



Connections

Connecting your retirement needs and our commitment to service
A publication of the Michigan Office of Retirement Services

Judges System remains strong financially

We are pleased to present a financial summary for fiscal year 1998 for the Michigan Judges Retirement System (*shown on Page 3*). Although 1998 was a volatile year on Wall Street, the Retirement System funds were well cared for over the course of the year.

The State of Michigan constitutionally guarantees your pension. Funding of your pension starts when you become a member of the Judges Retirement System. By estimating how much your pension will be and how much retirement funds will earn during your career, the Retirement System can estimate how much money is needed each year to ensure sufficient funding is available when needed.

The percentage computed by dividing the actuarial value of assets by the actuarial accrued liabilities provides an indication of the funded status of the System. As of September 30, 1998, that percentage was 122%.

Generally, the higher the percentage, the stronger the pension system, giving participants a greater degree of assurance that their pension benefits are secure.

As of September 30, 1998, there were 514 retirees and beneficiaries receiving monthly benefits. Approximately 600 active employees were reported during FY 1997-98. Of these, about 380 have fully vested rights to retirement benefits.

Check out ORS' redesigned Web site!

About three years ago the Office of Retirement Services entered cyberspace with Web sites for the Public Schools and State Employees systems. Last year sites were added for State Police and Judges.

During this time, the World Wide Web has evolved and the ORS Web sites needed to be redesigned to provide more information and a more "modern" look for our customers. The new completely redesigned ORS Web site was launched on February 5th.



In addition to a new "look and feel," customers can now find more downloadable forms, the complete text of the Retirement Acts, maps to our four offices, and much, much

more. The new site is designed to make it easier for a visitor to find needed information. In addition, it now features "word search" capability to find information quickly. Type in a word or string of words, and if it's on one or more of the pages in our site, clickable links will appear to take you to that page or pages.

Yet another new feature is a place to give us feedback about the ORS Web site. Your input regarding the navigation of the site, the flow of information, the ease of finding the information you need, and the look of the site will help us determine future developments and changes for the site. Check us out at: <http://www.state.mi.us/dmb/ors/>



Message from the Director of Office of Retirement Services

In this issue of *Connections* we have included the annual statement comparing 1998 and 1997 financial statistics for your retirement system. You will be pleased to learn your retirement system remains in strong financial shape.

More and more of you are discovering the safety and convenience of having your pension payments deposited through Electronic Funds Transfer (EFT). In the past 14 months, 10,523 more ORS retirees chose EFT over a paper check. Currently, more than 79% of our retirees now opt for EFT, providing conveniences for you and saving the System money. Contact our office if you would like to join the crowd.

The State of Michigan has an aggressive schedule to bring all departments into Year 2000 compliance and ORS is well on track. Critical systems in ORS, such as those which handle quarterly report processing, member billings, service credit evaluations, beneficiary nominations, and the payment of retiree pensions and 1099 distribution are on track and have either been completed or will be completed in 1999. I'm happy to report the Y2K project is well underway and on schedule.

We're also proud of our completely redesigned Web site. If you have a chance, send us an electronic mail message with your feedback. If you prefer, you can write us a letter instead. We are always glad to hear from you.

Chris DeRose

Friends lead to a happier retirement

During times of stress and emotional trials, we know how comforting it is to have a close-knit network of family and friends to help ease the pain and deal with the unknown. But have you considered how valuable your friends and family are during easier times?

Psychologists from the University of Michigan surveyed 100 pending retirees before they stopped working, and again four years later, to find out how their lives changed. Not surprisingly, 25% of the retirees felt their lives were better since retirement – 34% were less satisfied, but the rest felt pretty much the same as before retirement. What could make the difference?

Searching further, those who were happiest with their retirement life had one thing in common: a solid support network. They had an average of 16 friends they could turn to, compared to fewer than ten for unsatisfied retirees.

“While friendship can't replace things like health and money,” explains Toni Antonucci, a psychologist and one of the study's authors, “it can help you manage the stresses associated with an illness or a financial difficulty, for instance. It's the people who wind up staring at the four walls who get into trouble.”

Those retirees who felt the best about their lives had made the greatest effort to find activities and interactions with others to replace the ones they lost when they left work. Sometimes the solution is as simple as volunteering for an organization or charity you find worthwhile. Staying active and involved with others is good advice at any age!

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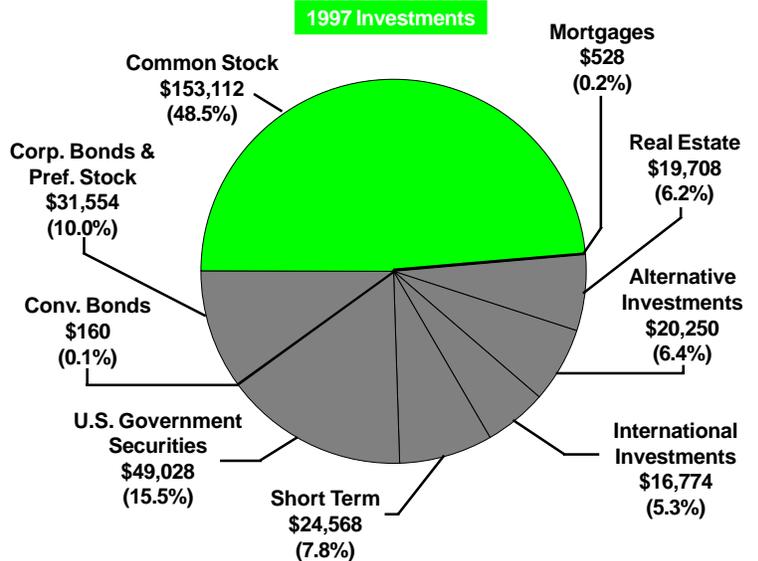
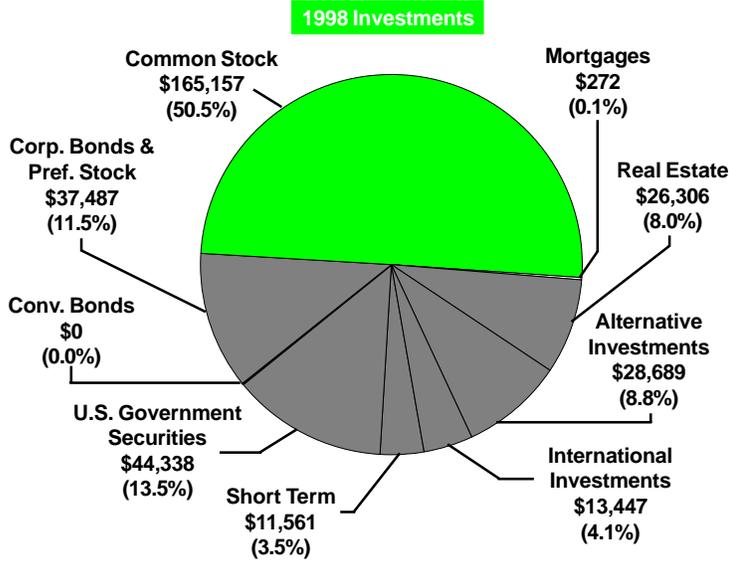
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Judges Retirement System

Investments (Thousands)



During fiscal year 1997-98, the Retirement System's net assets increased to \$328 million. The major sources of revenue were investment income and contributions. The major expenditure was benefit payments.

Revenues & Expenditures (Thousands)

	1998	1997
Beginning Balance	\$319,673	\$264,086
Plus: Public Financed	\$247	\$5,674
Plus: Member Contributions	\$3,250	\$3,209
Plus: Investment Income	\$27,042	\$61,992
Less: Investment Expenses	\$(826)	\$(498)
Less: Administrative Expenses	\$(198)	\$(396)
Less: Benefit Payments, Including Refunds	\$(14,305)	\$(14,076)
Less: Transfers to Other Systems	\$(6,642)	\$0
Less: Health, Dental, Vision Insurance	\$(356)	\$(318)
Ending Balance	\$327,885	\$319,673

Assets & Liabilities (Thousands)

	1998	1997
Assets		
Cash	\$3	\$2,504
Receivables	\$1,888	\$2,087
Investments	\$327,257	\$315,682
Collateral on Loaned Securities	\$13,623	\$11,553
Total Assets	\$342,771	\$331,826
Liabilities		
Total Liabilities	\$(14,886)	\$(12,153)
Net Assets	\$327,885	\$319,673

For a copy of the complete Annual Report from which this summary was derived, call the Office of Retirement Services at 1-800-381-5111.



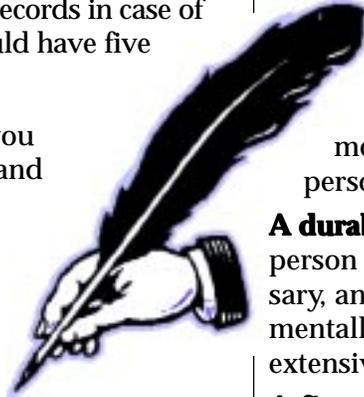
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Are your legal affairs in order?

How prepared are you for a life-changing event – an accident, debilitating illness, or even death? Does your family know what your wishes are regarding medical treatment or where to find your important records in case of an emergency? Each adult should have five key legal documents.

A will lets you indicate how you want your assets distributed, and how you wish other personal issues to be handled after you die. If you have no will, Probate Court determines what happens with your estate, which may be different from your desires.

A living will details whether you want life-prolonging medical care and procedures. If you have a terminal illness or are unable to communicate your wishes, the living will specifies when you want medical treatment discontinued.



A health care power of attorney goes hand-in-hand with a living will. It gives one or more individuals the power to make medical decisions about your health when you are mentally or physically unable to make them. It is not just for life and death situations, but covers other medical situations. You should discuss your medical wishes with your doctor and the person(s) you designate.

A durable power of attorney allows a trusted person to handle your financial affairs if necessary, and continues in force if you become mentally incapacitated. You can specify how extensive or limited you want the power to be.

A financial inventory contains the information family members might need in an emergency. This written record typically includes addresses, phone numbers and account numbers for your financial accounts, insurance policies, credit cards, investments, personal property and other assets, and locations of other important papers.

Retirees' Questions & Answers

Q: *What information needs to be sent to the Retirement Office upon my death?*

A: Upon your death, one of your survivors, your legal representative, employer or the funeral home staff should notify the Retirement System. The name, address, and phone number of this contact person will be recorded in the retiree's records as the informant, for any future reference.

The contact person needs to provide your name (as the retiree), Social Security number, and which system you retired from – Public Schools, State, State Police, or Judges, and date of death. Retirement staff will request a copy of the death certificate, and determine the status of the deceased's pension benefits.

Depending on what types of benefits are payable, the Retirement staff may request additional information or documentation for the beneficiary.

Pension Issue Dates

April 23, 1999
 May 25, 1999
 June 25, 1999
 July 23, 1999
 August 25, 1999
 September 24, 1999
 October 25, 1999

If your EFT is not credited within two days of the above date, please give us a call. If your check is delayed, please wait until the seventh of the following month to call us. Thank you.