The Office of Retirement Services (ORS) is an innovative retirement organization driven to empower our customers for a successful today and a secure tomorrow.
Welcome to the Office of Retirement Services,

Chances are someone you know benefits from the services provided by the Department of Technology, Management and Budget’s, Office of Retirement Services (ORS). Perhaps it’s your aunt who is a retired teacher, or maybe it’s your neighbor who works for the DNR. Nearly one out of every fourteen Michigan adults living in one out of every nine Michigan households benefits from our services.

Allow me to introduce myself. I’m ORS Director Kerrie Vanden Bosch. I’m proud of the service and benefits we provide to the citizens of Michigan. The purpose of this booklet is to share information about who we serve and the impact our services have on the State of Michigan.

At ORS, we provide retirement and related retiree healthcare plans to help 775 employers attract, retain, and reward a highly qualified workforce. This includes Michigan State Police officers and Michigan National Guard members who protect our communities. It includes the hard-working public school employees who educate and care for our children every day. It also includes our valuable state elected officials, state government employees and judges.

I am especially proud that we’re able to provide these benefits with high customer satisfaction scores while managing our costs effectively. In 2017, 91.5 percent of our customers reported that they were satisfied with our service. In that same year, our total defined benefit pension administration cost was $57 per working member and pension recipient. This was $37 below the peer average of $94 (CEM Benchmarking).

If you have any questions or feedback after reviewing this booklet, please let me know.

Thank you for your service,

Kerrie Vanden Bosch, Director
Office of Retirement Services
ORS Plans Support The State Of Michigan

Organizations throughout Michigan benefit from our retirement systems. Public schools 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 Michigan we support:

696 School Employers*
154 Hospitals

*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.

Around $1.9 billion in ORS retirement system funds are invested in Michigan companies.

A total of $7,745,930,000 was at work in the State of Michigan last year, thanks to the pension and retiree healthcare plans administered by ORS.
Our Members

We serve one out of every nine Michigan households and 775 employers across the state. We serve more than 572,330 active members and retirees, and more than 80 percent of our plan membership is composed of public school employees and retirees.

<table>
<thead>
<tr>
<th>Retirement System Members</th>
<th>Active</th>
<th>Retired</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public School Employees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>K-12 public school and intermediate districts, district libraries, public school academies and charter schools, tax-supported community colleges, and seven universities</td>
<td>203,981</td>
<td>213,989</td>
</tr>
<tr>
<td><strong>State Employees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civil service employees, appointed officials in the executive branch, legislative and judiciary staff</td>
<td>51,358</td>
<td>59,684</td>
</tr>
<tr>
<td><strong>State Police</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All sworn, enlisted officers</td>
<td>1,994</td>
<td>3,062</td>
</tr>
<tr>
<td><strong>Judges</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All judges, Governor, Lieutenant Governor, Secretary of State, Attorney General, Legislative Auditor General, Constitutional Court Administrator</td>
<td>585</td>
<td>551</td>
</tr>
<tr>
<td><strong>National Guard</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michigan National Guard (Army or Air)</td>
<td>10,144</td>
<td>4,325</td>
</tr>
<tr>
<td><strong>Legislature</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michigan Senators and Representatives in the Defined Contribution (DC) plan</td>
<td>148</td>
<td>–</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fiscal Impact</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Covered Payroll (active)</td>
<td>$11,641,456,596</td>
</tr>
<tr>
<td>Annual Pension Benefit (retiree)</td>
<td>$6,287,327,000</td>
</tr>
<tr>
<td>Total Healthcare Benefit (retiree)</td>
<td>$1,033,518,000</td>
</tr>
</tbody>
</table>

*Active member counts include membership in the Defined Contribution (DC) plan. Sources: 2017 Comprehensive Annual Financial Report (CAFR) and ORS membership data for each retirement system, available online at michigan.gov/ors.
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 Defined Benefit (DB) plans (for public school, state employees, state police, and judges)
- Open DB plan (Michigan National Guard)
- Defined Contribution (DC) plans
- Hybrid 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 percent 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

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:

- **86,438 Jobs**
- **$2.2 billion** in Federal, State, and Local Tax Revenues
- **$12.2 billion** in Total Economic Output
- **$3.9 billion** in Wages and Salaries

**Every Dollar:**
- Paid out in pension benefits supported: $1.38
- Invested by taxpayers in these plans supported: $5.25

**In Total Economic Activity In Michigan**

ORS Pensioners In Michigan

87% Stay in Michigan

96% Give to Charity
92% Own a Home
81% Are Financially Self-Sufficient
68% Actively Volunteer

ORS Retirees Discuss What Their Pension Means To Them

“Economic security. The opportunity to pursue some new direction in my life and to contribute to my community by doing so.

Security and peace of mind about my future both financially & health insurance.”

Source: 2018 ORS Retiree Survey
**Our Purpose**
ORS is an innovative retirement organization driven to empower our customers for a successful today and a secure tomorrow.

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