



Connections

Connecting your retirement needs and our commitment to service

A publication of the Michigan Office of Retirement Services

Make your retirement an active, vital one!

The concept of retirement as strictly leisure is an outdated one, according to a California survey sponsored by Civic Ventures. A large percentage of seniors view retirement as a time to start a new chapter in life – to become involved in new activities and set new goals. Seniors want more demanding, vital lives, which may involve some type of paid job, or all types of volunteer opportunities.

Staying active and involved contributes to your healthy well-being while also helping others. Consider role models such as former President Jimmy Carter, who helps build houses for Habitat for Humanity, writes books, teaches Sunday school and serves as an unofficial goodwill ambassador through his international travels; or former General Colin Powell; or retired astronaut John Glenn who returned to space last year at 77. Volunteer opportunities abound in every community, no matter where you live. If you enjoy working with kids, contact your area schools.



Schools love to have senior volunteers connect with students, serving as strong, positive role models, especially for those from broken or dysfunctional homes. Other organizations where you can connect with kids are Big Brothers/Big Sisters, Boys & Girls Club, and the Boy Scouts and Girl Scouts.

For other options, check out some of your community service agencies, such as United Way, American Red Cross, Salvation Army, Volunteer Centers, and Points of Light. Many of these agencies, along with the Senior Service Corps, which works with Foster Grandparents, Senior Companions, and the Retired & Senior Volunteer Program, will help you locate volunteer activities that match your interests, skills, and available time commitment.

Retirement is a great time to get involved, or stay involved. Volunteering will help you stay more active, invigorated, and self-fulfilled. Plus think of all the positive and rewarding benefits you'll be providing to others around you. Don't put it off – make a contact now!

Did you know . . . ?? Retirement Tidbits

- ORS' combined systems pension fund currently ranks as the 13th largest public pension fund in the United States, the 21st largest overall pension fund in the United States, and the 28th largest pension fund in the world.
- In September 1999, ORS sent pension payments to 160,033 retirees and beneficiaries of all four systems. Of these, 127,385 (80%) used Electronic Funds Transfer (EFT). The rest, 32,648 (20%) received paper checks.
- ORS' oldest retiree, Margaret B., turned 106 years young on February 8. She has been receiving a pension payment from the Public School Employees Retirement System for 41 years. Across all four retirement systems, 4,410 individuals 90 years or older get a monthly pension payment from ORS, with 101 of those over 100 years old! Congratulations on your remarkable lifetime achievements!!
- The number of pension recipients continues to increase substantially each year. In the past 12 months, we saw a net increase in the total number of pension recipients of approximately 4,600. We project that next year's net increase will be over 5,000.



Message from the Director of Office of Retirement Services

I hope you enjoy reading this edition of the *ORS Connections* newsletter. If you find the newsletter useful, or would like us to cover other topics, please let us know.

Some of you have called to ask if we are ready for the Year 2000. With the new year two months away, all systems have been checked and we anticipate no problems when the clock strikes midnight on December 31, 1999. We believe we have taken all necessary steps to assure your pension payments continue uninterrupted.

To ensure quality service to all our customers well into the 21st century, the Office of Retirement Services (ORS) recently began work on a strategic plan. We have the following Mission and Vision:

ORS Mission: We deliver pensions, related benefits and services to promote the future financial security of our customers.

ORS Vision: Fast, easy access to complete and accurate information and exceptional service.

Our mission defines what we do today. Our vision is what we are working toward. To achieve our vision, we are working on all aspects of our operation. I welcome your input. Feel free to write me to let us know how we are doing. You can reach me at P.O. Box 30171, Lansing, MI 48909-7671, or e-mail me at ORSCustomerService@state.mi.us.

Chris DeRose

ORS is OK for Y2K

Q: In January 2000 will my electronic pension payment make it to the bank?

A: We have modified the pension payroll system which generates your pension payments to fully accommodate the Year 2000. We also put the system through extensive and rigorous testing. Be assured that ORS is fully ready for the Year 2000.

But even if we are ready, what can you expect once your payment leaves our office?

To get to your financial institution, your electronic "check" goes through the Automated Clearing House (ACH) Network. On April 13, 1999, the National Automated Clearing House Association (NACHA) announced that "the four national ACH Operators that process Direct Deposits have all reported that their computer systems are Year 2000 ready, and they have successfully tested file transmissions with each other."

On December 28, 1998, the Social Security Administration and the United States Treasury Department announced that their computer systems that issue Social Security payments are also ready for the Year 2000.

Direct Deposit is still the safest, most reliable way to receive your State or U.S. Government benefits. To sign up for EFT, just call the Retirement System at 800-381-5111 for an application, or download one from our web site at: www.state.mi.us/dmb/ors. Follow the application instructions and return the completed form to us. You'll soon be enjoying the simplicity of EFT.

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Chris DeRose, Director, Office of Retirement Services
Laurie Hill, Manager, Customer Service
Rosemary Baker, Matt Beha and
Robert Glennon — Editors

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Outreach Offices:

Eastern Office – 1200 W. Huron St., Waterford
248-681-2756

Detroit City Office – State Plaza Bldg., Suite P-120,
1200 Sixth Ave., Detroit 313-256-1400

Western Office – Ottawa Area ISD Ed. Services Bldg.,
13565 Port Sheldon Rd., Holland
616-738-8940, Ext. 4094 or 4095

<http://www.state.mi.us/dmb/ors>

e-mail address: ORSCustomerService@state.mi.us



Charity Watchdogs Review How Donations Are Spent

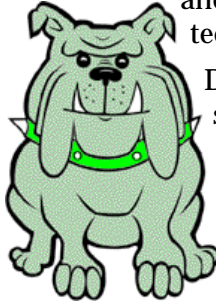
Americans donate \$144 billion a year to charitable causes. But, have you ever wondered whether a charitable organization you made a donation to will use the money wisely? The American Institute of Philanthropy (AIP) is a charity watchdog that issues letter grade (A to F) ratings of nonprofit groups.

Itself a nonprofit organization, AIP determines what each charity spends on charitable programs (as little as 3% in the worst cases and 95% in the best) and how much they spend to raise each \$100 (from \$1 to \$95).

How does AIP meet its own standards? For 1998, AIP would receive an "A" grade, with 75 percent of its total expenses going to researching charities and helping donors make informed charitable decisions – well above AIP's minimum standard of 60 percent. And they only spend \$4 to raise each \$100 of contributions. AIP considers spending \$35 or less to raise \$100 a reasonable expense.

Another organization, GuideStar, has a web site at <http://www.guidestar.org/> that claims to list information on more than 650,000 nonprofit

organizations. This site includes a search engine (computer software used to search for specified information) to help you find a particular charity, and lists charities that are looking for volunteers.



Donors should do some digging themselves. AIP encourages donors to insist that a charity's descriptions of its programs and accomplishments be quantifiable and clear. They suggest asking nonprofits questions such as how many hungry were fed thanks to their funding.

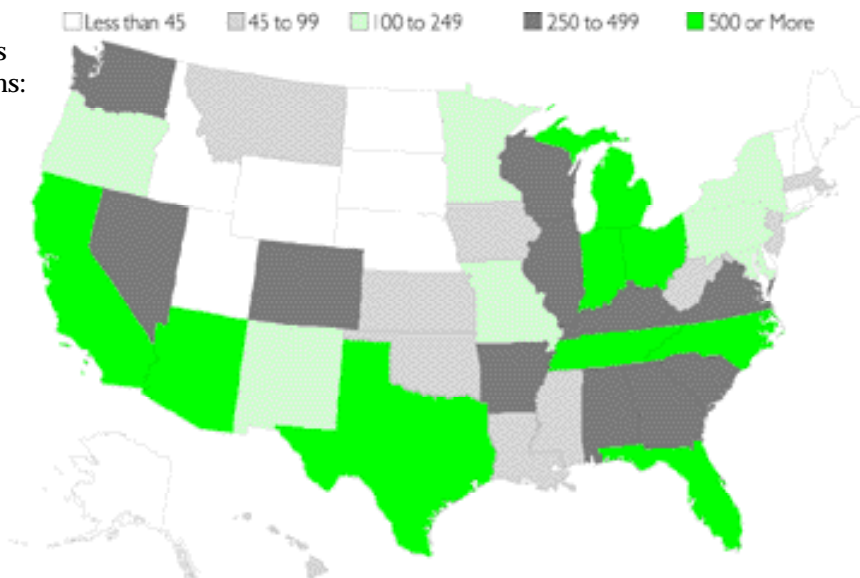
You can see their ratings on the AIP web site at <http://www.charitywatch.org/index.html>. Or ask for a copy of their quarterly Charity Rating Guide and Watchdog Report by calling 301-913-5200 or writing AIP, Suite 300, 4905 Del Ray Avenue, Bethesda, MD 20814. AIP has waived the report's \$3.00 fee for readers of *Connections*, but you must tell them in your call or letter that you are a retiree of the Michigan Retirement System.

So avoid the scams and make sure your donations go to worthy organizations by checking them out first through AIP or GuideStar.

Where Do ORS Retirees Live?

This map depicts where retirees live within the United States. ORS also has retirees that live in these foreign nations:

Australia	Japan
Barbados	Lithuania
Cambodia	Mexico
Canada	Netherlands
Cayman Islands	New Zealand
Costa Rica	Norway
Ecuador	Panama
France	Philippines
Germany	South Africa
Greece	Singapore
Hungary	Spain
India	Sweden
Ireland	Thailand
Israel	United Kingdom
Italy	



ORS Gathers Retirees' Attitudes and Opinions

The Office of Retirement Services (ORS) began regular surveying of Public School retirees in January 1997. In 1997, the survey consisted only of Public School retirees, with State retirees added in January 1999. In January 2000, retirees from the State Police and Judges Retirement Systems will be included in the survey. The survey is conducted in January and July of each year.

The intent of this survey project was threefold. First, it would create a baseline against which to measure changes in retirees' attitudes regarding the information and services provided by ORS. Secondly, it would reveal which sources of information retirees find most useful, and record how those sources change over time. Thirdly, it would establish a quantitative and qualitative resource to answer questions about the retiree population in a reliable manner to support policy decisions.

A random sampling of 400 of the more than 110,000 Public School retirees and 400 of the over 36,000 State retirees was targeted to participate in a mailed survey. This permits a plus or minus 5% margin of error with a 95% confidence interval.

As a result, conclusions drawn from the survey can be considered accurate.

The average response rate for the January 1999 Retirees Satisfaction Survey was 59%, much higher than the typical 30% or less response that is expected from a mailed survey. This might indicate the high degree of interest you have in your retirement system.

On average, 96% of the survey participants gave ORS a customer service rating of good or excellent.

Retirees are utilizing a variety of resources to collect retirement and health related information. The survey listed 13 types of resources and asked participants to score their usefulness. The top 20% most used sources of information indicated from the

survey were health services publications, check stub and electronic fund transfer messages, forms and booklets, followed by retirees' special interest groups, the *ORS Connections* newsletter, and personal letters.



The January 1999 Public School retirees survey results, by comparison with previous ones, showed that the information and services provided by ORS have improved. However, with the increasing growth of technology and demands for faster and more personal service, we can anticipate greater challenges ahead. As we approach the new millennium, ORS is using input from you to shape the way we provide fast, easy access to complete and accurate information and exceptional service.

Pension Issue Dates

November 24, 1999
 December 17, 1999
 January 25, 2000
 February 25, 2000
 March 24, 2000
 April 25, 2000

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