

# PROactive

Pre Retirement Opportunities for proactive employees

Office of Retirement Services, 2008 Fiscal Year

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## News from Social Security

Estimating your future retirement benefits from the Social Security Administration is now easier than ever before at:

[www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator)

The online retirement estimator is a personalized, convenient, and secure financial planning tool that lets you calculate how much you might expect to receive in social security benefits when you retire.

This newsletter is brought to you by the Department of Management and Budget, Office of Retirement Services.

The purpose of *PROactive* is to offer ideas and retirement updates to help you plan for a successful financial future.



Total Cost: \$144 Total Copies: 400  
Cost per Copy: \$0.36

[www.michigan.gov/ORSjudgesDB](http://www.michigan.gov/ORSjudgesDB)

## Here's what we do for you

*ORS director speaks about services to help you succeed*

As a division of the state's Department of Management and Budget, the Office of Retirement Services (ORS) administers retirement plans for Michigan's state and public school employees, judges, and state police.

It is our job to keep track of your wages, service credit, and personal contributions and report these figures to you in your annual Member Statement that is enclosed with this newsletter. In addition, we keep track of your beneficiary designation and provide staff to answer your questions via online services, publications, and direct customer service.

Maybe you're just entering the workforce, maybe you're in the middle of your career, or maybe you're getting ready to retire. No matter what stage of life you're in, we're here to support your retirement-related needs.

And for that very reason, we've created this newsletter for you. In addition to our existing online and print resources we felt it was important to give you even more support toward planning and reaching a secure financial future. It is our goal to provide you with a variety of preretirement opportunities and information to assist you in building a nest egg big enough to support yourself, and perhaps your family, in retirement.

No matter what you do, start early, stay on course, and always use our resources to guide you toward a safe and secure financial future.

Thank you.

Phil Stoddard

Director, Office of Retirement Services



*"A happy and healthy retirement is our wish for you." Phil Stoddard*

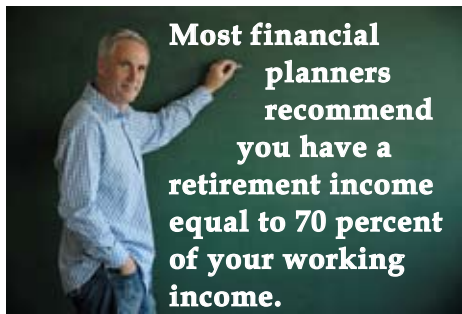
## Know your retirement plan

If you haven't already, be sure to read your *Plan Summary (R0159B)* document. This document provides detailed information about your retirement plan and can be a useful reference at any stage in your career.

The summary covers contributions, service credit, retirement eligibility, retirement and insurance options, and can be found on our website under the Forms and Publications section.

## It's never too early or too late to plan your retirement

Whether you are retiring next year or in the next 10 to 20 years, planning now is key to a successful retirement. Unfortunately, research shows that one-third of all workers aren't saving anything for retirement and those who are don't have nearly enough to retire.



Consider the "three-legged stool" approach to retirement planning: one leg is your social security benefits, one leg is your employer-sponsored pension, and one leg is your personal savings. All three are vital to a stable retirement.

### Web Resources for Retirement Planning

[www.michigan.gov/ORSjudgesDB](http://www.michigan.gov/ORSjudgesDB). The Judges Retirement System's website contains a wealth of information about your retirement benefits, service credit FAQs, and valuable publications and forms.

<http://stateofmi.ingplans.com>. The ING website offers information and tools for you to boost your income in retirement by participating in the Deferred Compensation 401(k) and 457 plans.

## Rev up your retirement

Put your best foot forward in retirement planning by staying clear of these retirement myths.

**Myth #1: I'm too young to worry about retirement.** You're never too young – the sooner you begin saving for retirement, the less you'll have to put aside.

**Myth #2: I won't need much to live on.** Experts estimate on average, to maintain your standard of living in retirement, you'll need 60 to 80 percent of your preretirement income.

**Myth #3: My kids will take care of me.** Most children want to lend their aging parents a hand, but many can't afford to.

**Myth #4: Social security will take care of me.** You can start collecting social security at age 62, but your benefits are only a percentage of your preretirement income.

**Myth #5: I can't afford to set aside money for retirement.** The truth is, you can't afford not to. The state-sponsored 401(k) and 457 plans are a great way to rev up your retirement savings.

## 3 things

### we need to know about you

Not sure what needs to be reported? Here we list the most common situations that would require contact with ORS. Please use it as a general guide only. Details about reporting these and other life events, as well as forms you'll need, can be found online or by contacting ORS.

- 1. Marriage & Dependents.** Be sure to keep a current *Beneficiary Designation (R0400B)* form on file with ORS and notify ORS immediately if your beneficiary designation changes.
- 2. Death.** If you die while an active member of the retirement system, your survivor should contact ORS right away. ORS will ask for your social security number to identify the retirement account and request a copy of your death certificate. Your record will then be reviewed to determine what, if anything, is payable.
- 3. Divorce.** If the court orders that a portion of your pension be paid to an alternate payee, such as your former spouse, the order (known as an eligible domestic relations order, or EDRO) must contain specific information in a specific format, and must be on file with ORS prior to your retirement effective date. Also, you may need to change your *Beneficiary Designation* if you divorce.

**Be proactive!**  
Make sure you've got a current **Beneficiary Designation form** on file with us.