MICHIGAN OFFICE OF RETIREMENT SERVICES
Big Plans. Small Steps.

Connections

Staying connected with Michigan's retirees

September 2025 Vol. 28 No. 3

Retiree Stories

Wandering with purpose

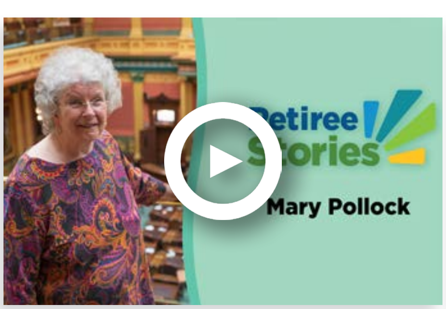
Mary Pollock calls herself a "curious wanderer" — always learning and mindfully engaged. That spirit fuels her activities and adventures, particularly globe-trotting.

"I learned traveling at an early age," the 80-year-old East Lansing resident said. "Living in London and India as a teenager taught me there's much more to the world than what our education or family expose us to."

Mary prefers small group travel and also ventures solo. Her treks include 16 foreign destinations in retirement, visiting Asia, Europe, the Middle East, Morocco, and New Zealand.

The youngest of four, Mary grew up moving frequently because of her father, a chemical engineer who did manufacturing startups. She attended four high schools, graduating from Woodstock School (a boarding school in the Himalayas' foothills); and has three degrees, including one from Cooley Law School.

She moved to Michigan in 1977 "to be challenged" as Title IX Coordinator at Michigan State University after working and studying at the University of Illinois.



"Don't go it alone."

Watch more of Mary's story on our YouTube channel.

Mary Pollock pictured in Persepolis, Iran in November 2015.

She worked briefly for the Michigan House of Representatives before joining the now Department of Health & Human Services, leading equal opportunity and affirmative action efforts. Her 33-year state career included the last 13 years managing the Michigan Civil Service Commission's Employment Relations Board.

Since retiring in December 2010, Mary has been a part-time lobbyist and consultant with the Michigan State Employee Retirees Association, American Association of University Women of Michigan, and Michigan Unitarian Universalist Social Justice Network. She spends time with family; stays active with golf and exercise classes; does monthly Zoom calls with Woodstock alumni; and helps two aging Lansing area friends.

"That's been a revelation to me," Mary said of helping her friends navigate matters.

Mary credits her State Employees' Retirement System pension and retiree healthcare benefits, 401(k) with the state, and Social Security for her robust lifestyle.

"Those elements are foundational," she said of her retirement benefits. "Looking back, we were incredibly lucky to land where we did."

From the executive director

Welcome to your fall 2025 issue of the *Connections* newsletter.

We talk much about our purpose — a successful today and secure tomorrow — and our mission — support people to retire with dignity with control over the content and pace of their lives.

That's because our focus every day is to help you realize and sustain financial security in your retirement.

To help inform you about the fiscal status of your retirement plan, we've included the 2023–2024 financial summary for the State Employees' Retirement System in this issue.

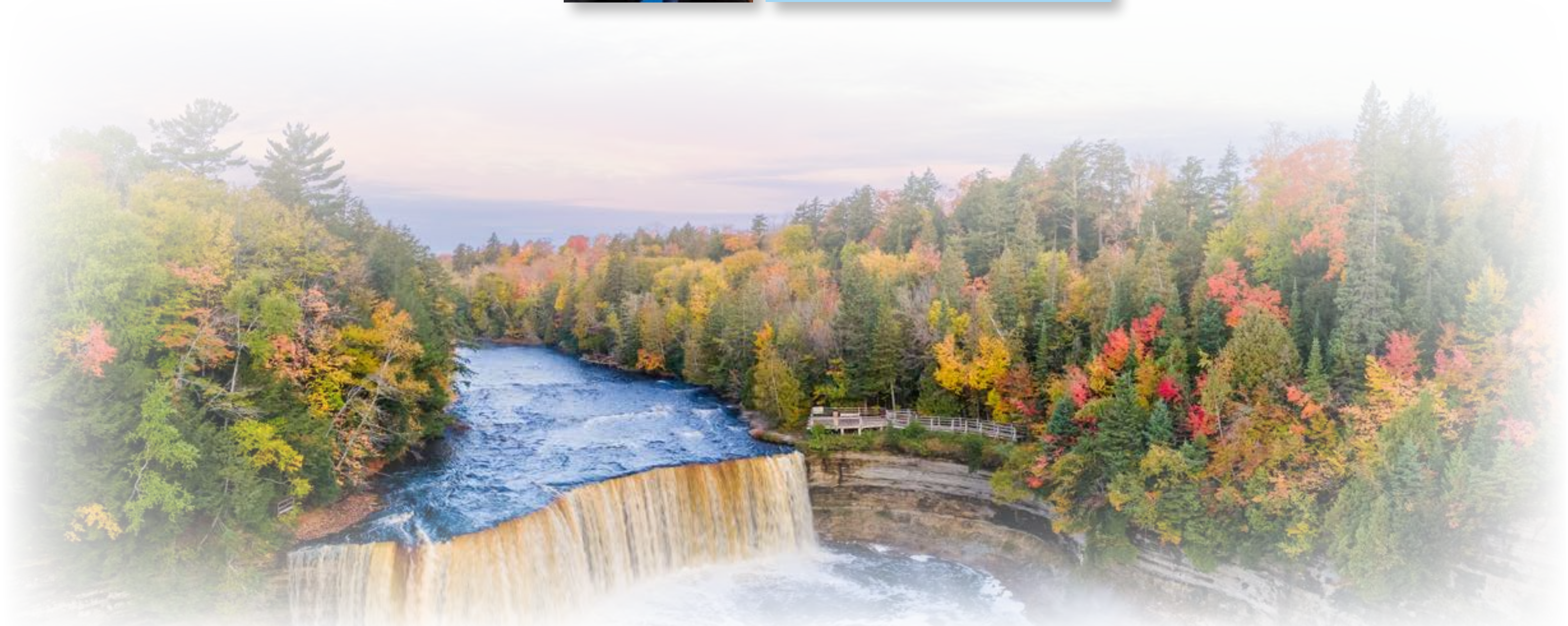
In the 2024 fiscal year (which ended Sept. 30, 2024), the Michigan Office of Retirement Services (ORS) paid out $8.3 billion in defined benefit pension and healthcare benefits across the five retirement systems that we administer, helping to improve the financial security of more than 295,000 retirees and beneficiaries. More details are available in the *2024 Summary Annual Report*.

"We are here to support you as you navigate your retirement journey."

We are here to support you as you navigate your retirement journey.

Anthony Estell, executive director
Michigan Office of Retirement Services

Watch an additional message from Anthony.

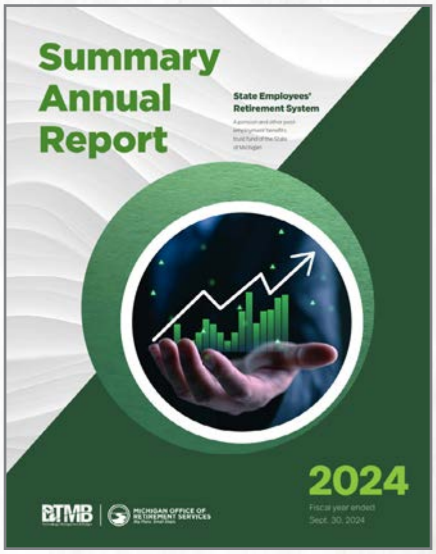


Financial summary FY 2024

Assets and liabilities

This summary includes details from the complete **2024 annual comprehensive financial report (ACFR)** produced for fiscal year (FY) 2024 for the State Employees' Retirement System, henceforth referred to as the System. Totals and subtotals may not add up due to rounding.

You can find the complete newly redesigned *2024 Summary Annual Report* on our website by choosing **Other Reports** in the footer.



Assets and liabilities for pension and OPEB combined in thousands

Assets	FY 2023	FY 2024
Cash	$ 341,828	$ 228,577
Receivables	230,058	288,127
Investments	18,551,536	20,866,283
Securities lending collateral	627,673	634,179
Total assets	**$ 19,751,094**	**$ 22,017,165**
Liabilities	**FY 2023**	**FY 2024**
Unearned revenue	$ 884	$ 1,069
Accounts payable and other liabilities	37,272	42,603
Obligations under securities lending	627,673	634,179
Total liabilities	**665,829**	**677,852**
Net assets	**$ 19,085,265**	**$ 21,339,314**

The System's total assets on a market basis as of Sept. 30, 2024, were $22.0 billion, mostly composed of investments but also securities lending collateral, receivables, and cash.

Total liabilities as of Sept. 30, 2024, were $677.9 million and include accounts payable, unearned revenue, and obligations under securities lending.

Total net assets held in trust for pension and other post-employment benefits (OPEB, i.e., retiree healthcare) increased by $2.3 billion from the previous year.

Total net assets were $21.3 billion in FY 2024.

Source: ACFR for the FY ended Sept. 30, 2024, Page 18. Information shown in the ACFR is shown gross of fees. Liabilities in this context are exclusive of actuarial accrued liabilities for pension and OPEB. The sum total of all the line items may not equal the total due to rounding.

Revenue and expenditures

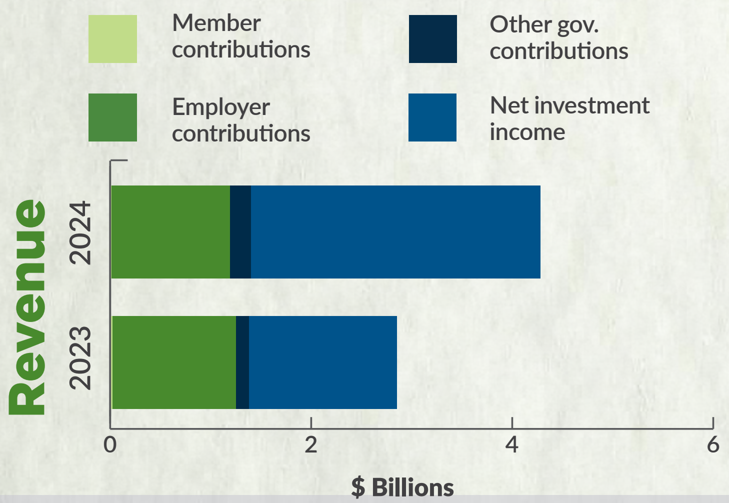
The reserves needed to finance the pension and OPEB are accumulated through employer and employee contributions including earnings on investments. Contributions and net investment income for FY 2024 totaled $4.3 billion.

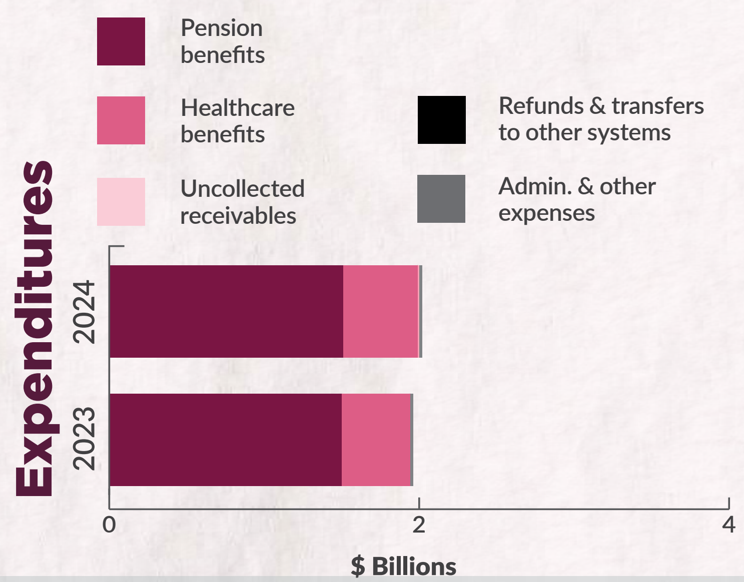
The primary expenses of the System include the payment of pension benefits to members and beneficiaries, payment for health, dental, and vision benefits, and the cost of administering the System.

Contributions and net investment income totaled $4.3 billion.

Additions and deductions in thousands

Additions		FY 2023		FY 2024
Member contributions	$	19,382	$	14,485
Employer contributions		1,232,348		1,176,425
Other governmental contributions		133,954		205,117
Net investment income (loss)		1,465,665		2,879,045
Other non-operating revenue		30		–
Miscellaneous income		493		241
Total additions	**$**	**2,851,872**	**$**	**4,275,314**
Deductions		**FY 2023**		**FY 2024**
Pension benefits	$	1,498,380	$	1,506,883
Healthcare benefits		437,274		482,581
Refunds and transfers to other systems		285		127
Uncollectable receivables		–		12,626
Administrative and other expenses		19,171		19,049
Total deductions	**$**	**1,955,111**	**$**	**2,021,266**
Net position		**FY 2023**		**FY 2024**
Net increase (decrease) in net position	$	896,762	$	2,254,048
Beginning of year		18,188,504		19,085,265
End of year	**$**	**19,085,265**	**$**	**21,339,314**





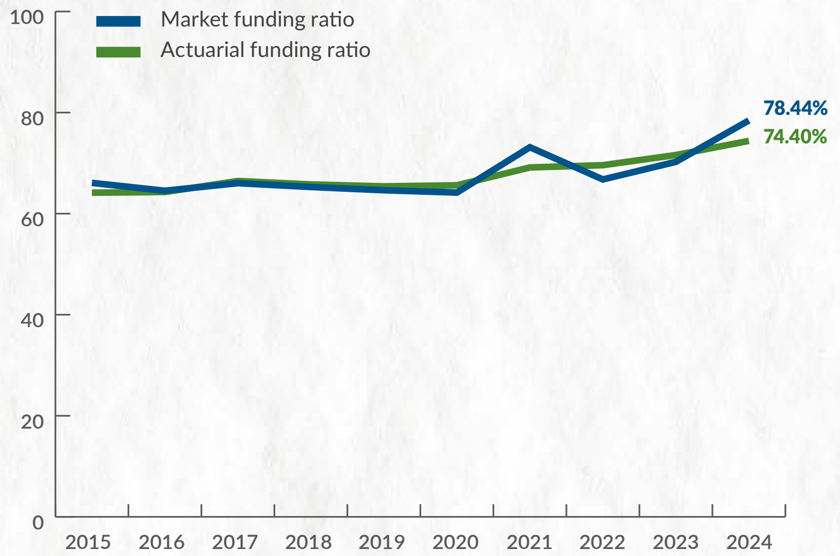
Source: ACFR for the FY ended Sept. 30, 2024, Page 19. Information shown in the ACFR is shown gross of fees.

Market and actuarial funding

A funding ratio measures the value of a pension plan's assets divided by its liabilities. This ratio is not fixed. The value of assets within the plan and its liabilities can fluctuate over time.

Pension

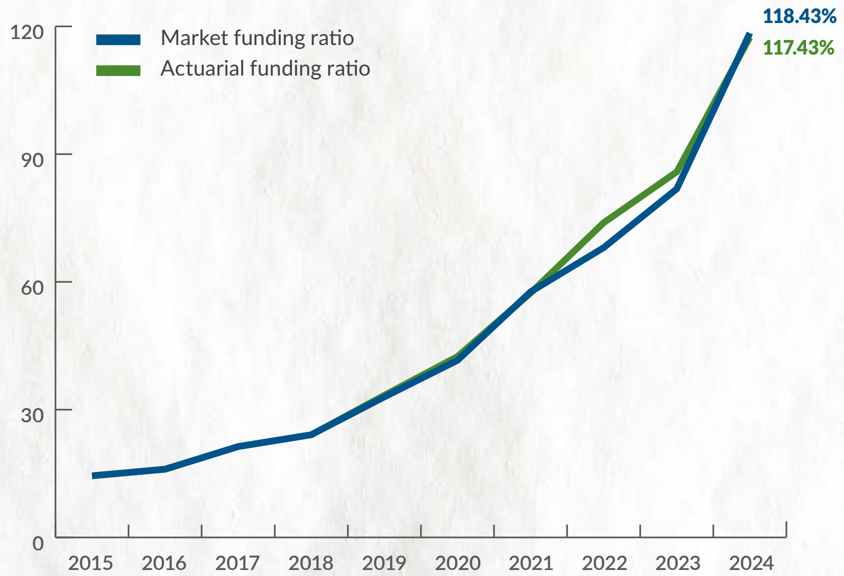
The market funding ratio is based on the market value of assets at FY end. The actuarial funding ratio is the best practice used by all pension plans nationwide. It incorporates a five-year smoothing period, which minimizes volatility in a pension system's funding requirements. The market value of assets as of Sept. 30, 2024, was $14.6 billion, while the actuarial value of assets was $13.8 billion.



OPEB

Starting in FY 2013, the System began pre-funding OPEB costs, which significantly decreased the liability and increased the asset levels. Pre-funding is a best practice that invests assets and allows investment returns to help fund the plan. Many states do not pre-fund OPEB costs. This reform put Michigan on the leading edge of OPEB funding practices.

Prior to FY 2018, the market funding ratio was equal to the actuarial funding ratio. Five-year smoothing was adopted for the OPEB plan with the 2018 valuation and requires separate actuarial and market funding ratios to be calculated moving forward. The market value of assets as of Sept. 30, 2024, was $6.8 billion, while the actuarial value of assets was $6.7 billion.



Sources: Pension Actuarial Valuation for the FY ended Sept. 30, 2024, pages B–5 and C–6. OPEB Actuarial Valuation for the FY ended Sept. 30, 2024, pages A–2 and D–2. Market funding ratios are calculated on market value of assets.

What should I do when Medicare open enrollment starts in October?

Medicare open enrollment starts each year on Oct. 15 and ends Dec. 7. You may soon be hearing radio and television advertisements for other Medicare Advantage, Part D, and Medicare Supplement plans. Your mailbox will probably fill up with advertising flyers from other insurance companies.

This enrollment period and the plans being offered are separate from your retirement system insurance coverage. There is no annual open enrollment period for the ORS insurance plans. The insurance plans offered to retirees from ORS are all Medicare Advantage plans. Medicare Advantage, also known as Part C, is a private insurance alternative to original Medicare that bundles together parts A, B, and (usually) D. Think of it as a one-stop-shop option, unlike original Medicare, which requires you to shop around for separate drug coverage and supplemental insurance.

Remember this: If you choose to enroll in a different Medicare Advantage Plan or Part D prescription drug plan, you and anyone else on your insurance will automatically be disenrolled from your current retirement system medical and prescription drug coverage. So, with all the information you'll be receiving during the Medicare open enrollment period, it's good to know you don't really need to do anything about it if you want to keep your retirement system insurance.

Should you tell family about inheritance?

Sharing your estate plans with your family isn't always easy, but sometimes it's the kindest thing you can do. Consider when, how, and with whom to share your plans. Here are some of the people who may or may not be involved in your finances after your death.

Children

Letting your children know your wishes now can ease the burden later, especially if their inheritances aren't perfectly equal. On the other hand, it may be easier to keep it a secret because you want the children to rely on themselves and not waste their own money in anticipation of receiving money from you. If you do decide to share, you don't have to share every detail or specific amounts.

Siblings/extended family/friends

It's usually better to keep your plans private. Sometimes a surprise gift is best left as just that, a surprise. Sharing too much too soon can lead to awkwardness or unintended expectations.

Charities

If you're including a charity in your will, think about whether you'd like to let them know now or keep it quiet. Either option is fine; it just depends on what feels right to you. Most charitable organizations offer information about planned giving or legacy giving on their website, often including a form and FAQs.

Professional advisors

If you don't have close family, lean on your professional team for guidance. They're there to protect your wishes and help carry out your plans with care.

"Sharing your estate plans with your family isn't always easy, but sometimes it's the kindest thing you can do."

Review benefit elections before January rate changes

Monthly insurance premiums will increase effective Jan 1, 2026. To avoid billing surprises, retirees are encouraged to review their benefit elections every year.

Key points to consider:

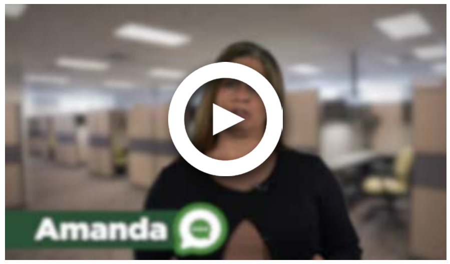
- If your pension doesn't fully cover your insurance costs, ORS will send you an invoice and monthly payment coupons in mid-December.
- Prescription drug coverage is included at no extra cost.
- You may pay your premiums for the full year, one invoice at a time, or in multiple installments. Payment options include credit or debit card (1.5% convenience fee applies), e-check, or check.

For current rates, enrollment details, or to update your information, log in to miAccount at **Michigan.gov/ORSmiAccount**.

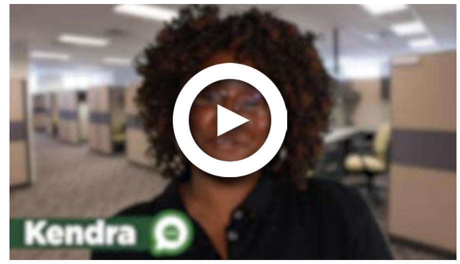
After logging in, you will have secure access to ORS customer service representatives.

Ask Our Experts

Hear answers to commonly asked questions in minutes when you view our *Ask Our Experts* video playlist on our YouTube channel.



Amanda explains the importance of appointing a trusted individual as your *Power of Attorney*.



Have questions about how Medicare works? Kendra helps by *Clarifying Medicare Benefits*.

Follow us on social media

Be sure to follow us on the official ORS social media accounts for financial tips, legislative updates, quick informational videos, and retirement planning ideas. Stay informed with important updates and explore helpful content designed to support you throughout your retirement journey.

- Facebook.com/MichiganORS
- YouTube.com/@MichiganORS
- X.com/MichiganORS
- Instagram.com/MichiganORS

Update ORS

It is critical that you report any of the following changes in personal information to ORS: address, email, tax withholding, direct deposit, death, divorce, marriage, and Medicare enrollment.

The fastest, easiest way to report these and other life events is through miAccount.

PO Box 30171
Lansing, MI 48909-7671

Phone: 800-381-5111
Fax: 517-284-4416

Michigan.gov/ORS
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. In December, it's a week earlier.

If your payment is not deposited within three days after the scheduled payment date, check with your bank first, and then contact ORS.

Office closures

Nov. 11....................................Veterans Day
Nov. 27–28............................Thanksgiving
Dec. 24–25.................................Christmas
Dec. 31–Jan. 1 ....New Year's
Jan. 19..............Martin Luther King Jr. Day