So you’re leaving?
You may be leaving Michigan public school employment to pursue other opportunities, or you may be facing a layoff or privatization. Regardless, it’s important to understand what will happen to the future retirement benefits you’ve been working toward since you started your employment.

If you haven’t worked enough years or you’re too young to qualify for a monthly pension benefit, this publication will help you understand what options are available so you can better manage your Defined Benefit (DB) pension plan.

If you’re close to meeting the minimum age and service requirements for a pension benefit, go to our website for a copy of Retirement Readiness: A Two-Year Countdown before making any decisions.

If you’re in the Defined Contribution (DC) plan or have the Personal Healthcare Fund, be sure you also understand your options for your State of Michigan 401(k) and 457 Plan accounts. Go to http://stateofmi.voyaplans.com for details.

Think about your choices
All Member Investment Plan (MIP) members and some Basic Plan members have had DB pension contributions withheld from their wages and deposited with the retirement system. Any purchased service credit is also considered part of your DB pension contributions. These contributions normally help fund your monthly pension benefits once you reach retirement age.

However, when you leave public school employment before you’re eligible to retire, you can choose what to do with your retirement account. You can:
- Leave your contributions on account, or
- Request a refund of the money you’ve paid into your DB pension account.

One of the biggest factors in your decision should be whether or not you’re vested before you leave public school employment, which is described in this brochure.

When to contact us
Before you leave.
Be sure your survivor pension beneficiary designation is on file with ORS before your employment is terminated.

Important: Do not select the Default Provision if you are vested—it does not apply to deferred members.

Use miAccount to review your retirement account. Make sure you understand how your termination could affect your future retirement plans.

After you leave.
Keep your address and email address updated using miAccount. We will not be able to reach you through your employer.

If your marital status changes or the beneficiary you named is no longer eligible, use miAccount to keep your information up-to-date. For example, if you marry or divorce you may need to change your address, your name, or your beneficiary designation. If you named a child as your pension beneficiary and this individual no longer depends on you for support, you may need to name a different beneficiary.

Preparing for retirement.
If you’re in deferred status, attend a preretirement webinar or seminar a few years before you reach age 60. Check the ORS website for a schedule.

About three to six months before you reach retirement eligibility age, start reviewing our website and the retirement application in miAccount so you’ll be ready when the time comes to apply.

If you die.
Your survivor should contact us upon your death even if he or she is not eligible for a monthly survivor pension benefit. We’ll ask for your Member ID or social security number to identify your retirement account, and we may request a copy of your death certificate. We will then review your record to determine what is payable.

Leaving Public School Employment?

Published by the State of Michigan, Department of Technology, Management and Budget, Office of Retirement Services for members of the Public School Employees Retirement System under Public Act 300. Should there be discrepancies between this publication and PA 300, the provisions of the law govern.

REF C C

Pre mi um Sub sid y Be ne fit: If you have the Premium Subsidy retiree healthcare benefit and meet eligibility requirements, the retirement system will pay a portion of your monthly insurance premiums when you retire.

Per son al Health Care Fund: A portable, tax-deferred fund that can be used to pay for healthcare expenses in retirement. You have the Personal Healthcare Fund if you chose that retiree healthcare benefit under Public Act 303 of 2012, or if you first worked for a Michigan public school on or after September 4, 2012. Personal Healthcare Fund contributions made by the employer and the employee are invested in the State of Michigan 401(k) and 457 Plans.
I’m NOT VESTED. What should I do?

If you leave school employment, your contributions and interest to another qualified retirement plan at any time after your employment is terminated.

Consider the following before requesting a refund:

- **All service credit is forfeited.** By taking a refund of DB pension contributions, you forfeit all of the corresponding service and insurance eligibility.
- **Reinstating service.** If you return to public school employment, you may repay the amount that was refunded to you, plus interest, to restore your previous service credit.
- **It’s all or none.** You cannot request a partial refund—all DB pension contributions must be refunded.
- **Taxes and potential penalties.** Any refund may be subject to federal and state tax withholding and early withdrawal penalties, as required by the IRS. We recommend you talk with your tax advisor about the tax implications before you request a refund.
- **Consider a plan-to-plan transfer.** You can transfer the amount of your DB pension contributions and accumulated interest to another qualified retirement plan.

To request a refund, log in to miAccount and select Refunds on the left side menu. Once we receive your completed request, we’ll either send:

- Your account balance in a lump sum (less required tax withholding) to you;
- Your untaxed DB pension contributions and interest as a transfer to your qualified retirement plan administrator, and previously taxed contributions sent to you; or
- An amount of your untaxed DB pension contributions and interest (specified by you) as a transfer to your qualified retirement plan administrator, and the remaining balance paid directly to you (less required tax withholding).

**What happens if I die?**
If you did not take a refund, upon notification by your survivor, we will return any DB pension contributions and accumulated interest to your refund beneficiary or your estate.

Before you leave your job, be sure to name your refund beneficiary using miAccount, to designate who will receive your contributions.

If your beneficiary’s name is not on file with ORS, your contributions and accumulated interest may be distributed by probate court order.

**Note:** For more information on Retiree Healthcare Fund distribution eligibility, go to our website and click on About Your Plan, and then on Contributions.

I’m VESTED. What should I do?

If you’re vested with 10 years of service when you leave public school employment and you leave your DB pension contributions on deposit with ORS, you will be eligible for a pension benefit when you reach the minimum age for full retirement. Because you leave your employment, you are a *vested* member.

**Should I take a refund?**
Rarely is it advisable to take a refund of your DB pension contributions once you are vested. A refund forfeits all corresponding pension benefits and insurance eligibility for you and your survivor pension beneficiary. Carefully weigh your DB pension contributions against the value of your future lifetime pension and insurance benefits.

**When can I get my pension?**
Most deferred members will be eligible at age 60. If you have 30 years of service, it may be sooner.

Be sure to apply three to six months before you meet the age requirement. Your pension won’t be any higher if you wait, and you could even lose money by waiting.

Your pension is calculated as a lump sum.

Go to our website for complete details about eligibility and estimating your pension amount.

**Will I get insurance benefits?**
If you have the Premium Subsidy benefit, you may be eligible for group insurance as a retiree. If you chose the Personal Healthcare Fund, you, your spouse, and any eligible dependents may enroll in the retiree health plan if you enroll immediately upon retirement, but you will be responsible for the entire premium. If you disenroll from the plan at any time, you, your spouse, and your dependents will not be able to re-enroll. If your spouse or your dependents are disenrolled from the plan at any time, they will not be able to re-enroll.

**Can I change my beneficiary?**
If your designation was on file with ORS before you left employment, you can update your beneficiary designation at any time before you retire. If you didn’t name a beneficiary with ORS while actively employed, you cannot name one while in deferred status.

Use miAccount to name your beneficiary. Do not submit your designation to your human resource office.

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How do I know if I’m VESTED?

You are vested for a future monthly pension benefit when you have the equivalent of 10 years of full-time employment. If you’re age 60 or older, you may be vested with less than 10 years of service. Read about retirement eligibility on the ORS website or download a copy of Your Retirement Plan: A Member Handbook.

How much service do I have?

Log in to miAccount to see how much service credit you have accumulated, as reported by your employer. Once you’ve logged in, click on Service Credit on the left side menu to view your up-to-date account information.