

 [Print this newsletter](#)**How to Contact ORS****Email:**[ORS\\_Web\\_Reporting@  
michigan.gov](mailto:ORS_Web_Reporting@michigan.gov)**Telephone:**Employer Reporting  
(517) 636-0166**Quicklinks**

- > [How to Contact Us](#)
- > [Employer Information Website](#)
- > [Retirement Reporting Website](#)
- > [Member Website](#)

**ORS Non-Business Days  
2012**

- > May 28 - Memorial Day
- > July 4 - Independence Day
- > September 3 - Labor Day

For more details go to [ORS Non-Business Days](#).**On The Side...****About 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 send this electronic newsletter four times a year to 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.

**Comprehensive Annual  
Financial Report**

The [Fiscal Year 2011 Comprehensive Annual Financial Report](#) has been posted to the member website.

**In This Issue...**

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**Retirement Application Process Moves to Online Only**

ORS has moved to an online only retirement application process. The application form has been removed from the ORS web site and members are directed to go to miAccount to submit their application electronically. This secure, online tool will provide members with an efficient, streamlined, and expedited application process. Paper applications already in the pipeline will continue to be accepted through the end of March. Any paper applications received after March 31st will be returned to the sender with instructions for applying online.

**New Worksheet Available to Apply for Retirement**

ORS has revamped the [Applying for Retirement: What You'll Need \(R0870C\)](#) worksheet to give applicants a step-by-step guide for applying for retirement in miAccount.

The worksheet walks applicants through setting up miAccount, preparing an estimate, applying, and completing the paperwork to send to ORS. It also gives members a convenient place to gather all their important details, like bank account number and routing number, insurance elections, dependent information, pension option, and more.

The worksheet is available on the member website under [Forms and Publications](#). It will also be on the Apply for Retirement page in miAccount in the near future.

**Recent Activity Link Now Available**

The **Recent Activity** link is now fully functional and ready to use on the Employer Reporting Website. To access this screen, click on **Recent Activity** link directly below **Current Employer Statement** on the **Employer Statement Home Page**.

Department of Technology, Management & Budget  
Office of Retirement Services

Michigan.Gov    Logout    Employer Info Site

Working with : PINE LAKE PUBLIC SCHOOLS, 99999

### Employer Statement Home Page

This process allows you to view your organizations Current Employer Statement, Rec Shortfall and Late Fee and Shortfall Interest.

- Current Employer Statement
- Recent Activity**
- Employer Statement History
- Shortfall and Late Fee
- Shortfall Interest

Things To Do

- Employer Home
- Work on Reports
- View DRG Feedback File
- Work on Payroll Calendar
- FE, ORP, and/or UAL Waives
- Work with Contacts
- View Employee Info
- Member Benefit Plans
- Retirement Applicants
- Payments
- View Employer Statement
- Update My Profile

This view shows the reporting and payment activity that has taken place since the last generation of your reporting unit's employer statement (the **Current Employer Statement**). This includes payments that have been made for a given month if the payment was made after the last day of the statement period. This can be very helpful to determine what contribution amounts are due on reports uploaded or adjusted since the current statement was generated, particularly if there were any unposted records at the time the current statement was generated. If the records post at higher contribution totals than the unposted records at the end of the statement period, then your reporting unit must pay the additional retirement contributions in addition to the rest of your current month's contributions by the 7th business day of the following month.

Working with : PINE LAKE PUBLIC SCHOOLS, 99999

## Recent Activity

Activity Since Last Statement Thru 02/16/2011

**Employer:** PINE LAKE PUBLIC SCHOOLS  
1234 MAIN STREET  
PINE LAKE, MI 488XX

**For Payment Questions:** [DMB-MPSERS-Account-Payment-Questions@michigan.gov](mailto:DMB-MPSERS-Account-Payment-Questions@michigan.gov) or (517) 636-0166

**For Report Questions:** [ORS\\_Web\\_Reporting@michigan.gov](mailto:ORS_Web_Reporting@michigan.gov) or (517) 636-0166

[Contributions](#)

[Late Fee and Interest](#)

[Payments Received](#)

**Example.** Pine Lake Schools had retirement contributions due in the amount of \$500,000 reported for January, 2012, on their current statement. However, their report for period ending January 27, 2012, had not fully posted at the time that the current statement was generated. That report subsequently posted in February. Upon comparing the posted contribution amounts in **Recent Activity** with the unposted contribution amounts from the current statement, Pine Lake discovered that the posted contribution amounts increased by \$1,000 over what was originally on the **Current Employer Statement**. That additional \$1,000 must be paid along with the rest of Pine Lake's February 2012, contributions and any other adjustments by the 7th business day of March 9. This scenario will NOT create a shortfall situation for January 2012 contributions at Pine Lake Schools since the January employer statement balance is the basis of the shortfall calculation.

The **Late Fee and Interest** link is not functional yet at this time. ORS will advise all reporting units when it becomes available.

For more information on how to navigate the Employer Reporting Website, employer statements, and payments, please refer to Chapter 2 and 9 of the Reporting Instruction Manual (RIM) which can be found at <http://www.state.mi.us/dmb/ORS/EMP/psru/RIM/RIM.pdf>. You may also contact Employer Reporting at [ORS\\_Web\\_Reporting@michigan.gov](mailto:ORS_Web_Reporting@michigan.gov) anytime or by calling 517-636-0166 Monday – Friday from 8:00 a.m. to 5:00 p.m.

## Online Payments

All payments to ORS should be made on or before the 7th state of Michigan business day after

## Don't Miss Out...

It is important to keep your contact information on the employer reporting website current. This will ensure the appropriate personnel can be contacted with employer related information. And...you won't miss out on important ORS communications.

## Member Statements are Available in miAccount

No more waiting for the once per year Member Statement - it is now available in [miAccount](#). Employees' personalized statements display wages, service credit, service credit purchases, and contributions as reported to ORS.

Because of this time-saving tool, ORS no longer mails paper statements. Your employees, and you, may log in to miAccount, and then click on Member Statement in the left navigation bar to view your up-to-date account information.

## Helpful information in Leaving Public School Employment?

Employees in the Basic Plan or the Member Investment Plan (MIP) who are leaving Michigan public school employment to pursue other opportunities or who are facing layoff or privatization need to understand what will happen to their future retirement benefits—especially if they don't yet qualify for a pension. ORS' online publication, [Leaving Public School Employment?](#) will help them understand how their retirement plan will be affected and what options are available to them, so that they can better manage their retirement plans.

## Pension Plus Welcome Guide Available Online

The Pension Plus New Employee *Welcome Guide* will be delivered to new public school employees in the *Pension Plus* retirement plan as they are reported to ORS. The guide can also be found on the *Pension Plus* website at [www.mipensionplus.org](http://www.mipensionplus.org). Employees who began public school employment on or after July 1, 2010, are members of the *Pension Plus* retirement plan. The plan offers a Pension Component, which guarantees a lifetime pension once the employee meets age and service requirements, and a Savings Component which enrolls them in a tax-deferred investment account that can help enhance savings for retirement.

## Revised Retirement Readiness: 2 Year

the related pay period end date and, in all instances, no later than seven State of Michigan business days following the end of the month in which the report falls.

Please note that when making an online ACH payment the **Cash Receipt Type** field defaults to **Contributions & TDP**. In order to make a defined contribution payment the payment processor must change the **Cash Receipt Type** to **DC Contributions**. First, use the dropdown arrow on the **Cash Receipt Type** field to select **DC Contributions**. Second, click the **Change Receipt Type** button to finalize the change in receipt type. This will change the fields listed on the screen from fields for MIP and TDP to fields for Employer Contribution and Employee Contribution.

Furthermore, the **Period End Date** defaults to the last day of the current month. Payment processors should make sure that the **Period End Date** matches the month for which they are making a payment. For example, if a payment processor goes on line in March to make a payment for a February report the payment processor must change the **Period End Date** to the last day of February in order for the payment to be properly associated with the February retirement contributions due.

## Countdown

The January 2012 version of *Retirement Readiness: A Two-Year Countdown* for public schools is now available online at [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools) on the [Forms and Publications](#) page.

Changes include updated *Working After You Retire* language, removed references to the paper retirement application, updated insurances section, and updated information under *What to Expect After You Apply*.

## DC Contributions on Workers' Compensation

Workers' Compensation (WWC) is considered the same as sick leave pay when absent from work and is reportable compensation unless the employer/employee relationship has been terminated. Both member and employer contributions are to be withheld from these wages for the Defined Benefit portion of a member's retirement plan.

Workers' Compensation wage totals should not be used when calculating member and employer contribution withholding for the Defined Contribution portion of the retirement plan. No part of WWC wages should be entered in the **Employer Reported Wages** field on a DTL4 record.

## Got Questions?

For online help with payroll reporting visit our [tutorials and webinars](#) page. New tutorials are coming soon! And don't forget to inform your staff that ORS holds [regular seminars and webinars](#) to answer their pension and retirements questions. They can also find helpful pre-retirement tutorials [here](#).

## Report and Payment Due Dates

The pay cycle reporting and payment transition period will continue through at least December 31, 2012.

During this transition period, reports must be submitted by the next pay date or the fifth business day of the following month, whichever is sooner. Payments must be made by the seventh business day of the following month.

Payroll Report	Report Due Date 5th Business Day of the Following Month	Payment Due Date 7th Business Day of the Following Month
February	March 7, 2012	March 9, 2012
March	April 6, 2012	April 10, 2012
April	May 7, 2012	May 9, 2012

## New Employer Website and Updated RIM on the Way

Later this spring, a new Employer Information website and *Reporting Instruction Manual* will be introduced. ORS is overhauling the website with a new look that's clean and easy to navigate. It will also integrate an updated version of the *Reporting Instruction Manual* (RIM).

The retooled RIM uses knowledge base software which offers many new features, including search functionality, quick access to popular topics, the ability to instantly update specific sections, and more. Those who use the RIM regularly will also be able to bookmark frequently used sections, and provide feedback to ORS through the RIM itself. Look for more information to come.

On this note, don't forget to review current RIM updates below.

## Contribution Rates for FY 2014

The contribution rates due on members' wages paid between October 1, 2013, and September 30, 2014, are available on the school employer website at [www.michigan.gov/psru](http://www.michigan.gov/psru) on the [Employer Contribution Rate](#) page. The rates apply to K-12 school districts, intermediate school districts, community colleges, district libraries, public school academies and charter schools, and federal programs.

If you have any questions, please contact Financial Services, Retirement Accounting, at (517) 241-5042.

## Annual Wage Review & Upcoming Audits

In 2012, ORS will continue efforts on performing various audits ensuring accuracy of demographic, wage, and contribution records reported for retirement purposes.

### What's coming?

- **Annual Wage Review** - A review of compliance of the Normal Salary Increase percentages and reportable wages towards retirement.
- **Summer Spread Wages** - A review of compliance and trends of reporting summer spread (08 wage code) wages. This wage code is put into place for members who are not working but are receiving wages over the summer months (excluding retirees).
- **Weekly Workers' Compensation** - A review of compliance and trends of reporting weekly workers compensation. Weekly Workers' Compensation is considered sick leave pay while the employee is absent from work, and therefore is considered reportable compensation unless the employer/employee relationship is terminated. Additionally, payments to make up the difference between workers' compensation and full wages, if paid by a reporting unit as sick leave pay, are also considered reportable compensation.
- **Working after Retirement** – A review of compliance on reporting wages and hours for retirees subsequently returning to work as employees of the reporting unit. Wages and hours must be reported for retirement benefit purposes.
- **Targeted Audits** – A review of a reporting units' compliance on multiple reporting practices and trends. A targeted audit focuses on reporting unit records related to wage and service reporting.

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## New Law Affects Pension Taxation

Pensions may now be subject to Michigan income tax due to Public Act 38, which was signed into law last year. The law took effect on January 1, 2012, and for those affected, withholding began with the January pension payment. See the October 2011 edition of our retiree newsletter [Connections](#) for details on who is affected and how.

ORS and the Department of Treasury cannot give retirees advice about specific tax situations. Retirees may want to consult a tax professional about adjusting their withholding amounts. Visit [www.michigan.gov/withholding](http://www.michigan.gov/withholding) for additional information.

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## Working After Retirement: Core Services

Core Services are positions that have been deemed essential in a reporting unit's role. It is important to note that the class code alone does not determine whether a person is performing a core service. If the person is performing duties contained within a class code that has been designated as providing a core service, that person is indeed providing a core service. Example: If a person is teaching but is not classified as a teacher (1240 or 1870), that person most certainly is providing a core service and should be reported accordingly.

It is important to report retirees who return to work for a school district through a 3rd party or as an independent contractor. If a retiree returns to work in a core service classification, and the school fails to report this to our office, the retiree will have their pension and health insurance subsidy suspended retroactively to the date of hire. The form used to report these retirees is the [3rd Party/Independent Contractor Retiree Rehire/Termination Certification \(R0851C\)](#) and it can be found on the employer information website at [www.michigan.gov/psru](http://www.michigan.gov/psru).

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## 3% Healthcare Contribution Update

The lawsuit concerning the member healthcare contribution remains under review in the Court of Appeals. Reporting units must continue to withhold this from employee pay during this appeal process. ORS will advise the reporting units as soon as the lawsuit is resolved.

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## From Bill to Law: Understanding the Process

Does the legislative process leave you scratching your head? You are not alone! As changes to the retirement systems are hashed out at the Capitol, we hear rumblings of bills, committees, the senate, the house, the governor ... but what does it all mean? What is the process a bill goes through to become a law?

For a fun and very simplified explanation of how a bill becomes a law, [click here](#). If you want more details on the legislative process, check out [A Citizens Guide to State Government](#).

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## Two Surveys

This spring you'll be receiving two separate surveys from ORS. The

**Surveys**

### Retirement Times

The *Retirement Times* newsletter is published by:  
Office of Retirement Services  
P.O. Box 30171  
Lansing, Michigan 48909



first will be our annual Employer Survey, which is designed to gather general information from all reporting units and collect your feedback on reporting requirements, outreach efforts, and overall service satisfaction. The second survey will be sent jointly from ORS and our partner ING, and will focus on the types of deferred compensation retirement plan(s) made available to public school employees.

The surveys will arrive via email and your participation in responding to both of them is very important. ORS uses your feedback to target specific areas for strengthening our overall service to employers.

**Coming  
Your Way!**

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### **RIM Updates**

The following sections of the Reporting Instruction Manual (RIM) have been updated since the last issue of Retirement Times. Go to the [RIM Changes](#) page for details.

- G.3.1 - NSI Superintendent
- G.3.2 - NSI Assistant Superintendent
- G.3.3 - NSI Administrative Assistants

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**Thanks for reading!**