

# Connections

An Office of Retirement Services Publication

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State Police  
Retirement System

## Our Mission

Partners in  
achieving  
excellence.

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## It's Tax Season – Relax!

Tax season usually has even the most organized of us scrambling at least a little bit. But, if you are a registered miAccount user, you can rest easier knowing you have access to your retirement information online. miAccount allows you to print your 1099-R form and update your tax withholding at your convenience. In January, more than 3,600 1099-R reports were viewed using miAccount.

Another area of the site you may find helpful is the Payment History section. You can view your pension payment amounts, dates, and banking institution. You can also change your address, change your direct deposit, change your federal tax withholding, and you have access to our customer service center representatives through our secure message board.

If you aren't a user, sign up! Type [www.michigan.gov/orsmiaccount](http://www.michigan.gov/orsmiaccount) in your internet browser (Internet Explorer works best for our website). From there, select your retirement system and then click the Register Now button. If you need help, use the help link in the top toolbar.

## Got a question? Ask us online!

miAccount offers secure, direct access to our customer service center representatives. Send us your question, then get a written, thoroughly researched response within 12 business hours. By comparison, written correspondence takes at least two days to reach us, then two days to get back to you through the postal system. Don't wait a week for an answer you can have tomorrow!

## PURE MICHIGAN®

Are you dreaming of a travel destination that is filled with magic and wonder? Do your eyes get wide when a whitetail buck flits across your hiking trail? Do your innards hum with the sounds of the city as you anticipate a night at the theater or the ballpark?

Michigan has much to offer for both the seasoned adventurer and the day-tripper.

Travel Michigan, the state's official tourism promotion agency, launched the Pure Michigan advertising campaign in 2007. Featuring the

voice of Michigan native Tim Allen, radio and TV ads promoting Michigan as an inspiring travel destination ran in large Great Lakes markets such as Milwaukee, Cincinnati, Chicago, Indianapolis, Cleveland, and Ontario, Canada. From 2004 to 2007, Travel Michigan spent \$20 million. According to the research firm Longwoods International, for every \$1 spent on tourism advertising, the state received an additional \$2.82 in incremental tax revenue.

*continued on page 2*



# From the Director



I know it's easy to feel unsure during the economic challenges we're facing. Over this past year, we've seen economic uncertainties few predicted. The news reports can be discouraging, and solutions do not seem simple or clear. However, during these difficult times it becomes more important to take into account the security and value of your pension.

It should be reassuring that your pension is guaranteed regardless of how the financial market performs. It should also be reassuring knowing that our investment strategy centers on diverse funds and steady performance over the long term, placing us in a better position to maintain stability during economic downturns. While our pension funds have not been immune to the market decline, they do remain financially sound and positioned to continue paying your benefits.

In addition to the personal financial security your pension provides, it also serves as a valuable source of economic activity. In 2008 alone, the Office of Retirement Services delivered over \$5 billion in pension payments and health care, which in turn supports the jobs, services, and institutions healthy communities depend on.

In short, your pension is secure. The pension assets are invested in well-diversified funds that maintain a stable foundation. Your pension not only provides retirement income for you, it also helps provide a strong foundation for Michigan's economy. While I'm sure this year will continue to be full of challenges and opportunities, I'm looking forward to it and I hope you are too.

Sincerely,

Phil Stoddard, Director

## A few facts about your retirement system in Fiscal Year 2008

- ◇ Number of retirees and beneficiaries receiving monthly benefits: **2,736**.
- ◇ Number of active employees: **1,660**.
- ◇ Number of vested active employees: **1,241**.
- ◇ Investments resulted in a funding level of **84.6 percent** as of September 30, 2008.

For more information, view the financial summary for Fiscal Year 2008 on page 4.

## Buy Michigan

**If every Michigan family would buy just \$10 a week of local Michigan fruits and vegetables, it would keep \$37 million new dollars each week working for you right here at home.**

Source: Michigan Department of Agriculture



## Pure Michigan *continued from page 1*

Because of the campaign's positive affect on our economy, Michigan plans to spend twice as much in 2009 as in 2008 – nearly \$30 million – expanding the Pure Michigan campaign to promote winter tourism. This spring, for the first time ever, it will run ads nationally.

For the latest information and to plan your next Michigan vacation, visit [www.michigan.org](http://www.michigan.org).

### Pension Pay Dates

Pension payments are issued on the 25th of the month. If the 25th falls on a weekend or holiday, your pension will be paid the previous business day.

If your EFT is not credited within three days after that date, please contact ORS. If you do not receive your printed check, contact ORS after the seventh of the following month.

### Holidays

ORS offices will be closed on the dates listed below.

May 25 – Memorial Day

July 3 – Independence Day

September 7 – Labor Day

Our website is available seven days a week, even when our office is closed: [www.michigan.gov/ORSmsp](http://www.michigan.gov/ORSmsp)

# Ask an Expert

## ORS experts answer frequently asked questions



**Q:** *Will my survivor receive my pension after I die?*

**A:** If you die as a retiree, your pension plan provides coverage for your surviving spouse and/or eligible children under the age of 18.

### Eligible recipients

- Your surviving spouse.
- If you do not have a surviving spouse, or your surviving spouse dies, your eligible children under the age of 18 will receive the full survivor benefit divided equally between them. The survivor benefit will stop on their 18th birthdays and be divided equally between any other children under the age of 18. This recalculation continues until the youngest reaches age 18.

### Calculation

Your surviving spouse and/or minor children will receive the same pension and insurance coverage you were receiving.

**Q:** *I live in the southeastern part of the state and have a few questions. Does ORS still offer services at Cadillac Place, the Detroit location?*

**A:** Yes. Our Detroit office is open from 9 a.m. to 4 p.m. on the first and third Tuesdays of every month. Though the office is open for walk-ins, we encourage customers to make appointments by calling our Customer Service Center at (800) 381-5111. Chances are, our friendly customer service representatives can answer your questions and save you a trip.

## When to Contact ORS

*Not sure what needs to be reported? Here we list the most common situations that would require you to update your information.*

**Address, Tax, or Direct Deposit Changes.** It is critical that you update ORS with these kinds of changes and the fastest, easiest way to do this is through miAccount. miAccount allows you to make instant changes to your account at your own convenience rather than calling our offices during work hours. If you haven't created your user ID yet, create one today so you'll be ready to make any tax changes needed for next year.

**Death.** ORS should be notified immediately upon the death of a pension recipient, a pension beneficiary, or anyone enrolled in your health, dental, or vision insurances.

**Divorce.** Notify ORS immediately if your ex-spouse is enrolled in your insurances. And, if you elected a survivor option with your ex-spouse as beneficiary, it's best to contact us before your divorce is final because we can only change your pension if ordered by the court.

**Marriage.** Notify ORS within 30 days whenever an insurance dependent marries. Complete an *Insurance Enrollment/Change Request* form available on our website and send it with the required documents.

**Medicare.** Any person enrolled in the health insurances must sign up for Medicare Parts A and B when first eligible. If this happens, complete an *Insurance Enrollment/Change Request* form available on our website and send it to ORS with the required documents.

*Details about reporting these and other life events, as well as forms you'll need, can be found online, using miAccount, or by contacting us.*

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# State Police Retirement System

for Fiscal Year ending September 30, 2008

<b>Assets &amp; Liabilities</b>		
	<u>FY 2008</u>	<u>FY 2007</u>
<b>Assets</b>		
Cash	\$ 19,831,247	\$ 5,009,460
Receivables	4,700,529	2,515,884
Securities Lending Collateral	146,208,301	282,596,545
Investments	<u>1,117,890,218</u>	<u>1,337,756,976</u>
<b>Total Assets</b>	<b>\$ 1,288,630,295</b>	<b>\$ 1,627,878,865</b>
<b>Liabilities</b>		
Accounts Payable and Other Liabilities	\$ 6,251,452	\$ 282,236
Obligations Under Securities Lending	<u>190,785,894</u>	<u>282,596,545</u>
<b>Total Liabilities</b>	<b>\$ 197,037,346</b>	<b>\$ 282,878,781</b>
<b>Net Assets</b>	<b><u>\$ 1,091,592,949</u></b>	<b><u>\$ 1,345,000,084</u></b>

<b>Revenues &amp; Expenses</b>		
	<u>FY 2008</u>	<u>FY 2007</u>
<b>Revenues</b>		
Public Financed and Member	\$ 65,762,866	\$ 53,531,286
Net Investment Income (Loss)	<u>(202,514,177)</u>	<u>201,614,031</u>
<b>Total Revenues</b>	<b>\$ (136,751,311)</b>	<b>\$ 255,145,317</b>
<b>Expenses</b>		
Benefit Payments	\$ 87,590,337	\$ 84,930,044
Health, Dental, and Vision Benefits	29,672,228	29,060,199
Transfers and Refunds	1,502,006	1,087
Administrative Expenses	<u>1,914,824</u>	<u>401,570</u>
<b>Total Expenses</b>	<b>\$ 120,679,395</b>	<b>\$ 114,392,900</b>
<b>Beginning of Year Net Assets</b>	<b>\$ 1,349,023,655</b> <sup>1</sup>	<b>\$ 1,204,247,667</b>
<b>End of Year Net Assets</b>	<b><u>\$ 1,091,592,949</u></b>	<b><u>\$ 1,345,000,084</u></b>

<sup>1</sup> Restated

## Investments & Earnings

	<u>Market Value*</u>	<u>Percent of Total Market Value</u>	<u>Total Investment and Interest Income**</u>
Fixed Income Pools	\$ 188,744,813	16.6%	\$ 7,275,817
Domestic Equity Pools	473,541,152	41.6%	(133,644,371)
Real Estate Pools	134,494,963	11.8%	8,234,171
Alternative Investment Pools	210,720,063	18.5%	11,462,227
International Equities Pools	100,863,755	8.9%	(49,381,826)
Short Term Investment Pools	29,356,719	2.6%	(449,690)
Securities Lending Income			8,667,842
Investment Expenses			<u>(10,100,754)</u>
<b>Market Value and Net Investment Loss</b>	<b><u>\$ 1,137,721,465</u></b>	<b><u>100.0%</u></b>	<b><u>\$ (157,936,584)</u></b>

\* Market value excludes \$146,208,301 in securities lending collateral for fiscal year 2008.

\*\* Total Investment & Interest Income excludes net security lending income of \$1,296,715 for and unrealized loss of \$44,577,593 for securities lending collateral for fiscal year 2008.

Note: The complete 2008 Comprehensive Annual Financial Report from which this summary was derived is available on our website at [www.michigan.gov/orsmsp](http://www.michigan.gov/orsmsp). If you are unable to download it from the internet, you can request a copy through the miAccount message board or call us at (800) 381-5111.