and weekly workers' compensation contributions, I plan to pay them off before my retirement effective date.
- ○ I have updated my email in miAccount to a personal account, so ORS can contact me with any changes or updates during retirement.
- ○ I have updated my beneficiary information.

Five steps to apply in miAccount

Applying for retirement in **miAccount** is fast and easy — five simple steps and you're done.

1. Choose your pension payment option and beneficiary information.
2. Choose your insurances.
3. Make your tax withholding selection.
4. Enter your direct deposit information.
5. Submit your application.

Dependent Eligibility Proofs

Submit your proofs

When you apply for retirement in miAccount, you can also enroll in the retirement system's health, prescription drug, dental, and vision insurance plans. ORS cannot process your retirement application until you complete all the steps in miAccount and submit all required documentation. Write your name and member ID on any documents you send to ORS.

You'll need to provide copies of the following proofs:

For the retirement application

Prove	Provide
Age	Copy of your, **AND** if applicable, your pension beneficiary's government-issued birth certificate. If you elect a survivor option, you also need to furnish proof of your beneficiary's age. For alternative acceptable proofs of age, visit our **website**.
Marriage	Copy of your government-issued marriage certificate or a copy of you and your spouse's matching addresses on valid driver's licenses and your most recent IRS *Form 1040* showing you filed married.

If you elected an equated plan

Prove	Provide
Social Security estimate	Copy of your Social Security statement from the SSA, **ssa.gov/myaccount**, documenting your age 62 benefit amount.

Dependent insurance eligibility

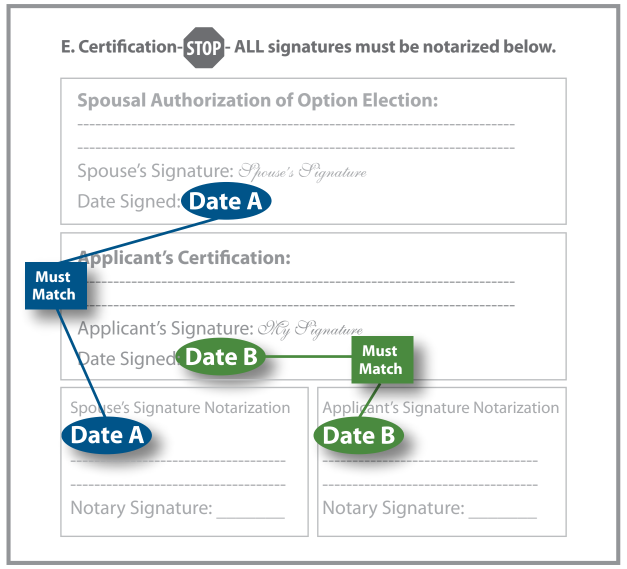
Prove	Provide
Marriage	Copy of your government-issued marriage certificate or a copy of you and your spouse's matching addresses on valid driver's licenses and your most recent IRS *Form 1040* showing you filed married.
Age of spouse	Copy of government-issued birth certificate.
Age and relationship of dependent minor child	Copy of government-issued birth certificate.
Dependency for any child age 19 or older	First page of your most recent IRS *Form 1040* listing the dependent **AND** school records, such as current student transcript, documenting full-time school attendance. The school's name must appear on the document.
Legal guardianship/ adoption	Legal papers issued by a court; a sworn statement with the placement date or a court order verifying placement.
Dependent disability	Statement from the attending physician detailing the disability and that your child is disabled and incapable of self-sustaining employment. The signed certification must be on the physician's letterhead and dated within the last six months. Also provide IRS *Form 1040* that identifies the child as your dependent. You may be asked to update these proofs annually.
Other insurance coverage	Copy of the other plan's information, including Medicare, when applying in miAccount.
Parental coverage	Copy of the previous tax year's *Form 1099* or *1098*, or current voter registration card, or current valid driver's license, or state-issued ID in the parent or parent-in-law's name showing your address.

Spousal waiver

If you're married and name someone other than your spouse as your beneficiary, or you elect any option other than the 100% survivor option, your spouse must waive his or her right to the 100% survivor option by signing the *Pension Election and Spousal Waiver (R0869C)* form in the presence of a notary public. You must also sign the form in front of a notary public.

AVOID these common mistakes which could delay processing your retirement application:

- Eraser marks or visible corrections.
- Missing signature(s).
- Signature dates that don't match for the applicant and notary or for the spouse and notary.



Tips to avoid these errors:

- Print several copies of the waiver form and take them with you to the notary. If you, your spouse, or the notary makes an error, you can start over with a blank copy.
- We cannot process your retirement application until an approved version of this form is on file with our office.

After you apply

Here's what happens from the time you apply to when you begin receiving pension payments:

1. After you submit your application, we review it to make sure all required information and documentation are received. If anything is missing or incomplete, we'll contact you; this could delay processing your application. You can check your application status at any time in miAccount.
2. You'll receive your benefit summary letter, detailing all the information we requested during your application. Review and make sure all your choices and information are correct. Contact ORS right away with any changes.
3. ORS works with your employer to collect your final payroll information. To deliver your first pension payment on time, we often use the payroll information already on file to estimate your pension.
4. You'll receive an initial award letter detailing your pension calculation and insurance information. In most cases, this is an estimate using the wage information immediately available. Review this letter carefully to verify that everything is as you expected.
5. Your first pension payment is typically paid in the month of your retirement effective date. Processing delays can happen while ORS waits for information from either you or your employer. If that happens, you will be paid retroactively to your retirement effective date.
6. After your former employer submits your final employment information, we will review your account and adjust your monthly pension amount, if needed. We'll send you a final award letter detailing the revised pension calculation. This will happen three to six months after your pension payments begin.

Ongoing pension payments and statements

Pensions are paid on the 25th of each month for the month they are due. If the 25th falls on a weekend or holiday, watch for your payment on the business day before. December payments are issued about one week early. Your monthly pension statements and IRS documents are available at any time in miAccount.

Taxes on your pension

Your pension is subject to state and federal income tax. Taxes will be withheld from your pension according to the withholding instructions you give us when you retire. You can change your tax withholding at any time after you retire. ORS withholds for federal and Michigan state taxes. You're responsible for paying taxes due to any other state or local government.

STEP 5

Adjust to retirement

When you retire, your retirement journey doesn't end; there are life adjustments you'll have to navigate. ORS is here to help guide you and your family through these changes. Here are a few things to keep in mind after retirement.

Post-retirement pension increases

Basic plan retirees do not receive a scheduled post-retirement increase.

MIP retirees can look forward to a 3% increase beginning the first October after a full year of retirement. This post-retirement increase doesn't compound, but it does accumulate.

Survivors of retirees who chose the 100% survivor option will receive their same annual increase. If you chose the 75% or 50% survivor option, your beneficiary will receive either 75% or 50% of the annual increase you received.

MIP post-retirement increase:

Retirement date: Dec. 1, 2022
Pension amount: $1,200/month
First increase: Oct. 1, 2024

Date of annual increase	Monthly pension amount	3% increase amount	Total pension amount
Oct. 1, 2024	$1,200	$36	$1,236
Oct. 1, 2025	$1,236	$36	$1,272
Oct. 1, 2026	$1,272	$36	$1,308

Working after you retire

If you're employed at a Michigan public school reporting unit after you retire, your pension and subsidy could be forfeited while you're employed. So, it's important you understand the rules before returning to work.

- ✓ You must have a bona fide termination from the public school system, meaning a complete severing of the employer-employee relationship.
- ✗ You can't work in a Michigan public school reporting unit during the month of your retirement effective date, even as a volunteer.
- ✗ You can't have a promise of reemployment or a contract for future employment in place to work in a Michigan public school reporting unit before you terminate employment and begin collecting your pension.
- ✓ You may return to work at a Michigan public school after you've been retired for nine consecutive months. You may work immediately after retirement for a university with no impact on your benefits.
- ✗ If you've been approved for and are receiving a disability pension, the working after retirement rules are different.

The easiest way to determine how your pension and retiree healthcare benefits may be affected is to visit our **website**.

Working with Personal Healthcare Fund or a DC plan

If you have the Personal Healthcare Fund or you converted to the DC plan, the rules for working after retirement remain in effect. Keep in mind, IRS rules prohibit you from both contributing to and taking a distribution from either a 401(k) or 457 plan, unless you meet certain age requirements. Visit **IRS.gov** for more information.

Working after you retire

Be sure when you file the financial power of attorney document with ORS that you intend to have this action taken immediately.

Power of attorney

Advance directive

Death benefits

Aging in retirement

Power of attorney and advance healthcare directive

We'd also like to encourage a deeper kind of planning in retirement, the kind of planning that will not only be of benefit to you financially, but will also increase your peace of mind. You may want to consider a(n):

Financial power of attorney, which is needed for your representative to conduct business with ORS if you become incapacitated.

Advance healthcare directive, which is not technically needed to conduct business with ORS, but may provide guidance to your family members about the kind of healthcare you receive at the end of your life.

You retain control over these decisions while you're healthy. However, it's important to plan early, before it becomes necessary to make these decisions. Begin a conversation with your loved ones about how you want your finances and healthcare handled should you become unable to conduct your necessary business.

Death benefits

If you've named a survivor pension beneficiary, your beneficiary will receive the portion of the pension you've designated and be eligible for the same insurance coverage as you for the rest of his or her life.

If you chose the straight life option and pass away with contributions remaining on deposit, the refund beneficiary you designated on the *Pension Election and Spousal Waiver (R0869C)* form or the *Refund Beneficiary Designation for Retirees (R0748X)* form will receive the remaining balance in a lump-sum payment. However, any contributions you paid into the retirement system are paid out first as part of your pension payments. Your total contribution is usually depleted in less than two years after retirement.

Your survivor should contact ORS upon your death. We will ask for your Social Security number and a copy of the death certificate. If you have any accounts with Voya, your survivor should report your death to them as well.

Take action on retirement

1. **What are your strengths? What strengths that you use at work will you use in retirement? What do you want to do after retirement?**

2. **What social or volunteer activities can you participate in after retirement?**

3. **What do you need to do now to ensure a smooth transition from working to retirement? What, if any, debts do you need to pay off before you retire? How much of your pre-retirement income will you need in retirement?**

4. **Are you planning on working for a Michigan public school reporting unit to supplement your retirement income?**
   - ○ Yes. Before you accept a position, visit our **website** to know how it may impact your pension.
   - ○ No.

Appendix

Pension estimate summary example

Referenced on:	Estimate Based On	
Page 4	Benefit Structure	Basic
	Retirement Type	Regular
Page 9	Retirement Effective Date	06/01/2019
	Transition Date	02/06/2013
Page 22	Healthcare Choice	Premium Subsidy
Page 24	Insurance Premium Subsidy Status	Subsidized
	Insurance Premium Subsidized on	06/01/2019
	Member's Date Of Birth	xx/xx/xxxx
	Member's Age At Retirement	56yrs. 9mths. 12days
	Beneficiary's Date Of Birth	xx/xx/xxxx
	Projected Annual Percentage Increase in Wages	0 [%]
Page 12	Total Years Of Service	29.8240
	Service Earned or Purchased as of 09/18/2018	28.0324
	Service at 1.5% Pension Factor	23.6912
	Service at 1.25% Pension Factor	6.1328
	Projected Service	1.7916
Page 10	Final Average Compensation (FAC)	$76,755.18

Final Average Compensation Calculation Details

Referenced on:	Period	Fiscal Year's Salary
Page 10	07/01/2011 to 06/30/2012	$72,871.99
	07/01/2010 to 06/30/2011	$87,395.12
	07/01/2009 to 06/30/2010	$79,103.58
	07/01/2008 to 06/30/2009	$72,425.88
	07/01/2007 to 06/30/2008	$71,979.29

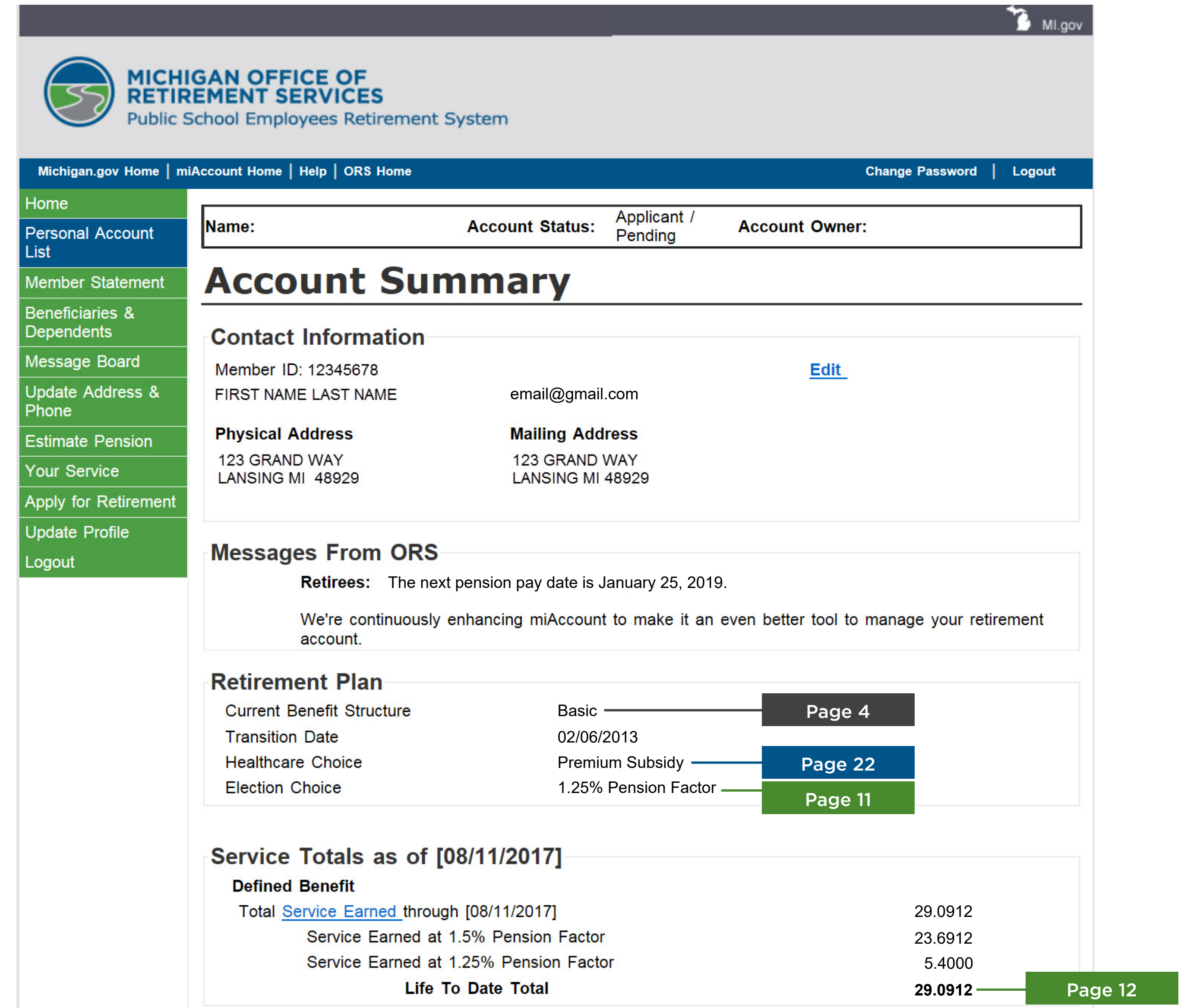
You may select one of the following options:

Referenced on:	Option Description	Monthly	Annual
Page 13	Straight Life Option	$2,224.52	$26,694.24

You may select one of the following survivor options:

Referenced on:	Option Description	Monthly	Annual
Page 16	100% Survivor (0.808 option reduction)	$1,797.41	$21,568.94
	75% Survivor (0.849 option reduction)	$1,888.62	$22,663.44
	50% Survivor (0.894 option reduction)	$1,988.72	$23,864.64

miAccount summary example


MI.gov
MICHIGAN OFFICE OF RETIREMENT SERVICES
Public School Employees Retirement System
Michigan.gov Home | miAccount Home | Help | ORS Home
Change Password | Logout
Home
Personal Account List
Member Statement
Beneficiaries & Dependents
Message Board
Update Address & Phone
Estimate Pension
Your Service
Apply for Retirement
Update Profile
Logout
Name: Account Status: Applicant / Pending Account Owner:

Account Summary

Contact Information
Member ID: 12345678
FIRST NAME LAST NAME email@gmail.com
Edit
Physical Address
123 GRAND WAY
LANSING MI 48929
Mailing Address
123 GRAND WAY
LANSING MI 48929

Messages From ORS
Retirees: The next pension pay date is January 25, 2019.
We're continuously enhancing miAccount to make it an even better tool to manage your retirement account.

Retirement Plan

Current Benefit Structure	Basic	Page 4
Transition Date	02/06/2013	
Healthcare Choice	Premium Subsidy	Page 22
Election Choice	1.25% Pension Factor	Page 11

Service Totals as of [08/11/2017]
Defined Benefit

Total Service Earned through [08/11/2017]	29.0912	
Service Earned at 1.5% Pension Factor	23.6912	
Service Earned at 1.25% Pension Factor	5.4000	
Life To Date Total	29.0912	Page 12

Stay in touch with ORS

The fastest way to access and make changes to your account is in miAccount. When you log in at **Michigan.gov/ORSmiAccount**, you have secure access to change your personal information. You can also use the Message Board in miAccount to contact an ORS representative with your changes. Below are the most common situations that would require contact with ORS after your pension payments begin:

- **Address or email change.**
- **Birth or adoption.**
- **Change in disability condition.**
- **Death of beneficiary.**
- **Direct deposit change.**
- **Divorce.**
- **Marriage.**
- **Medicare enrollment.**
- **Missing payment.**
- **Name change.**
- **Power of attorney.**
- **Return to work for Michigan public schools.**
- **Tax withholding change.**

Voya

If you converted to a Defined Contribution plan or you have the Personal Healthcare Fund, contact Voya with any changes to your street address, phone, email, and dependent information at **800-748-6128** or **StateOfMI.Voya.com**.

Social media

Follow us on Facebook at **Facebook.com/MichiganORS**, Twitter at **Twitter.com/MichiganORS** and YouTube!

Ways to reach ORS

Michigan.gov/ORSmiAccount

PO Box 30171
Lansing, MI 48909-7671

Phone: **800-381-5111**
Fax: **517-284-4416**

Update your email

We may contact you through email so make sure you keep your personal email address up to date in **miAccount**.

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