

MPSERS Reform 2012



Webinar Schedule

- **Webinar 1:** High Level Overview, New Hires, Election Window
- **Webinar 2:** Reporting New Members and Contribution Percentage Options
- **Webinar 3:** Members – Election Impact on Reporting



Webinar Pointers

- ✓ Adjust your view at the bottom of the screen
- ✓ Submit using the Q & A link at the top of screen
 - Can be submitted throughout the presentation
- ✓ Please *mute* your microphones



Webinar 2

- New Members
- Temporary Reporting for Pension Plus-PHF
- Temporary Reporting for Defined Contribution – PHF
- Reporting Adjustment Records for New Members
- Upcoming Changes and Requirements



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New Members

Michigan State Office of Retirement Services

View Member Benefit Plans

The process allows you to review basic information about an MPERS member in order to determine the amount of employee contribution that should be reported.

No other member information:

1. Enter the member's Social Security Number in the SSN field.
2. Click the "Go" button.

View Search Form

Enter SSN:

Social Security Number 1	<input type="text"/>	<input type="button" value="Clear"/>
Social Security Number 2	<input type="text"/>	<input type="button" value="Clear"/>
Social Security Number 3	<input type="text"/>	<input type="button" value="Clear"/>
Social Security Number 4	<input type="text"/>	<input type="button" value="Clear"/>
Social Security Number 5	<input type="text"/>	<input type="button" value="Clear"/>
Social Security Number 6	<input type="text"/>	<input type="button" value="Clear"/>
Social Security Number 7	<input type="text"/>	<input type="button" value="Clear"/>
Social Security Number 8	<input type="text"/>	<input type="button" value="Clear"/>
Social Security Number 9	<input type="text"/>	<input type="button" value="Clear"/>
Social Security Number 10	<input type="text"/>	<input type="button" value="Clear"/>

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New Members

Member Information Display

This page displays the basic information about the SSN entered and about the associated contributions.

SSN	First Name	Last Name	Birth date	Gender	Beneficiary Nomination Rate
xxx-xx-1111	TRISHA	HEINZE	06/04/1981	Unknown	

Message: No record on file. This member's retirement plan is **PENSION PLUS** - collect contributions at the following rates:

- 0.0% up to \$3,000.00
- 0.6% for \$3,000.01 to \$15,000.00
- 0.4% for \$15,000.01 and above

• 0.0% DC Contribution Automatic Enrollment (interest is subject to change and only allowed through member directed online account change on vendor website)

The contribution rate fiscal year schedule runs July 1 through June 30 and includes the 3.0% Health Care Contribution.

This pension plus member is also subject to a Defined Contribution (DC) deduction through a third party plan administrator. For more information on the Defined Contribution deduction and reporting process, please see section 4.6.3 of the Reporting Instruction Manual (RIM).

Reminder: Records posted in the 2011 fiscal year were subject to 1.5% or 3.0% Health Care Contributions. Adjustments should be made with appropriate percentage.

xxx-xx-2222	COTY	ROBERTSON	01/01/1976	Female	
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Message: This member's retirement plan is **MIP Graded** - collect contributions at the following rates:

- 0.0% up to \$3,000.00
- 0.4% for \$3,000.01 to \$15,000.00
- 7.3% for \$15,000.01 and above

Note: The contribution rate fiscal year schedule runs through June 30 and includes the 3.0% health care fund contribution.



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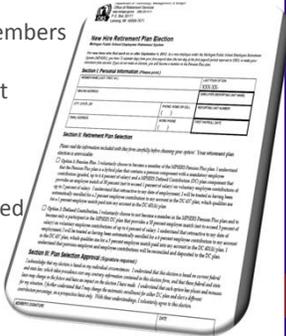
New Members - Forms

- **Member Benefit Verification form:** must complete for all employees hired between 8/1/2012 and 9/30/2012
- Once reviewed, ORS will send file containing benefit structure for each employee through the DEG.
- Use file information to report accurate wage and contribution records for new employees
- **New Hire Retirement Plan Election:** Employee elects to continue Pension Plus with HPF or become a Defined Contribution participant



New Member Election

- Provide to New Members
- Member must Elect within 75 Days
- Return to ORS as soon as completed



Reporting New Members

- **New employees who first worked on or after September 4, 2012**
- Must be temporarily reported using the **Pension Plus** benefit structure with **new rates**, until system enhancements take place in December 2012.



Reporting New Members

- **Standard process for reporting Pension Plus employees**
 - System enhancements in December 2012
- **Send DTL1, DTL2, and DTL4 for all new members**
 - Accurate wage and contributions amounts
- **Once report uploaded to the Employer Reporting website:**
 - Edit new employee records to provide accurate contribution information



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Reporting New members

REPORTING DETAIL 2 RECORD

- **Withhold and Report MIP** employee contribution rates at:

YTD Wages	Percent of Reportable Income
\$0.00 - \$5,000.00	3.0%
\$5,000.01 - \$15,000.00	3.6%
\$15,000.01 and over	6.4%

- **Do Not withhold or report** 3% Health Care Contribution



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Reporting New Members

REPORTING DETAIL 4 RECORD

- **Withhold and report** 2% of gross earnings for the member Personal Healthcare Fund (PHF) with a 2% employer match
- **Withhold and report** 2% gross earnings for the member defined contribution savings portion with a 1% employer match

Plan	PHF	Pension Savings	Total Contribution
Pension Plus			
Employee	2%	2%	4%
Employer	2%	1%	3%
Total:	4%	3%	7%



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Reporting New Members

Automatic suspension of retirement records submitted to the Employer Reporting website for NEW MEMBERS

- All DTL1-Demographic, DTL2-Wage and Contribution and DTL4-DC Contribution records will suspend
- DTL1 and DTL4 records will begin posting late October 2012
- DTL2 records will post in December 2012 if the employees election has been received by ORS



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Reporting Defined Contribution PHF Members

Plan	PHF	Pension Savings	Total Contribution
Defined Contribution			
Employee	2%	6%	8%
Employer	<u>2%</u>	<u>3%</u>	<u>5%</u>
Total:	4%	9%	13%



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Reporting Defined Contribution PHF Members

REPORTING DETAIL 2 RECORD

ORS will recalculate the member and employer contributions on all suspended DTL2 records prior to posting each record.

- You will only owe what is re-calculated by ORS on the DTL2 wage and contribution records
- It may be necessary to provide the employee with a reimbursement of withheld MIP contributions
- **Do Not withhold or report any** Employee Contributions on the DTL2 Record. – No Defined Benefit



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Reporting Defined Contribution PHF Members

REPORTING DETAIL 4 RECORD

- **Withhold and report** 2% of gross earnings for the member Personal Healthcare Fund (PHF) with a 2% employer match
- **Withhold and report** 6% of gross earnings for the member defined contribution savings portion with a 3%

Plan	PHF	Pension Savings	Total Contribution
Defined Contribution			
Employee	2%	6%	8%
Employer	2%	3%	5%
Total:	4%	9%	13%



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Reporting Defined Contribution PHF Members

REPORTING DETAIL 4 RECORD - Adjustments

- **Report DTL4 Adjustment Record** 4% gross earnings for the member defined contribution savings portion with a 2% employer match

Plan	PHF	Pension Savings	Total Contribution
Pension Plus			
Employee	2%	2%	4%
Employer	2%	1%	3%
Total:	4%	3%	7%
Defined Contribution			
Employee	2%	6%	8%
Employer	2%	3%	5%
Total:	4%	9%	13%



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Future Changes and Requirements

- Any member contribution of 2% or less must be matched at 100% by the employer and will go to the member's PHF.

Contribution Hierarchy examples:

Pension Plus PHF plan	
Total Employee deduction	Total Employer deduction
4%= 2% healthcare plus 2% DC	3%=100% healthcare match plus 50% DC match
3%= 2% healthcare plus 1% DC	2.5%= 100% healthcare match plus 50% DC match
2%= 2% healthcare	2%= 100% health care match
1%=1% healthcare	1%= 100% health care match



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Future Changes and Requirements

Changes to the DTL4 File Layout:

- **4 New Fields added to existing file layout**

- Member PHF Contributions
- Member PHF Percent (%)
- Employer PHF Contributions
- Employer PHF Percent (%)

- **New File Layout will be available in the Reporting Instruction Manual (RIM)**



Future Changes and Requirements

Suspension of Retirement Records after System Enhancements – December, 2012

- DTL1 and DTL4 records post automatically
- DTL2 records will suspend for all new members until an election is made or the employee's election window closes
 - 75 days after their first pay period end date
- Provide each employee with the election information and form immediately



Overview: Temporary New Member Reporting

- ✓ Use the **Member Benefit Plan** link on the Employer Reporting Website and identify new members as "NO RECORD ON FILE" account status. – Report with Pension Plus PHF Rates
- ✓ **Withhold and report**
 - ✓ Pension Plus PHF MIP contribution Rates on DTL2
 - ✓ Pension Plus PHF Defined Contribution Rates on DTL4
- ✓ **Do not withhold or report** 3% Health Care Contributions
- ✓ All NEW members must complete a **Member Election Form** within 75 days. – Once plan has been elected make necessary adjustments to the employee's



Employer Resources

For General Reporting Questions

<http://www.michigan.gov/psru>
<http://www.michigan.gov/orsrim>
Call: (517) 636-0166
Email: ORS_Web_Reporting@michigan.gov

Member Resources

For General Retirement Questions

Information and Overview: <http://www.michigan.gov/orsschools>
Member Account: www.michigan.gov/orsmiaccount
or Call: (800) 381-5111

Shared Resources

Pension Plus

<http://www.mipensionplus.org>

Michigan Legislative Website

<http://legislature.mi.gov/doc.aspx?2012-SB-1040>



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Questions?



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Thank you for joining us!



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