

Connections

An Office of Retirement Services Publication

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Our Purpose

We are an innovative retirement organization driven to empower our customers for a successful today and a secure tomorrow.

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ORS no longer delivering pension payments through U.S. Mail

Beginning January of next year, ORS will issue all pension payments through direct deposit.

As responsible stewards of the pension system, ORS must make sure that pension payments are delivered reliably, efficiently, and safely. Mail delivery is slower: with recent U.S. Postal Service closures, there could be an additional one to two day delay in receiving your pension payment each month.



Mail delivery is also less reliable. In 2010 alone, more than 540,000 U.S. Treasury checks were reported lost or stolen from the mail, and nearly 50,000 checks were altered or fraudulently endorsed.

And with printing, handling, and postage, mail delivery is also more expensive.

In contrast, direct deposit payments are transferred electronically from the State of Michigan Treasury directly to your

authorized bank or credit union. Direct deposit uses a secure electronic banking system, so your pension payments can't be stolen or misplaced.

Direct deposit is also always on time. Your pension payments will be available in your bank account on the morning of your pension pay date.

You'll be able to view an up-to-date list of all your previous pension payments in miAccount, and you'll receive direct deposit statements in the mail throughout the year that you can keep for your records.

If you're still receiving a paper pension check, you must sign-up for direct deposit by December 31. If you sign up by November 10, you'll receive your November pension payment directly to your bank account. It only takes a few minutes to sign up in miAccount, at www.michigan.gov/orsmiaccount.

Pension payments delivered through direct deposit are always on time, and can't be stolen or misplaced.



Michigan income tax rates have changed

Effective October 1, 2012 the state of Michigan income tax changed from 4.35 percent to 4.25 percent. The personal exemption also changed from \$3,700 to \$3,950. This reduces the amount of income that's subject to tax by \$250.

This means you may see no change or a slight decrease in the amount of tax that is withheld from your pension payment. You do not need to take any action in response to this change, but if you'd like to review or adjust your tax withholding,

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From the Director



The Office of Retirement Services (ORS) is proud to serve those who have proudly served us. This month, we are honored to welcome the retired members of the Michigan Army National Guard and the Michigan Air National Guard to the four other Michigan retirement systems administered by ORS: public school employees, state employees, state police, and judges.

ORS is the 18th largest public pension system in the U.S. and serves more than half a million people, but that does not mean that we have lost our personal touch. We aim to provide you best-in-class, personalized services at the lowest possible cost. Our staff is ready and willing to answer your specific questions, including through our secure online Message Board in miAccount.

As we approach the end of the year, ORS is preparing for 2013 and beyond. It's the time of year for thoughtful reflection, and active preparation. We hope that you'll take some time this fall to login to miAccount and review your retirement account. If you've never visited miAccount before, give it a try! You'll have instant access to view and print your 1099-R, print a proof of income, and more. And as always, we value your perspectives, opinions, and stories, and encourage you to share them with us. Here's to a healthy and happy holiday season ahead.

Best wishes,



Phil Stoddard, Director
Office of Retirement Services

MI Income Tax *continued from page 1*

log into miAccount at www.michigan.gov/orsmiaccount and click on **Pension Payments**, then **Tax Withholding** underneath.

Also beginning this month, ORS has made designating your Michigan tax withholding even easier. Pension recipients born between 1946 and 1952 can deduct \$20,000 in pension and retirement benefits if single, or married but filing separately. Or, they can deduct \$40,000 if married and filing a joint return. Pension recipients born after 1952 can deduct income (pension, wages, etc.) at age 67. These deductions are per family, not per pension.

To apply these deductions, simply choose the amount from the new dropdown box on the Tax Withholding page in miAccount. For full details on the Michigan tax withholding guidelines, visit the Department of Treasury website at www.michigan.gov/treasury.

Staying savvy can protect you from fraud

The Federal Trade Commission (FTC) estimates that 8.3 million Americans per year are victims of fraud or identity theft. However, victims are almost always able to resolve any problems if they identify the fraud within a day or so. The FTC offers five easy tips to help safeguard your personal information.

1. Read your credit card statements carefully and often.
2. Know your payment due dates.
3. Read your health insurance plan statements.
4. Shred documents with personal information.
5. Review each of your three credit reports at least once a year. You can get free credit reports annually at the FTC approved site AnnualCreditReport.com.

You'll also find more helpful information at the Michigan Attorney General's website, www.michigan.gov/ag.

Did you know?

ORS Call Center Gives You Choices

When you call ORS, you don't have to wait in a high-volume phone queue. When our wait times are longer, you can choose between waiting on hold or having us call you back once a representative is available to help you. The next time you call ORS, listen to the prompts and select the option that works best for you.



VA Benefits for Aid and Attendance Care

Veterans Aid and Attendance is funded by the Veterans Administration and provides a monetary benefit for veterans and surviving spouses who need the regular attendance of another person to assist in eating, bathing, dressing, medication, etc. Individuals who are blind, or a patient in a nursing home or assisted living facility typically qualify. This benefit is often overlooked by families with veterans or surviving spouses needing additional care. It's a VA pension benefit and is not dependent on service-related injuries or compensation. Contact your nearest VA regional office to learn more, or visit www.va.gov/geriatrics.



Step Forward Michigan Assists Struggling Homeowners

Homeowners who need help making or modifying their mortgage payments may qualify for assistance from the Step Forward Michigan program, administered by the Michigan State Housing Development Authority (MSHDA). The program is funded with nearly a half billion dollars in Hardest Hit Funds® from the U.S. Treasury. Learn more at www.stepforwardmichigan.org.



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Ask an expert

ORS experts answer frequently asked questions



Q: *Do I need to contact ORS when I enroll in Medicare?*

A: Only if you enroll in Medicare before age 65. In that case, send a completed *Insurance Change Request (R0452)* form. Once your Medicare begins, you'll likely see a decrease in the amount of your health insurance premiums. You can't be reimbursed retroactively for any premiums deducted, so be sure to contact ORS if you believe your premium amount wasn't adjusted properly.

Q: *My pension statements used to come every month; now they only come a few times per year. Why?*

A: We mail you printed pension statements at important times of the year: in December for taxes, in January for insurance changes, and in March and October with our *Connections* newsletter. You always have access to an up-to-date monthly statement by logging in to miAccount, then clicking **Pension Payments** on the left. You can even print paper copies of your current statement (and past statements) for your records.

Let us know!

Not sure what to report? Here are the most common situations that would require you to update your information.

Address, email, tax, or direct deposit changes. It is critical that you make these changes with our office.

Death. Contact us right away if a pension recipient, a pension beneficiary, or anyone enrolled in your health, prescription drug, dental, or vision insurances dies.

Divorce. Contact us right away.

Marriage. Contact us within 30 days.

Medicare. Anyone enrolled in health insurances must sign up for Medicare Parts A and B if and when first eligible. If you or your dependents become eligible for Medicare before age 65, let us know.

The fastest, easiest way to report these and other life events is through miAccount. You can make instant changes from 5 a.m. to midnight, rather than calling our office during work hours.

Why use miAccount?

You can quickly and easily view your account details, update your address, change your tax withholding, enroll in direct deposit, print your 1099-R, or ask ORS a question using our secure Message Board. Signing up is easy! Register today at www.michigan.gov/orsmiaccount.



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; December's pension payment will be paid on December 18. If your direct deposit is not credited within three days after the scheduled payment date, contact ORS.

Office Closures

November 6 – Election Day
November 12 – Veterans Day
November 22 & 23 – Thanksgiving
December 24 & 25 – Christmas
December 31 & January 1 – New Year's
January 21 – Martin Luther King, Jr. Day
February 18 – Presidents' Day

Our website is available seven days a week, even when our office is closed: www.michigan.gov/ors