DTMB
Technology, Management & Budget

MICHIGAN OFFICE OF
RETIREMENT SERVICES
Big Plans. Small Steps.

IMPACT IN
YOUR DISTRICT

Rep. Sarah Anthony
68th District

RANKING

18th largest public pension system in the U.S.

43rd largest pension system in the world

ASSETS IN '19

$87.4 billion
all systems

MEMBERS IN '19

553,385
all systems

PAID IN '19

$7.7 billion
in pension and healthcare benefits

YOUR DC PLAN

Call **517–284–4422** to schedule one-on-one appointments with Voya Financial to discuss your Defined Contribution (DC) plan.

Rep. Sarah Anthony,

Congratulations on your reelection to the 68th District and welcome to the 2021–2022 legislative session.

My name is Anthony Estell, and I have the privilege of being the director for the Michigan Office of Retirement Services (ORS). As we move into the new legislative session, I'd like to take this opportunity to refamiliarize you with ORS.

At ORS, we have the unique responsibility of caring for the people who take care of Michigan and its citizens. They are our teachers, our state police, our librarians, and our judges. They are the conservation officers protecting our natural resources, the social workers providing aid to families, and the Michigan National Guard. They are the people who made a commitment to serve.

From Copper Harbor to New Buffalo, over a half-million Michiganders do or will depend on one of the state of Michigan's public pension systems to achieve financial security in retirement. Of those people, 5,316 reside in your district alone. The importance of this benefit is not lost on us and motivates ORS to be good stewards of the pension system with a focus on fiscal responsibility. It's why ORS' pension administration cost is $32 below our peer average of $104.

Our members aren't the only ones who benefit from the pension system. The state's public pension systems are an economic multiplier for Michigan. For every taxpayer dollar contributed to the pension system, there is an output of $5.62, reflecting the earnings on investments. And every dollar paid out to a retiree generates $1.48 from the impacts of spending. Through direct, indirect, and induced impact, Michigan sees $13.2 billion in economic output from our pension systems.

Thank you for taking the time to review this booklet. I wish you a successful term, and if you have any questions, please do not hesitate to reach out to our office.

Kind regards,

Anthony Estell, director
Michigan Office of Retirement Services

ORS plans support the 68th District

Defined Benefit active members		
Retirement system	Members	Total annual payroll
Public schools	1,132	$51,750,000
State employees	365	38,733,000
State police	6	331,000
Judges	–	1,110,000
All systems	**1,503**	**$91,924,000**

Defined Benefit retirees and beneficiaries			
Retirement system	Members	Total annual pension	Total healthcare
Public schools	1,336	$29,689,000	$3,960,000
State employees	2,364	60,790,000	17,534,000
State police	18	847,000	183,000
Judges	1	42,000	–
National Guard	94	53,000	–
All systems	**3,813**	**$91,422,000**	**$21,677,000**

Combined Defined Benefit active and retiree populations		
Retirement system	Members	Dollars flowing through your local economy
Public schools	2,468	$85,399,000
State employees	2,729	117,057,000
State police	24	1,361,000
Judges	1	1,153,000
National Guard	94	53,000
All systems	**5,316**	**$205,023,000**

Organizations in your district

A total of **$205,023,000** was at work in the **68th District** last year, thanks to ORS active members, retirees, and retiree healthcare plans.

Local school employers use the benefits we offer as a way to attract, retain, and reward quality employees and hospitals receive revenue as they serve our retirees. In the **68th District** we support:

3 School employers*
1 Hospital

Around **$1.5 billion** in ORS retirement system funds are invested in Michigan companies.

Defined Contribution plans		
Retirement system	Participants	Total investment
Public schools	1,071	$4,125,000
State employees	3,480	338,991,000
State police	11	1,490,000
Judges	9	5,332,000
All systems	**4,571**	**$349,938,000**

*School employers include public school districts, intermediate school districts, public school academies, tax-supported community or junior colleges, universities, or any agency having employees on its payroll who are members of this retirement system.

Note: The amounts in the *Defined Benefit retirees and beneficiaries* table don't include former participants in the DC plans.

Source: ORS Fiscal Year 2019 membership data.

Our members

We serve one out of every nine Michigan households and 691 employers across the state. We serve 553,385 active and deferred members and retirees, and more than 75% of our plan membership is composed of public school employees and retirees.

Retirement system members	Active*	Deferred	Retired
Public school employees K–12 public school and intermediate districts, district libraries, public school academies and charter schools, tax-supported community colleges, and seven universities	177,681	18,279	218,937
State employees Civil service employees, appointed officials in the executive branch, legislative, and judiciary staff	52,257	2,929	60,501
State police All sworn, enlisted officers	2,047	40	3,174
Judges All judges, governor, lieutenant governor, secretary of state, attorney general, legislative auditor general, and constitutional court administrator	492	–	546
National Guard Michigan National Guard (Army or Air)	10,717	1,039	4,524
Legislature Michigan senators and representatives in the DC plans	148	6	68

Fiscal impact	
Annual covered payroll (active)	$12,330,030,801
Annual pension benefit (retiree)	$6,629,066,000
Total healthcare benefit (retiree)	$1,045,448,000

*Active member counts include membership in the DC plans.

Sources: 2019 comprehensive annual financial report and ORS membership data for each retirement system, available online at **Michigan.gov/ORS**.

WHO WE SERVE

Our retirement plans

We administer retirement programs that provide our valuable members with a means for a secure future. Our plans help our retirees live independently rather than relying on family, friends, and governmental assistance.

Plan types

- Closed DB plans for public school, state employees, state police, and judges.
- Open DB plan (Michigan National Guard).
- Hybrid plans.
- DC plans.

Additional benefits

- Death and disability benefits.
- Health, dental, vision, and prescription drug insurance.
- Life insurance.

DB plan funding

The systems are funded through a combination of investment earnings and member and employer contributions. The systems' net assets are held in trust to meet future benefit payments. Nearly 67% of the systems' DB plan funding comes from investment earnings.

Every dollar paid to a Michigan retiree comes from three sources:

67¢
Investment Earnings

26¢
Employer Contributions

7¢
Member Contributions

Source: National Institute on Retirement Security, *Pensionomics 2021: Measuring the Economic Impact of DB Pension Expenditures,* Michigan (2021) **nirsonline.org**.

OUR PLANS

Retiree spending ripples through Michigan's economy

Our retirees are one of the major driving economic forces in our communities. Michigan retiree expenditures stemming from state and local pension plan benefits supported:
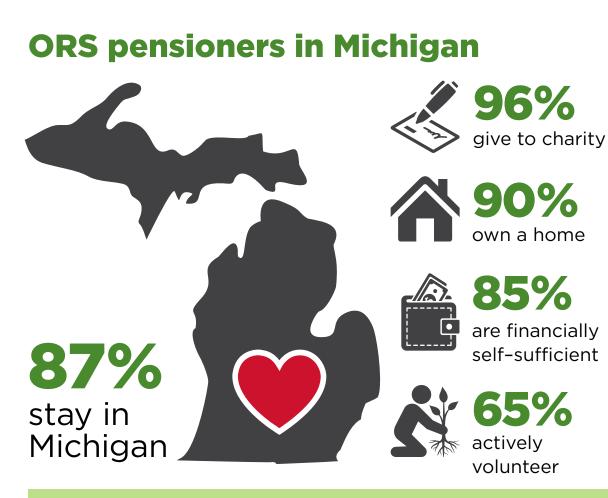
81,593
jobs

$2.1 billion
in federal, state, and local tax revenues

$13.2 billion
in total economic output

$4.2 billion
in wages and salaries

Every dollar:

Paid out in pension benefits supported

$1.48

Invested by taxpayers in these plans supported

$5.62

in total economic activity in Michigan

FINANCIAL IMPACT

ORS pensioners in Michigan

96% give to charity

90% own a home

85% are financially self–sufficient

65% actively volunteer

87% stay in Michigan

ORS retirees discuss what their pension means to them

"Pensions are less common these days. Having a known amount of money coming in for life gives me a sense of security.

It allows me to contribute to the local, state, and national economies through thoughtful spending. It allows me to contribute to charities of my choice."

Source: 2020 ORS Pensioners and Community survey

SOCIAL IMPACT

Our purpose

ORS is an innovative retirement organization driven to empower our customers for a successful today and a secure tomorrow.

Contact ORS

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