



## Retirement Times Employer Newsletter

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Tips, Tricks, and News for Our Public School Employers

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### Welcome to the *Retirement Times!*

Welcome to our first issue of the *Retirement Times*. Our mission is to deliver pensions, related benefits, and services to promote the future financial security of our customers. You are an ORS customer. But, as a member of a public school reporting unit, we also view you as a partner in this mission. That's why we think it's important to tell you about changes, tools, and tips that will simplify your reporting, to prepare you for upcoming events, and to share information that will help you provide your colleagues—our members and future retirees—the best retirement-related services possible.

We plan to send this electronic newsletter four times a year to business and finance officers, and staff who report wages to ORS. We hope you find it useful. Please let us know how you like it, and how we can improve it, by using the [Newsletter Feedback](#) link at the top of the page.

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### Congratulations on your transition to web-based reporting!

Quarterly retirement reports are a thing of the past. We congratulate all of you who conquered software changes and business process changes to make this happen. We appreciate your diligence and patience along the way.

Because of your hard work, we are better able to provide fast, easy access to complete and accurate information and exceptional service to our customers.

 [Print this newsletter](#)

#### Quicklinks

- [Employer Website](#)
- [Production Reporting Website](#)
- [Member Website](#)

#### Web Reporting News Survey



ORS provided you with the *Web Reporting News* to communicate important

information to you during your transition to web reporting. Please take a moment to let us know how we did by completing this survey. [Click here](#).

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## At Your Service: The Employer Reporting Call Center

**(517) 636-0166**

Keep this number handy for all your ORS reporting needs!

The change from quarterly reports, which were handled manually by our staff, to online reports has required a change in the way we support you. Instead of individual staff members working on individual reporting units' reports, *all* of our Employer Reporting (ER) staff members now stand ready to answer your calls as you review your reports.

"This means you get answers right away," says Laurie Mitchell, acting manager. "Too many times, reporting units had questions that anyone could respond to but ended up waiting for a return call before being able to conduct their business."

Call center operations are new for ER, but our staff is adapting. In addition to fielding your calls, the staff is reviewing daily statistics on report processing and proactively calling the payroll officers to lend support with retirement processing.

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## What happens when you accept a report?

We're watching your reports carefully to identify concerns or problems. Two concerns that we see often are that some of you are not keeping your reports current, and others are submitting reports but not accepting them. Here's why this is important for you.

**Why you should keep your reports current.** The online reporting process adds the wage and hour information you send to each member's account as soon as the record is correct and the report is accepted, even if other records aren't quite ready. The more current the records are, the easier it is for members to request bills for service credit, apply for retirement, or check on their personal accounts.

**Why and how to accept reports.** From your calls, we know there is some confusion about what happens when you accept a report. When you accept your report, every correct record and every flagged record posts to the members' accounts. Records that are flagged are fine from ORS's perspective and will post, but something about them made us think you might want to take another look. So we give them back to you to double-check. Once you accept the report, all flagged records

post to member accounts.

It's very important that you check your totals on the summary tab before you accept your report. If your totals are correct, we recommend you accept the report even if some records are still suspended. You will still be able to work on your suspended records and to adjust records that have posted. This way, most of your employees will have current records. This will be especially important for summer retirement application processing.

We are continuing to identify improvements to the system that will speed your processing. Some of you are struggling with some long-term issues and we are developing the program changes needed to make those better. We appreciate your patience.

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## Gearing up to help "summer rush" employees retire

ORS expects over 6,000 retirement applications this year, and most will be filed by the end of the school year. At ORS, we call it "summer rush." We're gearing up for the onslaught. Our goal is to process these applications efficiently and get those first pension payments out as quickly as we can.

We know that you want your employees to have a smooth transition to retirement, too. Here's how you can help. If you have employees who plan to retire soon, encourage them to:

- Attend a preretirement information meeting (they can register online).
- Notify you they are retiring.
- Submit their retirement application materials 3-6 months before they plan to terminate employment.
- Learn more about the decisions they'll make and the application process by reading [Retirement Readiness: A Two-Year Countdown](#), available on the [member website](#).

In our next issue of *Retirement Times* we'll give you some pointers on handling the Final Salary Affidavits that will soon be arriving. Until then, you can minimize the time you will have to spend on these important affidavits by keeping your payroll reports current!

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## Answering questions about 2003-04 Member Statements

ORS is mailing the 2003/04 Member Statements to over

### About the Retirement Times

The *Retirement Times* newsletter is published by:

Office of Retirement Services  
P.O. Box 30171  
Lansing, Michigan 48909



Thanks for reading!

300,000 active public school employees throughout the month of February 2005. Some of your employees may come to you with questions.

Full details about member statements can be found under What's New on our [member website](#). The chart below shows employees the issues that ORS can take care of as well as those the employer must resolve when there are errors or discrepancies.

Who to contact	Question(s) or corrections
Office of Retirement Services (ORS) (800) 381-5111 Lansing Area (517) 322-5103	<ul style="list-style-type: none"> <li>&gt; Service credit totals.</li> <li>&gt; Contributions and interest totals.</li> <li>&gt; Pension beneficiary information.</li> <li>&gt; Your retirement plan (Basic or MIP).</li> </ul>
Your Payroll Office	<ul style="list-style-type: none"> <li>&gt; Name and address changes.</li> <li>&gt; Tax-Deferred Payment (TDP) Agreement information.</li> <li>&gt; Birth date changes.</li> <li>&gt; Wage information.</li> </ul>

Remember, the [employer website](#) is also an excellent resource!

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## TDP record reconciliation project underway

ORS currently offers public school employees an option to purchase service credit through a tax-deferred payment (TDP) program approved by the IRS. ORS recently completed a review of the program in conjunction with IRS rules. The following items are clarified to ensure IRS compliance and the ability to continue offering the program to members. Full details were emailed to business officials and can be found by clicking [here](#).

**Lump sum payments.** Lump sum payments are only permitted if an employee is within 90 days of retiring or terminating. Mid-career lump sum payments are not permitted. This includes one-time payments using longevity, bonuses, or other lump sum pay.

**Retiring or terminating members.** Employees who are retiring or terminating before their agreement can be fully paid off may increase deductions on a one-time or ongoing basis, pay off directly, or pay off with money

from a qualified retirement plan (a plan-to-plan transfer). To do so, they must use the revised *Payoff Payment Options for a TDP Agreement* (R518M 1/2005). The *TDP Agreement Payoff Worksheet* (R522X 1/2005) will help them determine their TDP balance. Both are available on the [member website](#).

**TDP payments increases allowed; new form required.** Members can add a payroll deduction to an existing TDP agreement (essentially increasing the deduction). In order for the payment to be accepted, a signed *Supplemental Tax-Deferred Payment (TDP) Agreement* (R654C) authorizing the deduction must be on file with ORS. Once increased, the new deduction amount is permanent, and can never be lowered below the new authorized amount.

**Existing agreements.** ORS will send a notice to employees whose deductions are currently higher than the deduction originally authorized. They will be asked to submit to you a *Supplemental Tax-Deferred Payment (TDP) Agreement* (R654C) form within 30 days. If not done, the original deduction amount will become the deduction of record, and any amount in excess of that will not be accepted.

**Please be sure to review the new information on the [employer website](#) carefully, as it affects forms, processing, and reporting.**

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