

# Connections

Staying connected with Michigan's retirees

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**Stay on track  
for a healthy  
retirement.**

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# Staying Healthy in Retirement

Staying healthy in retirement is important, but establishing an exercise routine and knowing what to eat can be challenging. Here are a few tips to help you stay on track for a healthy retirement.

## Healthy Eating

The United States Department of Agriculture (USDA) and Department of Health and Human Services (HHS) suggest that those over age 50 consume the following every day:

- **Fruits.** 1-1/2 to 2-1/2 cups
- **Vegetables.** 2 to 3-1/2 cups
- **Grains.** 5 to 10 ounces
- **Protein foods.** 5 to 7 ounces
- **Dairy foods.** 3 cups of fat-free or low-fat milk
- **Oils.** 5 to 8 teaspoons
- **Solid fats, added sugars.** Keep amount small

## Exercise

The USDA and HHS advise those over 50 to aim for at least 150 minutes of physical activity each week. This equals 30 minutes a day which could consist of ten minute sessions three times a day.



**This is how some of our retirees stay active**

“I walk and do volunteer work.”  
– Karen B.

“I walk three miles in my community every day and swim in my community’s heated pool.” – Jennie H.

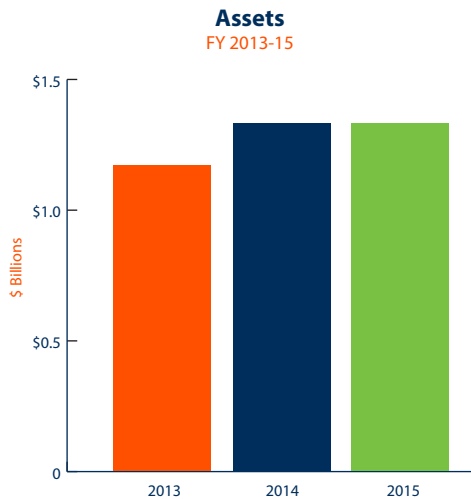
Women	
Amount of physical activity	Suggested amount of calories
Not physically active	1,600
Somewhat active	1,800
Very active	2,000-2,200
Men	
Amount of physical activity	Suggested amount of calories
Not physically active	2,000
Somewhat active	2,200-2,400
Very active	2,400-2,800

Check out [www.nia.nih.gov/health](http://www.nia.nih.gov/health) for more tips on a healthy lifestyle.

# FY 14-15 Financial Summary

## For the State Police Retirement System

### Revenue and Expenditures



Nearly **70 percent** of the system's funding comes from investment earnings.

Additions (in thousands)	FY 2015	FY 2014
Member Contributions	\$ 3,807	\$ 3,373
Employer & Other Governmental Contributions	118,073	106,764
Net Investment Income (loss)	27,562	182,722
Transfers and Misc. Income	12	-
<b>Total Additions</b>	<b>\$ 149,454</b>	<b>\$ 292,858</b>

Deductions (in thousands)	FY 2015	FY 2014
Benefit Payments	\$ 115,466	\$ 110,543
Health, Dental, & Vision Benefits	31,697	31,373
Transfers & Refunds	3	8
Administrative Expenses	1,945*	1,985*
<b>Total Deductions</b>	<b>\$ 149,110</b>	<b>\$ 143,909</b>

Assets (in thousands)	FY 2015	FY 2014
Beginning of Year Assets	\$ 1,327,832	\$ 1,178,884
End of Year Net Assets	\$ 1,328,176	\$ 1,327,832

\* Reflects participation in federal programs that provide a federal subsidy for eligible healthcare claims, producing a net overall savings to the system.

### Assets and Liabilities

Total net assets held in trust for pension and Other Post-Employment Benefits (OPEB) increased \$0.3 million from the previous year. Net assets were \$1.3 billion at the close of FY 2015.

Assets (in thousands)	FY 2015	FY 2014
Cash	\$ 4,666	\$ 14,125
Receivables	7,710	7,155
Securities Lending Collateral	78,493	88,398
Investments	1,317,815	1,311,794
<b>Total Assets</b>	<b>\$ 1,408,683</b>	<b>\$ 1,421,472</b>

Liabilities (in thousands)	FY 2015	FY 2014
Accounts Payable and Other Liabilities	\$ 2,027	\$ 2,159
Obligations Under Securities Lending	78,481	91,481
<b>Total Liabilities</b>	<b>\$ 80,508</b>	<b>\$ 93,640</b>
<b>Net Assets</b>	<b>\$ 1,328,176</b>	<b>\$ 1,327,832</b>

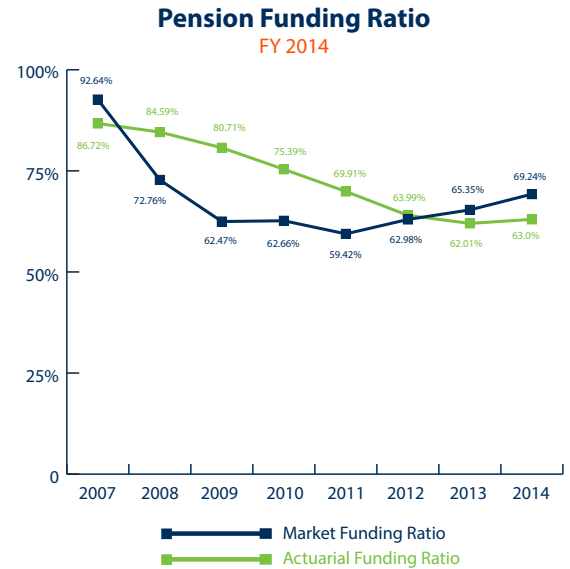
Net assets were **\$1.3 billion** at the close of FY 2015.

This summary came from the complete *2015 Comprehensive Annual Financial Report*, which was produced for the year ending September 30, 2015. The full report is available on our website at [michigan.gov/orsmsp](http://michigan.gov/orsmsp).

## Pension Funding Ratio

A pension plan is 100 percent funded when it has enough money in reserve to meet all expected future obligations to members. Getting to 100 percent funded is like paying off a mortgage; it is done over time.

The market funding ratio is based only on the market value of assets at fiscal year end. The actuarial funding ratio incorporates a 5-year “smoothing” period that reduces volatility. The actuarial funding ratio is a common metric used by pension plans nationwide. This smoothing process is used by almost every retirement system in the country; it helps avoid volatility in the pension systems’ funding requirements. As the economy improves, the funding ratio will also improve.

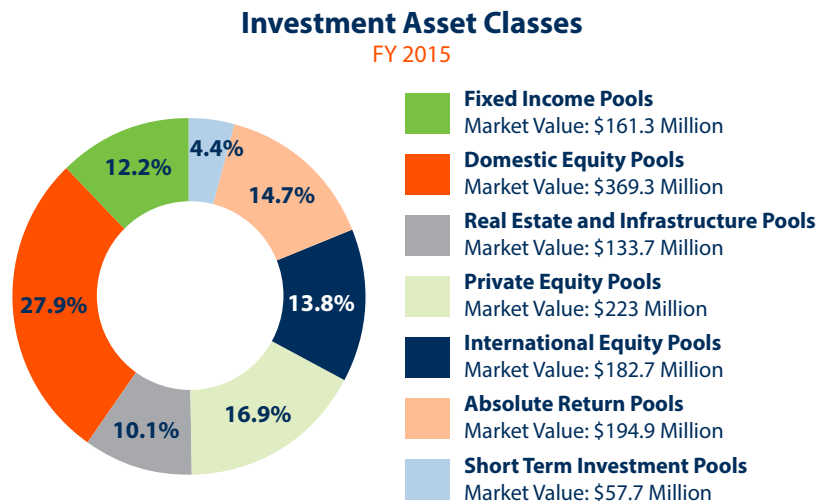


The State Police Retirement System is on a schedule to be fully funded in 22 years. This puts the system at the forefront nationwide for funding best practices.

The State Police Retirement System is on a schedule to be **fully funded in 22 years.**

## Investments and Earnings

The State Treasurer administers all of the system’s investments. The main objective is to maximize the return rate and meet the actuarial assumptions by being prudent with investments, and maintaining a diverse portfolio to eliminate unnecessary risk.





## From the Director

Hello. My name is Kerrie Vanden Bosch, and I'm the new director of the Department of Technology, Management and Budget's Office of Retirement Services (ORS). I was hired as your director in December of 2015, after Phil Stoddard announced his retirement. I've worked at ORS since 2003 in various capacities, most recently as Assistant Director. I'm looking forward to this new opportunity to further serve and hold high hopes for a bright future.

Even so, the recent fluctuations in the market we have seen in the first month of this year may cast uncertainty on any bright future we may envision for ourselves. Please don't be alarmed. Your pension funds are invested by seasoned investment professionals at the Department of Treasury's Bureau of Investments. Compared against other large retirement systems, the returns for our plan are exceptional, ranking in the top 10 percent.

This has been said before, and I think it's wise to reassert this important idea: You can rest knowing that your pension is guaranteed in spite of the month-to-month fluctuations in the stock market. In fact, our investment strategy is focused on the long term and takes into account normal downturns in the market.

Our pension funds are certainly not going to fully escape market fluctuations. That said, your pension is sound and your pension fund is on track for full funding over time. Please take some time to review the financial information provided in this edition of *Connections*. If you want more detailed information, feel free to look at our Comprehensive Annual Financial Reports available on our website.

We will continue working hard at all times to safeguard your retirement assets.

A handwritten signature in black ink that reads "Kerrie V. Vanden Bosch".

Kerrie Vanden Bosch, Director  
Office of Retirement Services

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### 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 payment is not credited within 3 days after the scheduled payment date, contact ORS.

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### Office Closures

May 30 - Memorial Day  
July 4 - Independence Day  
September 5 - Labor Day

# Ask Our Experts

ORS experts answer frequently asked questions

## **Q: I'll be eligible for Medicare soon and I'm getting mail about different health plans. What do I need to do?**

**A:** If you're already receiving Social Security benefits, Medicare should automatically enroll you in Parts A (hospital) and B (medical) about 3 months before you turn age 65. You will get your red, white, and blue Medicare card in the mail about 3 months before your 65th birthday if you are auto-enrolled.

If you are not receiving Social Security benefits, or you become eligible for Medicare before age 65, you should enroll with Medicare in Parts A and B and notify ORS immediately. To enroll with Medicare, apply online at [www.medicare.gov](http://www.medicare.gov). Update ORS of your Medicare eligibility online through miAccount at [www.michigan.gov/orsmiaccount](http://www.michigan.gov/orsmiaccount).

All retirees and dependents enrolled in the retirement system healthcare plans should enroll in Medicare Parts A and B as soon as you become eligible. The retirement system will enroll you in the pharmacy Part D plan, so do not enroll in Part D. If you enroll in Part D you will terminate your health and/or prescription coverage with ORS.

## **Q: How do I update my address with ORS?**

**A:** If you head south for the winter or have recently moved make sure you update your address with ORS. You can quickly update your address in miAccount:

1. Log in to miAccount.
2. Click Update Address & Phone
3. Click Edit.
  - a. Physical Address - Where you live.
  - b. Mailing Address - Where you want your mail to go.
4. Click Save Changes.

# Let Us Know

**Address, email, tax, or changing banks.** Right away. It's critical that you make these changes with our office. If you're on Medicare, correct address information could affect your eligibility to be enrolled in our insurance plan.

The fastest, easiest way to report these and other life events is through miAccount at [michigan.gov/orsmiaccount](http://michigan.gov/orsmiaccount).

**Death.** Right away. If a pension recipient, a pension beneficiary, or anyone enrolled in your health, prescription drug, dental, or vision insurance plans dies.

**Divorce.** Right away. Former spouses aren't eligible for continued insurance coverage, even if a court rules the retiree is obligated to provide coverage.

**Marriage.** Within 30 days, to add your new spouse to your insurance.

**Medicare.** Right away, if you, your spouse, or any of your dependents become eligible for Medicare before age 65. Be sure to have the enrollment dates and HICN numbers ready.

Office of Retirement Services (ORS)  
P.O. Box 30171  
Lansing, MI 48909-7671  
Phone: (800) 381-5111; in Lansing: 322-5103  
[michigan.gov/ors](http://michigan.gov/ors)