

Public Act 56 of 2019 State of Michigan Retirement Systems Report

A Message from the Director

The Michigan Office of Retirement Services (ORS) is pleased to present the Public Act (PA) 56 of 2019 State of Michigan Retirement Systems Report responses.

PA 56 of 2019 Section 821.2(a)(b)(c)(d)

- [State of Michigan Office of Retirement Services Section 821 Projections as of September 30, 2019](#)

PA 56 of 2019 Section 821.2e

- The following plans have a payroll growth assumption rate of 2.75%: State Employees' Retirement System Other Postemployment Benefits (OPEB) and Judges Retirement System OPEB. The actuary has indicated that a payroll growth assumption equal to the wage inflation assumption is appropriate. Pursuant to public acts 181 and 674 of 2018, the Michigan Public School Employees' Retirement System (MPERS) and State Police Retirement System pension and OPEB plans' payroll growth assumptions will be gradually reduced to 0%. The actuary has indicated this gradual reduction is appropriate.
- In response to the request for an analysis as of active employee plan member forecasts, ORS cannot provide such an analysis. The retirement actuary projects future payroll for the purposes of calculating liabilities and contributions but cannot predict or project hiring patterns within the schools.

PA 56 of 2019 Section 821.3a

- The *Retirement Plan Election Guide* and *Retirement Plan Decision Guide* are available on the [Retirement Plan Options](#) page on the PickMiPlan website.

PA 56 of 2019 Section 821.3b

- From October 2019 through the beginning of September 2020, 2,213 (20%) elected the Pension Plus 2 plan, 2,075 (19%) elected the Defined Contribution (DC) plan and 6,739 (61%) defaulted to the DC plan.

PA 56 of 2019 Section 821.3c

- The *Retirement Plan Election Guide* and *Retirement Plan Decision Guide* are available on the [Retirement Plan Options](#) page on the PickMiPlan website. In addition, new members may learn about the required contributions, including the 50% sharing of any future unfunded actuarial accrued liability payments, in **The Money You Put In** section on the [Get To Know The Plans](#) page.

PA 56 of 2019 Section 821.3d

- Information about annuity options is available on the [State of Michigan 401\(k\) and 457 Plans welcome page](#), under the appropriate Plan Highlights e-book.

PA 56 of 2019 Section 821.3(e)(i)

- Information on potential outcomes can be found in the **Income When You Retire** section on the [Get To Know The Plans](#) page. Members are provided information on the calculation of the pension component of the Pension Plus 2 plan, as provided in statute. Members are also provided potential monthly retirement income from investment account balances under different rates of return.

PA 56 of 2019 Section 821.3(e)(ii)

- The assumptions used to derive potential retirement income can be found in The **Income When You Retire** section on the [Get To Know The Plans](#) page. Members are provided information on the calculation of the pension component of the Pension Plus 2 plan, as provided in statute. Members are also provided potential monthly retirement income from investment account balances under different rates of return.

PA 56 of 2019 Section 821.3(e)(iii)

- The assumptions are disclosed in the **Income When You Retire** section on the [Get To Know The Plans](#) page.

PA 56 of 2019 Section 821.4

- [MPERS Contributions per pupil 2019](#)

PA 56 of 2019 Section 821.5

- The timeline for release of the comprehensive annual financial report is established by the Legislative Auditor General.