

MPSERS Reform 2012



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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



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Webinar Pointers

- ✓ Adjust your view at the bottom of the screen
- ✓ We'll stop for questions throughout the session
 - Submit using the Q & A link at the top of screen
 - Can be submitted throughout the presentation
- ✓ Please *mute* your microphones



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Webinar 3

- **Agenda**
 - Election Options
 - System Changes
 - DTL4 File Layout
 - ING Feedback File
 - Reporting Changes
 - Reporting New Members
 - Testing



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Reform Election

Retiree Pension Options

Applies to active employees who earned service credit in the 12 months preceding September 4, 2012 and first worked prior to July 1, 2010

- **Option 1: Increase Contributions, Pension Factor Multiplier remains 1.5%**
 - Flat 4% contribution for Basic (currently 0%) on DTL2
 - Flat 7% contribution for MIP (currently tiered, graded to 6.4%) on DTL2
- **Option 2: Increase Contributions & Maintain 1.5% Pension Factor Multiplier until 30 Years of Service (YOS)**
 - Once 30 YOS met, 1.25% multiplier and contribution rates will return to previous level in place



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Reform Election

Retiree Pension Options (continued)

- **Option 3: Maintain Current Contributions, Use 1.25% Pension Factor**
 - Freeze existing benefits at 1.5% and receive 1.25% pension factor for future earned service and duration of career
- **Option 4: No Contributions, DC Plan**
 - DB benefit stops future accruals of service credit, final average compensation (FAC) is frozen at current level – 1.5% pension factor
 - Defined Contribution account with 4% employer contribution to 401K
 - Employee can contribute up to maximum amounts allowed by the IRS into 457 account

Default election is Option 3



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Reform Election

Retiree Healthcare Options

Applies to active employees who earned service credit in the 12 months preceding September 4, 2012

- **Option A: 3% Healthcare Contribution**
 - Continue to contribute 3% of compensation
 - Beginning January 1, 2013, Retiree Healthcare Premium Subsidy maximum reduced from 90% to 80% , Members pay 20%
- **Option B: Personal Healthcare Fund (PHF)**
 - Enrolled in a 2% employee contribution to 457 account
 - This option would include a Health Reimbursement Account (HRA) credit if ≥ 10 years of service earned upon termination

Default election is Option A



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System Changes

- DTL4 Layout
- Download Detail
- Member Benefit Plan Information
- Member Benefit Plans & Contribution Rates



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New DTL4 Fields

First 2% of Employee's Contributions:
Distributed to PHF
 Employer matches 100% – up to 2% of the employee's gross wages

Contributions Exceeding Initial 2%:
Pension Plus: Employer matches 50% – up to 1% of salary

Defined Contribution: Employer matches 50% – up to 3% of salary



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Download Detail

New Columns

- Healthcare Choice
- Member PHF contributions
- Member PHF %
- Employer PHF Contributions
- Employer PHF %



ING Feedback File

- No changes to the ING Feedback File
- When you first report new members you will get a feedback file confirming the deferral amount
- Continue to receive a feedback file when an employee changes their contribution percent
- PHF is always matched first up to 2%



Member Benefit Plan - ESS

[Employee Home](#)

[Work on Reports](#)

[View 2012 Feedback File](#)

[View Current Calendar](#)

[ET, ORF, and/or SMI Rates](#)

[Work with Contacts](#)

[View Enrollment Data](#)

[Member Benefit Plans](#)

[View Enrollment Statements](#)

[Submit My Profile](#)

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 Reversion Date
xxx-xx-8888	MARK	ESTELLE	05/13/1963	Male	

Messages: This member's retirement plan is **PENSION PLUS**. - Collect member contributions at the following rates:

DC Contributions:

- 3.0% up to \$3,000.00
- 2.0% for \$3,000.01 to \$13,000.00
- 6.4% for \$13,000.01 and above

This member's healthcare plan is **Personal Healthcare Fund (PHF)**.

DC Contributions:

- 7% member DC contribution
- 7% employer DC match
- 7% member PHF contribution
- 7% employer PHF match

The DC contributions shown are the default rates. Members may change their DC contributions by using the third party administrator's website.

For more information on contribution rates please see the Reporting Instruction Manual (RIM) # [RIM#RIS7001-01/12/2012](#)

Remember: Records posted in the 2011 fiscal year were subject to a 1.2% or 3.0% Health Care Contribution. Adjustments should be made with the appropriate percentage.



Benefit Plan – Basic 4%

- Report DB contribution of 4% on the DTL2
- If member also elected the PHF report the 2% employee contribution with the 2% employer match on the DTL4
- You will be charged the DC employer contribution rate on the reportable compensation that is reported on the DTL2

Benefit Plan	Healthcare	Member DB Contribution Rates (DTL2)	Member HCC Rates (DTL2)	DC Member Contribution Rates (DTL4)	DC Employer Contribution Rates (DTL4)	Member PHF Rates (DTL4)	Employer PHF Rates (DTL4)
Basic 4%	Premium Subsidy	4.0%	3.0%	0.0%	0.0%	0.0%	0.0%
Basic 4%	PHF	4.0%	0.0%	0.0%	0.0%	2.0%	2.0%



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Benefit Plan - MIP Fixed

- Report the Member DB Contribution rate of 3.9% on the DTL2
- If member elected continuation of the Premium Subsidy, report the 3% employee contribution on the DTL2
- If member elected the PHF report the 2% employee contribution with the 2% employer match on the DTL4
- You will be charged the DC employer contribution rate on the reportable compensation that is reported on the DTL2

Benefit Plan	Healthcare	Member DB Contribution Rates (DTL2)	Member HCC Rates (DTL2)	DC Member Contribution Rates (DTL4)	DC Employer Contribution Rates (DTL4)	Member PHF Rates (DTL4)	Employer PHF Rates (DTL4)
MIP Fixed	Premium Subsidy	3.9%	3.0%	0.0%	0.0%	0.0%	0.0%
MIP Fixed	PHF	3.9%	0.0%	0.0%	0.0%	2.0%	2.0%



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Benefit Plan – MIP Graded

- Report the appropriate Member DB Contribution rate on the DTL2
- If member elected continuation of the Premium Subsidy, report the 3% HCC employee contribution on the DTL2
- If member elected the PHF report the 2% employee contribution with the 2% employer match on the DTL4
- You will be charged the DC employer contribution rate on the reportable compensation that is reported on the DTL2

Benefit Plan	Healthcare	Member DB Contribution Rates (DTL2)	Member HCC Rates (DTL2)	DC Member Contribution Rates (DTL4)	DC Employer Contribution Rates (DTL4)	Member PHF Rates (DTL4)	Employer PHF Rates (DTL4)
MIP Graded	Premium Subsidy	\$0-\$5,000 3.0%	3.0%	0.0%	0.0%	0.0%	0.0%
		\$5,000.01-\$15,000 3.8%					
MIP Graded	PHF	\$0-\$5,000 3.0%	0.0%	0.0%	0.0%	2.0%	2.0%
		\$5,000.01-\$15,000 3.8%					
		\$15,000.01 and Over 4.3%					



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Benefit Plan - MIP DC Converted

- Report employer mandatory DC contribution of 4% on the DTL4
- If member also elected the PHF report the 2% employee contribution with the 2% employer match on the DTL4
- You will be charged the DC employer contribution rate on the reportable compensation that is reported on the DTL2

Benefit Plan	Healthcare	Member DB Contribution Rates (DTL2)	Member HCC Rates (OTL2)	DC Member Contribution Rates (DTL4)	DC Employer Contribution Rates (DTL4)	Member PHF Rates (DTL4)	Employer PHF Rates (OTL4)
MIP DC Converted	Premium Subsidy	0.0%	3.0%	0.0%	4.0% Mandatory	0.0%	0.0%
MIP DC Converted	PHF	0.0%	0.0%	0.0%	4.0% Mandatory	2.0%	2.0%



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System Testing



Department of Technology, Management & Budget
Office of Retirement Services

PILOT

- A test Environment will be available for Reporting Units
 - We ask that you use the environment to test:
 - Loading a report using your preferred method (upload, copy forward or blank report)
 - Editing loaded records and adding DTL records
 - Formatting changes to the DTL4 record
 - Accepting and posting reports



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System Testing



Department of Technology, Management & Budget
Office of Retirement Services

PILOT

- Testing will begin in late October, 2012 and end at 5:00 p.m. November 16, 2012. Batch processing will run nightly, Monday through Friday (excluding State Of Michigan Holidays). The testing website address is:

<https://orssrw.state.mi.us/SelfService>



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System Testing



- Please consult your technology partners if your network cannot access this site, as it would be due to your network's firewall settings. To ensure you have access to this address, please connect to this link as soon as possible in order to clear up any firewall issues prior to the testing window.
- Report any testing issues to ORS_Web_Reporting@Michigan.gov with "2012 MPSERS REFORM TESTING" in the subject line



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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!


