



MICHIGAN OFFICE OF RETIREMENT SERVICES

Big Plans. Small Steps.

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National Council on Teacher Retirement

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MICHIGAN DEPARTMENT OF



TECHNOLOGY,
MANAGEMENT AND BUDGET

Who We Are



**MICHIGAN OFFICE OF
RETIREMENT SERVICES**
Big Plans. Small Steps.

Our Purpose Statement

ORS is an innovative retirement organization driven to empower our customers for a successful today and a secure tomorrow.

System Background

Customers

417,970

203,981 active
213, 989 retiree

ASSETS

\$56.5 Billion

MPSERS net assets
Defined Benefit (DB), Hybrid, Defined Contribution (DC) and Retiree Healthcare

Employers

775

K-12, ISD, Charter Schools, Community Colleges, and 7 Universities

Employees

245

Employees, IT partners, and onsite contractors

Working After Retirement Resources



We have different ways for our customers to learn how working after retirement impacts their pension.

- ORS member information website
- Review of the retirement law
- Pension Impact Estimator

Pension Impact Estimator



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Working After Retirement Pension Impact Estimator

As a participant in the Michigan Public School Employees' Retirement System who may be considering returning to work after retirement, it's important that you understand how your decision will affect your pension. By answering the following series of questions, this program will let you know how your pension will be affected.

[Let's get started](#)

Rev. 1/2019

Rules Before 2010

- Retired before July 1, 2010
- Two path decision tree:
 1. Social Security limit for full retirement age, or
 2. One third of their Final Average Compensation (FAC) per calendar year.
 - The FAC is a factor used in their pension calculation
- For every dollar they earn above the limit, they must return one dollar to the retirement system, up to their annual pension amount.

New Legislation - 2010

- Process mapped
- Risk assessment
- Leveraged software used for Instructional Design
 - Articulate Storyline 2



Rules after 2010



New rules

- 68 paths
- Up to 11 decision points per path

Risks

- Under certain conditions, the retiree could immediately forfeit their pension and insurance subsidy

Resources For Our Customers

- Pension Impact Estimator for retirees
- Working After Retirement – Employer Guide for employers





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Are you working in a critical shortage position,
as defined by the Michigan Department of
Education?

Yes

No

Progress
Bar





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Are you being hired by the reporting unit or as an independent contractor or through a third party?

Directly

Indirectly

Progress
Bar





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Are you providing a

Yes

No

Progress
Bar



1/3 of your Final Average Compensation

Your Earnings Limit

If you choose to return to work, your earnings limit will be 1/3 of your **Final Average Compensation (FAC)**. Your earnings limit is the most you can earn in a calendar year, January 1 to December 31, without affecting your pension or insurance subsidy.

EXAMPLE

If your FAC is **\$60,000**, you can earn up to **\$20,000** without impacting your pension.

$$\text{\$60,000} \times \frac{1}{3} = \text{\$20,000}$$

Your earnings limit is based on the gross earnings as reported by the reporting unit. Note: This may include wages or earnings from prior employment, like bonus payments or payouts connected to a retirement incentive.

PREV

For more information, visit the
[Office of Retirement Services website](#)

NEXT

Pension **Forfeited**

If you choose to return to work in a position that provides **core services**, your pension and insurance premium subsidy are **forfeited**.

For a list of core services, click here

You will continue to keep your insurance coverage, but you will be required to pay the full unsubsidized premium. If you do not assume responsibility for the **subsidy** payment, you will lose insurance coverage.

If you are not sure if you are working in a core service position, please send a letter to ORS with:

- Your official job description
- Who will be paying you
- What reporting unit you'll be providing a service to

PREV

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Successes



- Shifting the responsibility of understanding the impact from the employer to the retiree.
- 19,224 views since the Pension Impact Estimator was deployed in January 2017