



Pre Retirement Opportunities for proactive employees

Office of Retirement Services, 2009

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### Rev Up Your Retirement

Rev up your retirement planning by understanding how much money you'll have in retirement.

Average monthly pension for a state retiree

= \$1,483.07

That's about \$17,797 per year. Will it be enough to cover your living expenses, travel, and leisure plans during retirement years?

It's important to remember that your pension should not be your only – or even your primary – source of income in retirement. A secure retirement depends on a balance of personal savings and social security benefits, in addition to your pension.

We encourage you to use the Pension Estimate functionality in miAccount to get an idea of how much money you'll receive in retirement. You may also consider working with a financial planner.

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.



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## 3 things you need to know

Essentials to understanding your retirement plan

### Personalized statements

Your enclosed statement reports wage, service, and contribution amounts credited to you during the 2008-2009 fiscal year as reported by your employer to the Department of Management and Budget, Office of Retirement Services (ORS).

Carefully review your statement for accuracy by comparing it to the previous year's statement. You can also check updates to your information periodically when you log into miAccount, [www.michigan.gov/orsmiaccount](http://www.michigan.gov/orsmiaccount).



### Retirement plan basics

You are enrolled in the Defined Benefit plan, a noncontributory plan that has been entirely funded by state contributions since July 1, 1974. This means that your pension amount is based on a fixed formula.

To **calculate your pension** with beneficiary and payment options, log into miAccount at [www.michigan.gov/orsmiaccount](http://www.michigan.gov/orsmiaccount) and select **Estimate Pension**.

Your retirement plan also includes disability protection for you, and insurance coverage for you and your dependents.

### Qualifying for your pension

You are eligible for a monthly pension under the full retirement provision when you reach age 60 with at least 10 years of service, or when you are age 55 and have at least 30 years of credited service. Special provisions allow members age 55 or older with at least 15 years of service to retire with a reduced benefit. Visit us online for full details.

**Conservation Officers. Hired before April 1, 1991:** You can draw your pension at any age after 25 years of service if 20 of those years were as a conservation officer. **Hired on or after April 1, 1991:** You are eligible at any age with 25 years of service as long as 23 years were as a conservation officer. In either case, you must be employed as a conservation officer during the 2 years prior to your retirement.

If you do not meet the eligibility requirements for a conservation officer, you may be eligible for a monthly pension under the full retirement provision when you reach age 60 with at least 10 years of service, or when you are age 55 and have at least 30 years of credited service. Special provisions allow members age 55 or older with at least 15 years of service to retire with a reduced benefit.

**Covered Employees.** As a covered employee responsible for the custody and supervision of prisoners, you may receive a supplemental pension in addition to your straight life pension until age 62. You are eligible at age 51 with 25 years of covered service, or age 56 with 10 years of covered service. In both situations, your last 3 years must be in a covered position.

If you don't meet the requirements for a supplemental pension, you may be eligible for a full retirement provision when you reach age 60 with at least 10 years of service, or when you are age 55 and have at least 30 years of credited service. Special provisions allow members age 55 or older with at least 15 years of service to retire with a reduced benefit.



## Retirement preparedness

### Health, wealth, and happiness

Whether retirement is two or twenty years away, consider these questions now:

*How prepared for retirement will you be?*

*Will you relocate to a warmer climate or near family?*

*Are you engaged in activities and behaviors that promote healthy aging?*

*Do you know how much money you'll need to sustain your current lifestyle?*

*Do you envision yourself sitting on a beach watching the waves come in or do you see yourself starting a new career?*

Many people live more than 30 years in retirement—have a plan for how you'll manage your retirement.

When planning for retirement, the first thing that usually comes to mind is the financial factor. While finances are definitely important, retirement well-being is not just about the money. According to the International Foundation for Retirement Education, good health and access to healthcare, social networking, work and volunteer opportunities, and engagement in challenging activities that bring a sense of purpose in life are also important factors. By taking time to think about, explore, and plan for all aspects of retirement, you're preparing for a secure and fulfilling future.

### Don't delay—plan for your future now!

Know how much you'll have by calculating your pension in miAccount, [www.michigan.gov/orsmiaccount](http://www.michigan.gov/orsmiaccount). In addition, review your ING statements if you participate in the 401(k) and 457 plan(s). Use these resources to ensure your financial future.

Engage in activities promoting a healthy lifestyle. Turn your favorite hobby into a source of income. Research cities where you'd possibly like to live. Talk to retired friends who are active and enjoying life. Get involved in your community. Mentor. These are steps to help make your retirement years as rewarding as your career. Your tomorrow starts now. Be prepared.

## Your pension is safe and sound

As a member of the state of Michigan's Defined Benefit plan, you are eligible for one of the best public pensions around—it is guaranteed regardless of how the financial market performs. Our investment strategy centers on diverse funds and steady performance over the long term, putting the system in a better position to maintain stability during economic downturns. While pension funds have not been immune to market decline, they remain financially sound and positioned to continue paying benefits for many years to come.

As of September 30, 2008, the Defined Benefit plan covered 28,568 active customers and 48,078 retirees and beneficiaries. The net assets were valued at \$9.8 billion and are invested by the Michigan Department of Treasury. The system paid retirement pensions totaling \$832.6 million in fiscal year 2008.

The retirement plan also serves as a valuable source of economic activity. Last year, in administering retirement plans for Michigan's state and public school employees, judges, and state police, we delivered over \$5 billion in pension payments and health care. This supports the jobs, services, and institutions healthy communities depend on.

In short, your retirement plan is safe and sound. The retirement plan will provide retirement income for retirees of tomorrow and provide a strong foundation for Michigan's economy for many years to come.

# Check your retirement account today!

## Get Started By Following These 3 Steps:

- 1 GO TO [WWW.MICHIGAN.GOV/ORSMIACCOUNT](http://WWW.MICHIGAN.GOV/ORSMIACCOUNT)
- 2 SELECT YOUR RETIREMENT PLAN TO LOG IN
- 3 ACCESS & UPDATE PERSONAL ACCOUNT INFORMATION

**Save time—Sign up for miAccount today!**

miAccount, a secure section of our website, allows you to view, print, and change personal account information - making your retirement planning easier! miAccount also features a secure online message board where you can discuss personal account information with our friendly and knowledgeable retirement staff.