

Connections

An Office of Retirement Services Publication

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Public School Employees 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 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.

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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

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



Attention: Social Security Recipients

By early June 2009, Social Security and Supplemental Security Income beneficiaries will receive a one time payment of \$250 as part of the American Recovery and Reinvestment Act of 2009.

No action is required to receive this money. Recipients will automatically receive the payment from the Social Security Administration.

For more information, visit www.ssa.gov.

A few facts about your retirement system in Fiscal Year 2008

- ◇ Number of retirees and beneficiaries receiving monthly benefits: **167,265**.
- ◇ Number of active employees: **278,642**.
- ◇ Number of vested active employees: **121,232**.
- ◇ Investments resulted in a funding level of **83.6 percent** as of September 30, 2008.

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

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.

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/ORSschools

Ask an Expert

ORS experts answer frequently asked questions



Q: *I got married after I retired. Can I name my new spouse as my survivor pension beneficiary?*

A: Maybe. It depends on the choices you originally made when you retired.

- If you were married at the time you applied for your pension and have since been widowed and remarried, you can name a new spouse as pension beneficiary as long as you chose a survivor option (100, 75, or 50 percent—not straight life) for your spouse at retirement.
- If you were single at the time you applied for your pension and subsequently married, you can name a new spouse if you chose the straight life option at retirement.

You may name your spouse as a survivor pension beneficiary after 179 days of marriage, but no later than 12 months after marriage. However, if you married before January 1, 2009, you may apply any time between January 1, 2009, and June 29, 2009.

Naming a survivor pension beneficiary will reduce your monthly pension payment. ORS will recalculate your pension using our standard actuarial formula based on your new beneficiary's age. We will inform you of the revised pension amount before finalizing your request.

For complete details and to get an estimate, visit our website at www.michigan.gov/ORSschools and click on After Retirement > When to contact ORS > Marriage.

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 before age 65, 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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Public School Employees Retirement System

for Fiscal Year ending September 30, 2008

Assets & Liabilities		
	FY 2008	FY 2007
Assets		
Cash	\$ 580,658,963	\$ 109,954,915
Receivables	436,109,344	508,717,976
Securities Lending Collateral	5,357,466,059	10,313,816,305
Investments	<u>40,758,990,227</u>	<u>48,828,446,638</u>
Total Assets	\$ 47,133,224,593	\$ 59,760,935,834
Liabilities		
Accounts Payable and Other Liabilities	\$ 244,493,715	\$ 307,852,437
Obligations Under Securities Lending	<u>6,990,909,163</u>	<u>10,313,816,305</u>
Total Liabilities	\$ 7,235,402,878	\$ 10,621,668,742
Net Assets	<u>\$ 39,897,821,715</u>	<u>\$ 49,139,267,092</u>

Revenues & Expenses		
	FY 2008	FY 2007
Revenues		
Public Financed and Member	\$ 2,127,752,075	\$ 1,943,897,803
Net Investment Income (Loss)	<u>(7,459,717,756)</u>	<u>7,224,978,388</u>
Total Revenues	\$ (5,331,965,681)	\$ 9,168,876,191
Expenses		
Benefit Payments	\$ 3,117,434,847	\$ 2,944,920,179
Health, Dental, and Vision Benefits	666,380,643	590,226,465
Transfers and Refunds	32,845,070	32,278,104
Administrative Expenses	<u>92,819,136</u>	<u>87,804,621</u>
Total Expenses	\$ 3,909,479,696	\$ 3,655,229,369
Beginning of Year Net Assets	<u>\$ 49,139,267,092</u>	<u>\$ 43,625,620,270</u>
End of Year Net Assets	<u>\$ 39,897,821,715</u>	<u>\$ 49,139,267,092</u>

Investments & Earnings

	Market Value*	Percent of Total Market Value	Total Investment and Interest Income**
Fixed Income Pools	\$ 7,117,621,203	17.2%	\$ 267,773,845
Domestic Equity Pools	17,412,501,270	42.1%	(4,911,525,577)
Real Estate Pools	4,486,059,443	10.9%	275,244,747
Alternative Investment Pools	7,732,394,282	18.7%	413,903,117
International Equities Pools	3,672,726,599	8.9%	(1,796,147,644)
Short Term Investment Pools	918,346,393	2.2%	(24,353,651)
Securities Lending Income			317,987,338
Investment Expenses			<u>(369,156,828)</u>
Market Value and Net Investment Loss	<u>\$ 41,339,649,190</u>	<u>100.0%</u>	<u>\$ (5,826,274,653)</u>

* Market value excludes \$5,357,466,059 in securities lending collateral for fiscal year 2008.

** Total Investment & Interest Income excludes net security lending income of \$47,738,320 and unrealized loss of \$1,633,443,104 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/ORSschools. 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.