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

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
Working After Retirement
Pension Impact Estimator

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Rev. 1/2019
Are you working in a critical shortage position, as defined by the Michigan Department of Education?

Yes  No
Are you being hired **directly** by the reporting unit or **indirectly** as an independent contractor or through a third party?
Are you providing a core service?

Yes

No

Progress Bar
Your Earnings Limit

of your Final Average Compensation

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.

$60,000 × 1/3 = $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.
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

For more information, visit the Office of Retirement Services website
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