

Agenda

- ▶ How much money do I need to retire?
- ▶ Social Security
 - When should I apply for Social Security?
 - When am I eligible to receive full Social Security benefits?
 - How much of my income will Social Security replace?
- ▶ Investments
 - What is the impact of inflation on my investments?
 - Which investments are right for me and how much should I put away?
 - The Power of Compounding
 - How much of my income will be replaced by investments?
- ▶ Pension
 - When can I retire?
 - How is my pension calculated?
 - ▶ Final Average Compensation
 - ▶ Service Credit
 - ▶ Multipliers
 - How much of my income will my pension replace?
 - Pension Modifiers
 - ▶ Survivor and Equated Options
 - ▶ Post-retirement increases
- ▶ Insurance
 - Do I get insurance with my MPSERS pension?
 - What are my benefits and carrier options, and where does Medicare fit in?
 - What does it cost?
 - How does the ACA fit into this picture?
 - What is BCBS's "Living Well" benefit?
- ▶ Applying for Retirement
 - What should I be doing to get ready to retire?
 - How and where should I apply?
 - When should I submit my application?
- ▶ Other Information
 - What will be deducted from my checks?
 - How do I contact the Office of Retirement Services for help?
 - How do I contact my union for help?

Basic & MIP Pre-Retirement Presentation Links

Social Security Retirement Estimator and Calculators

<https://www.ssa.gov/oact/anypia/index.html>

MPSERS Insurance Carrier Information

<https://www.michigan.gov/orsschools/your-insurance-benefits/insurance-carrier-options>

To sign up for Medicare Part B

<https://www.ssa.gov/medicare/>

Medicare Part B Costs

<https://www.medicare.gov/your-medicare-costs/part-b-costs/part-b-costs.html>

MEA-Retired Membership Questions – Lisa Fox

LFox@mea.org

Formulae

Calculating your base monthly pension (BMP) the HARD WAY

$$BMP = \frac{(FAC * SC_{pre} * 1.5\%)}{12} + \frac{(FAC * SC_{post} * \text{chosen multiplier})}{12}$$

Where *FAC* = Final Average Compensation, *SC_{pre}* = Service Credit earned before February 1, 2013, *SC_{post}* = Service Credit earned after January 31, 2013, and *Chosen Multiplier* = your 2012 choice (1.5% or 1.25%).

Calculating your replacement income percentage from pension

- ▶ If you don't have your BMP yet, a less accurate way is to simply use the following:
Simple Replacement Income % = (SC_{pre} * 1.5%) + (SC_{post} * chosen multiplier)
- ▶ If you have your BMP (the easy way or hard way)

$$Accurate Replacement Income Percentage = \frac{1200 * BMP}{CAS}$$

Where BMP = your *Base Monthly Pension* and CAS = your *Current Annual Salary*.