2010 Retirement Legislation
Agenda

- **Early Retirement Incentive Basics**
  Kristi Dawley, MCC Human Resources
  Ronda Brinch, MCC Human Resources

- **Financial Implications**
  Bob Darnton, W.J. Phillips Insurance Agency

- **Social Security Basics**
  Andie Templeton,
  Social Security Administration
On May 14th, 2010, Congress passed a bill that reforms the MPSERS pension program and offers a retirement incentive to Michigan Public School employees.

Early Retirement Bill
http://www.michigan.gov/orsschools/0,1607,7-206-55384-231465--,00.html
Eligibility

Regular Full Retirement

- BASIC Members
  - Age 55 and older with 30 years of service
  - Age 60 and older with 10 years of service
- MIP Members
  - Age 46 and older with 30 years of service
  - Age 60 and older with 10 years of service
  - Age 60 and older with 5 years of service (with add’l requirements*)

Special Retirement Incentive

- Employees whose age and service add up to 80 or more years

*Standards for Regular Full Retirement

http://www.michigan.gov/orsschools/0,1607,7-206-36450_36467---,00.html#FullRetirement
Formula

Regular Full Retirement
- 1.6% vs. 1.5% of FAC (Final Average Compensation*) on first $90,000 of earnings (1.5% on anything over $90,000)

Special Retirement Incentive
- 1.55% vs. 1.5% of FAC on first $90,000 of earnings (1.5% on anything over $90,000) if age and years of service total 80 years

*Final Average Compensation
MIP members, the highest three consecutive years of earnings (36 months) are averaged to determine your FAC. Basic Plan members, highest five consecutive years of earnings (60 months) are averaged to determine your FAC.
**Deadlines**

- Retirement must be on or after July 1, 2010 and no later than September 1, 2010*
- Employees must file by June 11, 2010
- The application is irrevocable after June 11, 2010

*Ten (10) extensions for a retirement date no later than September 1, 2011 are allowed if requested by both the employee and MCC.
Process

1. Log into your miAccount and complete the retirement application
   
   How to create your miAccount
   
   [http://www.michigan.gov/ors/0,1607,7-144-48961---,00.html](http://www.michigan.gov/ors/0,1607,7-144-48961---,00.html)
   
   -OR- Contact The Office of Retirement Services at (800) 381-5111

2. Submit a letter of intent to retire to your Mott supervisor and copy HR

3. HR will schedule your Exit Meeting
Health Insurance Subsidy

- Medical, Dental & Vision available effective on your date of retirement
- Whether or not the state helps cover insurance premium costs (subsidy) depends on when membership with MPSERS began as well as other factors.

Health Insurance Subsidy

http://www.michigan.gov/orsschools/0,1607,7-206-36504_36533_48173---,00.html

Post Retirement Employment Implications

- You may not work within the month of your retirement effective date (even as a volunteer) for a participating reporting unit.
- If you are hired directly by a school and earn more than 1/3 of your FAC (final avg. compensation), you forfeit your pension and health care subsidy (though you can pay for health care).
- If you are hired by a 3rd party or employed as an independent contractor, you forfeit your pension and health care subsidy (though you can pay for health care).
## Helpful Links

### Early Retirement Bill
- [http://www.michigan.gov/orsschools/0,1607,7-206-55384-231465--00.html](http://www.michigan.gov/orsschools/0,1607,7-206-55384-231465--00.html)

### How to contact MPSERS
- [http://www.michigan.gov/orsschools/0,1607,7-206-36633-103671--00.html](http://www.michigan.gov/orsschools/0,1607,7-206-36633-103671--00.html)

### Standards for Regular Full Retirement
- [http://www.michigan.gov/orsschools/0,1607,7-206-36450_36467---00.html#FullRetirement](http://www.michigan.gov/orsschools/0,1607,7-206-36450_36467---00.html#FullRetirement)

### MPSERS FAQs
- [http://www.michigan.gov/orsschools/0,1607,7-206-55384-231465--00.html](http://www.michigan.gov/orsschools/0,1607,7-206-55384-231465--00.html)

### How to create your miAccount
- [http://www.michigan.gov/ors/0,1607,7-144-48961---00.html](http://www.michigan.gov/ors/0,1607,7-144-48961---00.html)

### Health Insurance Subsidy
- [http://www.michigan.gov/orsschools/0,1607,7-206-36504_36533_48173---00.html](http://www.michigan.gov/orsschools/0,1607,7-206-36504_36533_48173---00.html)

### Social Security Administration
- [http://www.socialsecurity.gov/](http://www.socialsecurity.gov/)
Questions?
Financial Implications

Presented by:

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