



Pre Retirement Opportunities for active employees



Office of Retirement Services 2011

State Employees Retirement System

REV UP YOUR RETIREMENT

Go to **miAccount**, our secure, online tool that lets you:

- Review your member statement.
- Update your contact information.
- Designate your beneficiary.
- Estimate your pension.

If you've never logged on to **miAccount** before, now's the time. Visit www.michigan.gov/orsmiaccount and get proactive!



ORS ON THE ROAD

Learn more about your retirement plan, eligibility requirements, pension payments, insurance coverage, and more at one of these Preretirement Orientation Meetings. Each meeting runs from 8:30 a.m. - 3:00 p.m.

- Oct 25, Center for Forensic Psychiatry, Saline
- Nov 8, Capital Commons Center, Lansing
- Dec 6, Cadillac Place, Detroit

ORS offers a variety of **online retirement tutorials and webinars**, too!

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

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

Are you on track? Three things to do today.

Whether your retirement is 20 years away or just around the corner, it's never too early or too late to get proactive with your retirement planning. Here are three things you can do to kick-start or tune-up your retirement engine.

1. Designate your beneficiary

Go to **miAccount** to review your beneficiary information and update if necessary (like after a marriage, birth of a child, divorce, or the death of a loved one). Contact ING to change your beneficiary in your 401(k)/457 account(s).

2. Know your numbers

A secure retirement is based on your pension, social security benefits, and personal savings. Know your numbers for each of these:

- Estimate your pension in **miAccount**. You can create and save up to four different estimates.
- Visit www.ssa.gov to estimate your social security benefit.
- With these two figures in hand, go to the **Ballpark E\$timate** for easy-to-use, interactive worksheets that help you quickly identify approximately how much you need to save to fund a comfortable retirement. **ING's Advisor Service** can also help.

3. Save, save, save

Once you know your savings goal, put that money in the **State of Michigan 401(k)/457 plan**. The automatic payroll deduction makes it easy, and it's a pretax contribution. Over time, the compound interest and tax deferrals make a big difference in the amount you will accumulate. For tips on saving, visit the **Retirement Savings Education Campaign website** or **ING's online Advisor Service**.

Why service credit is important.

As a state employee in the Defined Benefit plan, you earn service credit for each pay period that you work. **Service credit** affects both your pension eligibility and your pension amount.

You need to meet age and years of service (YOS) requirements in order to be eligible for your pension:

- 55 (age) with 30 (YOS) or
- 60 (age) with 10 (YOS)

If you are a Conservation Officer or Covered Employee, review the **Defined Benefit Plan Overview, Pension Eligibility section of our website** for details.

Once you've reached your eligibility, your total years of service are used in your pension calculation.

The Pension Formula

$$FAC \times 1.5\% \times YOS$$

Final Average Compensation Pension Factor Years Of Service

So, the longer you work, the higher your pension will be.

There are ways to increase your service credit so that you can retire earlier with a full pension. **Check out our website** for details on the types of service credit available, how to apply, and how to pay for a service credit purchase.