



Office of Retirement Services

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Michigan State Employees' Retirement System

Agenda

- ◆ P.A. 264 of 2011
- ◆ DC Retiree Health Benefits
- ◆ What to Expect
- ◆ PHF Overview
- ◆ Defined Contribution (DC) Plan Contacts
- ◆ Questions

P.A. 264 of 2011

Active DC participants were provided two retiree healthcare options during the 2011 reform:

- Graded Premium Subsidy (GPS)
- Personal Healthcare Fund (PHF) with an additional employer contribution (lump sum)

New hires (beginning 1/1/2012) & some rehires:

- Personal Healthcare Fund with a Health Reimbursement Account (HRA)

DC Retiree Health Benefits

Benefit	GPS	PHF with Lump Sum	PHF with HRA
Employer match to 401(k) plan	3%	5%	5%
Subsidized retiree insurance through State	Yes	No	No
Additional employer contribution into 401(k) plan at termination (lump sum)	No	Yes	No
Health Reimbursement Account (HRA)	No	Possible	Yes

What to Expect – GPS

1. Participant applies for retiree insurance.
 - www.michigan.gov/orsstatedc > Forms
 - Submit *Insurance Eligibility Notice (R0517G)* & *Insurance Enrollment (R0752G)* forms
2. ORS verifies termination and processes application.
3. Insurance effective the first of the month following receipt of completed application and proofs
4. Participant receives Insurance bill within 2-3 weeks of termination in HRMN.
5. Insurance cards can take an additional 30 days.

What to Expect – PHF w/ Lump Sum

Monetized Lump Sum Deposit

- ◆ Lump Sum Deposited to 401k or 457, possibly HRA
- ◆ Intended to offset healthcare expenses in retirement
- ◆ Eligibility:
 - 10 or more years of service.
 - Less than 60 years old = 50% of contribution amount.
 - 60 years or older = 100% of contribution amount.

What to Expect – PHF w/ Lump Sum, *continued*

- ◆ Deposited 6-8 weeks after ORS is notified of termination, if eligibility requirements are met.
- ◆ Contributions are deposited based on IRS limits.
If current year limit for the 401(k) would be exceeded upon receiving the additional contribution, the contribution will then be distributed to:
 1. 401(k) plan account for the prior year limit (if applicable);
 2. 457 plan for the current year limit;
 3. Remaining to an HRA.

What to Expect – PHF w/ HRA

1. Funds may only be used for healthcare expenses.
2. ORS sends a packet to participants with an HRA explaining what it is and how it should be used.
3. Participant will submit all health related bills to ORS for reimbursement.
4. Account is housed with ORS until emptied, then closed.

PHF – Processing

1. Notification from HRMN.
4M with GB or GQ status
2. ORS verifies eligibility and processes calculation.
3. ORS sends to Payroll & Tax Reporting Division(PTRD)
to verify taxes.
4. ORS sends to Finance to approve payment.
5. Finance sends payment to VOYA.
6. VOYA deposits funds.

Defined Contribution (DC) Plan Contacts

Questions About	Who to Contact	How to Reach
401(k) and 457 Plans	VOYA	http://stateofmi.ingplans.com 800-748-6128
General inquiry on: <ul style="list-style-type: none"> • Insurances, disability benefits, death benefits 	VOYA	http://stateofmi.ingplans.com 800-748-6128
Applying for: <ul style="list-style-type: none"> • Insurance, disability benefit, or death benefit • Receiving PHF additional employer contribution (lump sum) 	ORS- Customer Service Center	800-381-5111 www.michigan.gov/orsmiaccount
Information on: <ul style="list-style-type: none"> • Conversion of life insurance at retirement • Health plan booklets and bulletins for current employees 	Employee Benefits Division (EBD) Civil Service Commission	800-788-1766
Questions on: <ul style="list-style-type: none"> • Terminating employment • Verification of total hours counter 	MI-HR Civil Service Commission	877-766-6447

Questions?



ORS Contact Information

Employer Reporting

- Website: www.michigan.gov/orshr
- Email: ORS-ServiceCredit@michigan.gov
- Call Center: [517-636-0166](tel:517-636-0166)