

MSBO Annual Conference Certification Class 193 Benefits & Retirement

April 23, 2024 1:15 – 4:30 p.m.



Presenters

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Today's Agenda

Part 1: Practical Applications

- Total Compensation
- HSA/FSA/Open Enrollments
- Employee Resources
- ORS Coding Structure
- Reporting new hires to ORS
- Reconciling ORS
- Q&A

Part 3: Retirement Options

- The Retirement Pie
- MPSERS Options
- PHC Fund
- 403b/457s
- ORS Employee Resources
- Q&A

Part 2: Employee Benefits

- COBRA
- PMLA
- PA 152
- ACATR
- Q&A

Part 1

Practical Applications

LESLIE CICALO, SPS, BOM

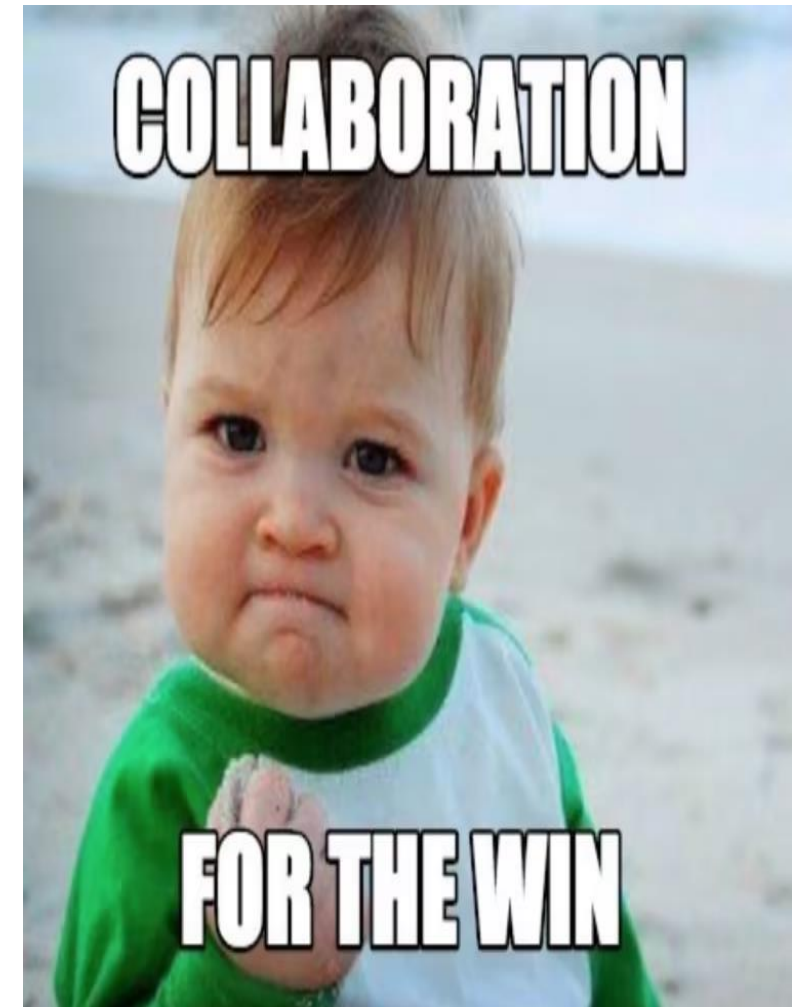


Encouragement



MAY YOU BE PROUD
OF THE WORK YOU DO
THE PERSON YOU ARE
AND THE DIFFERENCE
YOU MAKE

Teams working together to provide the best experience for our staff



Communication

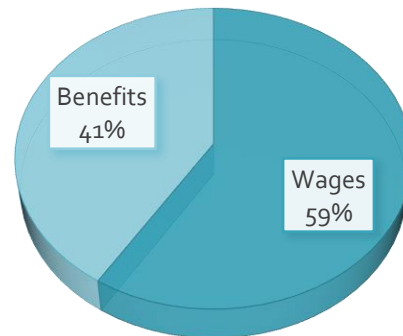
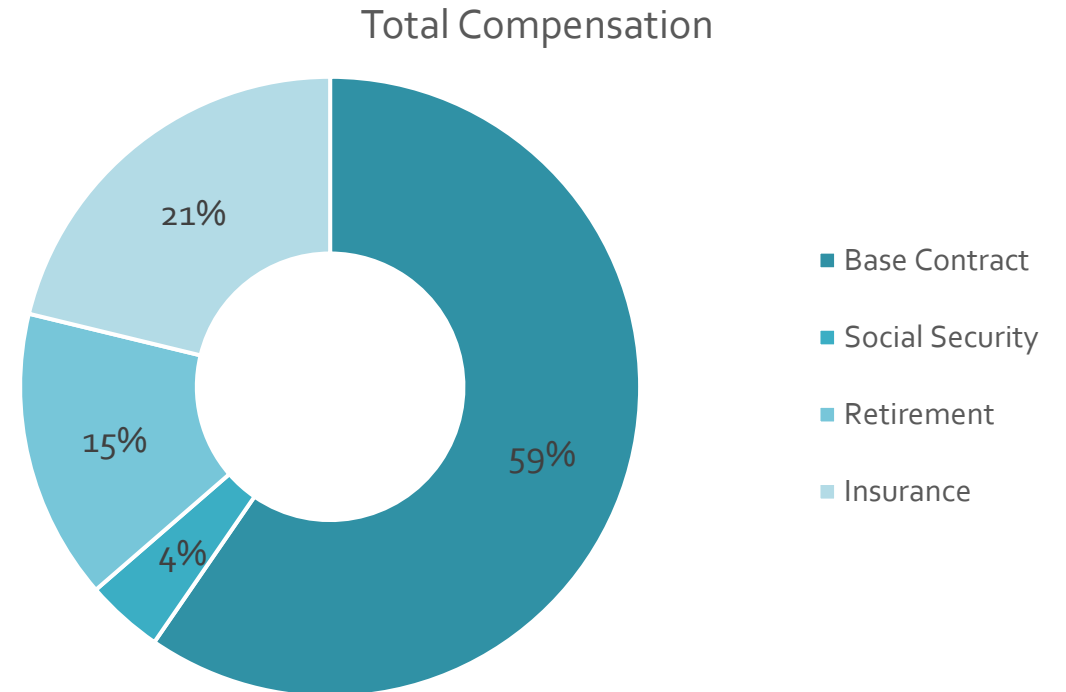
Keep your employees informed!

Necessary for:

- Compliance with legal requirements
- Educating and equipping employees to manage their benefits wisely
- Obtaining a high level of understanding about salary and benefits
- Creating a positive work culture

Total Compensation Package

| Sample: | | | |
|----------------------------|-----------------------|---------------|------------|
| | | Amount | % of Total |
| Base Contract | | \$ 55,000.00 | 59% |
| Social Security | 7.65% | \$ 4,207.50 | 4% |
| Retirement | 26.18% | \$ 14,399.00 | 15% |
| Insurance | Health FF | \$ 21,837.96 | |
| | Disability | \$ 271.44 | |
| | Life | \$ 78.00 | |
| | Vision | \$ 261.48 | |
| | Dental | \$ 1,170.96 | |
| | Worker's Comp | \$ 396.00 | |
| | Employee Contribution | \$ (3,948.24) | |
| | Total Insurance | \$ 20,067.60 | 21% |
| Total Compensation Package | | \$ 93,674.10 | 100% |



Help employees to understand their paychecks

Taxes

| Federal Withholding | M/O | State Withholding | M/O |
|--------------------------------|--------|------------------------------|------|
| Federal Additional Withholding | | State Additional Withholding | 0.00 |
| Description | Amount | YTD Amount | |
| FICA | 159.20 | 797.65 | |
| MEDI | 37.23 | 186.55 | |
| FIT | 192.58 | 979.02 | |
| SIT | 93.84 | 474.92 | |
| TOTAL | 482.85 | 2,438.14 | |

Employer Paid Benefits

| Description | Amount | YTD Amount |
|-------------|----------|------------|
| FICA | 159.20 | 797.65 |
| MEDICARE | 37.23 | 186.55 |
| DENTAL | 0.00 | 257.00 |
| VISION | 0.00 | 52.46 |
| LTD | 0.00 | 53.38 |
| LIFE | 0.00 | 36.68 |
| PENSPHF | 703.92 | 3,519.60 |
| DC2/1 | 26.84 | 134.20 |
| PHF | 53.67 | 268.35 |
| UAAL | 453.27 | 2,266.35 |
| Taxable | | |
| LIFE>50 | 0.00 | 27.00 |
| TOTAL | 1,434.13 | 7,599.22 |

Pre-Tax Deductions

| Description | Amount | YTD Amount |
|-------------|--------|------------|
| FLEXH | 116.00 | 580.00 |
| PENSPPLUS | 171.75 | 858.75 |
| DC2/1 | 134.18 | 563.58 |
| PHF | 53.67 | 268.35 |
| TOTAL | 475.60 | 2,270.68 |

Open Enrollment Questions – HSA/FSA

Which should I choose?

- What does your District Offer?
- When can I sign up or make changes?
- Which is better?
- Can I have both?
- How much can I contribute?
- When will I get my cards?
- How do I use it?
- Etc., Etc., Etc.

Health Savings Accounts

- Health Savings Accounts (HSA); EE and ER can contribute- **carryover allowed**
- Health Reimbursement Accounts (HRA); ER funded only. **Employee requests reimbursement**
- IRS Publication 969, "Health Savings Accounts and Other Tax-Favored Health Plans"
- IRS Publication 502, "Medical and Dental Expenses"

HSA Annual Contribution Limits

| Tax year | Individual coverage limit | Family coverage limit |
|----------|---------------------------|-----------------------|
| 2023 | \$3,850 | \$7,750 |
| 2024 | \$4,150 | \$8,300 |

At age 55, members can contribute an additional \$1,000 beyond IRS limits.

HOW TO HSA

An HSA paired with an HSA-qualified health plan empowers you to invest in your healthcare and create long-term savings.



Maximize tax savings

Enjoy tax-deductible contributions, tax-free earnings and tax-free distribution for qualified expenses.¹



Pay for healthcare

HSAs cover thousands of qualified medical expenses, including doctor visits and over-the-counter medications.



Roll over funds

Keep your HSA dollars year after year—even if you change employers or health plans.



Save for retirement

An HSA works like a second 401(k). Invest² your money and build the ultimate retirement nest egg.

For more information about investing with Advisor, visit:

HealthEquity.com/Advisor

Flexible Spending Accounts

- IRS Section 125
- District must have a written plan
- Amounts elected cannot be changed unless there is a qualifying event (marriage, divorce, birth, adoption)
- Use it or lose it rule
- Health Care and Dependent Care
 - Dependent care maximum election \$5,000 (\$2500 if married and file separately)
 - Health Care maximum election is determined by the District's plan - \$3,200 maximum 2024.

Medical FSA

A medical FSA covers eligible healthcare expenses not reimbursed by a medical, dental or vision care plan you or your dependents may have (but not health insurance premiums). You may submit claims for yourself and your eligible dependents, including your spouse, children, and any other person who is a qualified IRS dependent.

Dependent Care FSA

With the dependent care FSA, you can reduce your tax burden by using pretax dollars to pay expenses for eligible childcare or adult care for senior-citizen dependents that live with you.

FSA and HSA Features

The following chart will help you compare the various consumer-directed options.

| Feature | FSA | HRA | HSA |
|---|-----|-----|-----|
| Are employee contributions made on a before-tax basis? | Yes | n/a | Yes |
| Can vision or dental expenses be reimbursed? | Yes | Yes | Yes |
| Can over-the-counter medical expenses be reimbursed (with a prescription for most medications)? | Yes | Yes | Yes |
| Can debit cards be provided? | Yes | Yes | Yes |

Both? NO DOUBLE DIPPING....

If you participate in a health savings account (HSA), you may be reimbursed under the medical FSA only for uninsured dental and vision care expenses incurred after the minimum annual deductible under your high-deductible health plan is satisfied. Further, you cannot submit claims to both your medical FSA and your HSA for the same expense.

Health Insurance Open Enrollment

Suggestions to make your life easier

- Conducted annually on district-wide basis given the district's plan year (Nov for Jan)
- Early Advertisement
- Staff newsletters emailed months prior to open enrollment
- Outline plan changes, meeting dates/times, personal assistance in onsite Computer Lab
- Hardcopy enrollment package delivered to Building?
- Contains, Instructions for Enrollment, Dependent Audit, Waiver Form
- Workbook detailing plan descriptions and offerings
- Online Open enrollment
- Change in status permits mid-year changes – LIFE EVENTS – Caution...

Employee Resources – Direct to Websites!

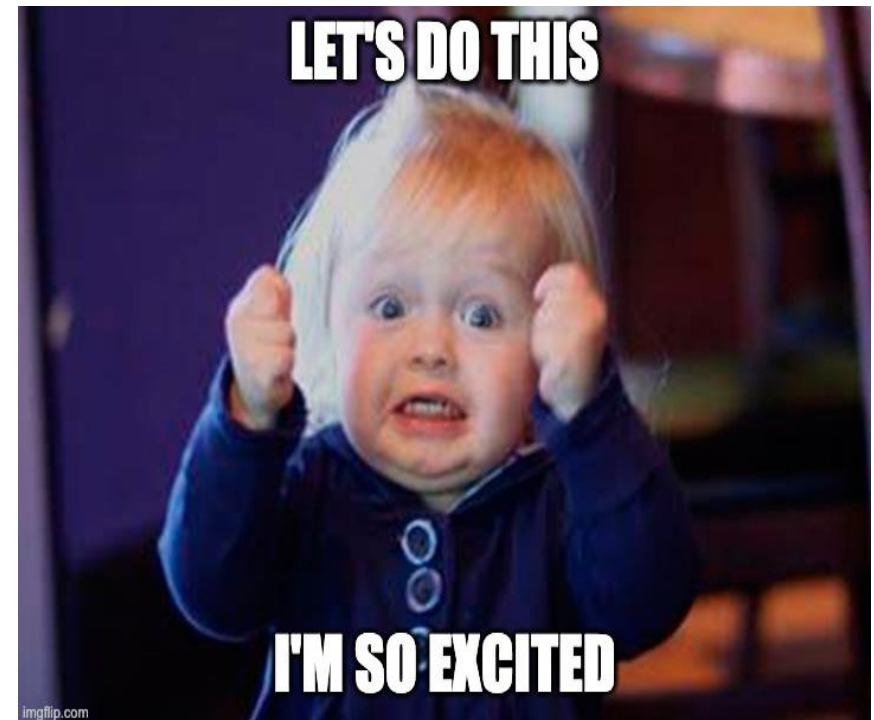
Examples

Direct employees to the following websites for assistance during Open Enrollment.

- <https://www.healthequity.com/>
- <https://secure.messa.org/MemberPortal/Account/Login>
- <https://setseg.org/>
- <https://www.tsacg.com/individual/plan-sponsor/michigan/>
- <https://maisd.munisselfservice.com/default.aspx>
- <https://www.hap.org/>
- <https://www.omni403b.com/>

Switching Gears... RETIREMENT REPORTING

- Over 20 active retirement plans
- Processing new employees in the ORS system
- Only two current plan options
- Reconciling retirement—
FUN STUFF!! 😊



Sooooo... Many retirement plans!



MPSERS Member, Retiree, and Employer Contribution Rates for K12 Districts, ISDs, Charter Schools/PSAs, Libraries, and Community Colleges

Effective Oct. 1, 2023 - Sept. 30, 2024

| | | Active Members Employee DB Contribution Rates (DTL2) | | | Active Members and Retirees Employee DC Contribution Rates (DTL4) | | | Active Members Employer DB Contribution Rates (DTL2) | | | | | | | Active Members and Retirees Employer DC Contribution Rates (DTL4) | | | |
|--------------------------|-----------------|---|-----------------|----------|--|-------------------|----------|---|--------------|---------------|--------------------|-------------|--------------|----------|--|-----------|-------|----------|
| Benefit Plan | Healthcare Plan | DB Contributions | Premium Subsidy | DB TOTAL | DC Contributions | PHF Contributions | DC TOTAL | Pension Normal Cost | Pension UAAL | Pension Total | Health Normal Cost | Health UAAL | Health Total | DB TOTAL | Mandatory | Matching* | PHF* | DC TOTAL |
| Basic | Premium Subsidy | | 3.00% | 3.00% | | | | 9.13% | 13.90% | 23.03% | 1.25% | 7.06% | 8.31% | 31.34% | | | | |
| Basic | PHF | | | | | 2.00% | 2.00% | 9.13% | 13.90% | 23.03% | | 7.06% | 7.06% | 30.09% | | | 2.00% | 2.00% |
| Basic 4% | Premium Subsidy | 4.00% | 3.00% | 7.00% | | | | 9.13% | 13.90% | 23.03% | 1.25% | 7.06% | 8.31% | 31.34% | | | | |
| Basic 4% | PHF | 4.00% | | 4.00% | | 2.00% | 2.00% | 9.13% | 13.90% | 23.03% | | 7.06% | 7.06% | 30.09% | | | 2.00% | 2.00% |
| Basic DC Converted | Premium Subsidy | | 3.00% | 3.00% | 3.00% | | 3.00% | | 13.90% | 13.90% | 1.25% | 7.06% | 8.31% | 22.21% | 4.00% | 3.00% | | 7.00% |
| Basic DC Converted | PHF | | | | 3.00% | 2.00% | 5.00% | | 13.90% | 13.90% | | 7.06% | 7.06% | 20.96% | 4.00% | 3.00% | 2.00% | 9.00% |
| MIP Fixed | Premium Subsidy | 3.90% | 3.00% | 6.90% | | | | 9.13% | 13.90% | 23.03% | 1.25% | 7.06% | 8.31% | 31.34% | | | | |
| MIP Fixed | PHF | 3.90% | | 3.90% | | 2.00% | 2.00% | 9.13% | 13.90% | 23.03% | | 7.06% | 7.06% | 30.09% | | | 2.00% | 2.00% |
| MIP Graded | Premium Subsidy | | | | | | | 9.13% | 13.90% | 23.03% | 1.25% | 7.06% | 8.31% | 31.34% | | | | |
| Salary: \$0 - \$5,000.00 | | 3.00% | 3.00% | 6.00% | | | | | | | | | | | | | | |
| \$5,000.01 - \$15,000.00 | | 3.60% | 3.00% | 6.60% | | | | | | | | | | | | | | |
| over \$15,000.00 | | 4.30% | 3.00% | 7.30% | | | | | | | | | | | | | | |
| MIP Graded | PHF | | | | | 2.00% | 2.00% | 9.13% | 13.90% | 23.03% | | 7.06% | 7.06% | 30.09% | | | 2.00% | 2.00% |
| Salary: \$0 - \$5,000.00 | | 3.00% | | 3.00% | | | | | | | | | | | | | | |
| \$5,000.01 - \$15,000.00 | | 3.60% | | 3.60% | | | | | | | | | | | | | | |
| over \$15,000.00 | | 4.30% | | 4.30% | | | | | | | | | | | | | | |
| MIP Plus | Premium Subsidy | | | | | | | 9.13% | 13.90% | 23.03% | 1.25% | 7.06% | 8.31% | 31.34% | | | | |
| Salary: \$0 - \$5,000.00 | | 3.00% | 3.00% | 6.00% | | | | | | | | | | | | | | |
| \$5,000.01 - \$15,000.00 | | 3.60% | 3.00% | 6.60% | | | | | | | | | | | | | | |
| over \$15,000.00 | | 6.40% | 3.00% | 9.40% | | | | | | | | | | | | | | |
| MIP Plus | PHF | | | | | 2.00% | 2.00% | 9.13% | 13.90% | 23.03% | | 7.06% | 7.06% | 30.09% | | | 2.00% | 2.00% |
| Salary: \$0 - \$5,000.00 | | 3.00% | | 3.00% | | | | | | | | | | | | | | |
| \$5,000.01 - \$15,000.00 | | 3.60% | | 3.60% | | | | | | | | | | | | | | |
| over \$15,000.00 | | 6.40% | | 6.40% | | | | | | | | | | | | | | |
| MIP 7% | Premium Subsidy | 7.00% | 3.00% | 10.00% | | | | 9.13% | 13.90% | 23.03% | 1.25% | 7.06% | 8.31% | 31.34% | | | | |
| MIP 7% | PHF | 7.00% | | 7.00% | | 2.00% | 2.00% | 9.13% | 13.90% | 23.03% | | 7.06% | 7.06% | 30.09% | | | 2.00% | 2.00% |
| MIP DC Converted | Premium Subsidy | | 3.00% | 3.00% | 3.00% | | 3.00% | | 13.90% | 13.90% | 1.25% | 7.06% | 8.31% | 22.21% | 4.00% | 3.00% | | 7.00% |
| MIP DC Converted | PHF | | | | 3.00% | 2.00% | 5.00% | | 13.90% | 13.90% | | 7.06% | 7.06% | 20.96% | 4.00% | 3.00% | 2.00% | 9.00% |
| Pension Plus | Premium Subsidy | | | | 2.00% | | 2.00% | 5.27% | 13.90% | 19.17% | 1.25% | 7.06% | 8.31% | 27.48% | | | 1.00% | 1.00% |
| Salary: \$0 - \$5,000.00 | | 3.00% | 3.00% | 6.00% | | | | | | | | | | | | | | |
| \$5,000.01 - \$15,000.00 | | 3.60% | 3.00% | 6.60% | | | | | | | | | | | | | | |
| over \$15,000.00 | | 6.40% | 3.00% | 9.40% | | | | | | | | | | | | | | |
| Pension Plus | PHF | | | | 2.00% | 2.00% | 4.00% | 5.27% | 13.90% | 19.17% | | 7.06% | 7.06% | 26.23% | | | 1.00% | 2.00% |
| Salary: \$0 - \$5,000.00 | | 3.00% | | 3.00% | | | | | | | | | | | | | | |
| \$5,000.01 - \$15,000.00 | | 3.60% | | 3.60% | | | | | | | | | | | | | | |
| over \$15,000.00 | | 6.40% | | 6.40% | | | | | | | | | | | | | | |
| Pension Plus 2 | PHF | 6.20% | | 6.20% | 2.00% | 2.00% | 4.00% | 6.20% | 13.90% | 20.10% | | 7.06% | 7.06% | 27.16% | | | 1.00% | 2.00% |
| DC | PHF | | | | 3.00% | 2.00% | 5.00% | | 13.90% | 13.90% | | 7.06% | 7.06% | 20.96% | 4.00% | 3.00% | 2.00% | 9.00% |





*The asterisk in these columns refers to the employee contribution rate. See the Member Payroll Plan Book on the Employer's website for more information.

New hire ORS process

| | Michigan.Gov | Logoff |
|---------------------------------------|--|--------|
| Things To Do | Working with : LAKE ORION COMMUNITY SCHOOL #3, 28110 | |
| Employer Home | View Member Benefit Plans | |
| Work on Reports | This process allows you to review basic information about an MPSERS member | |
| View DC Feedback File | To view member information: | |
| View Election Status | 1. Enter the member's Social Security Number in the SSN field. | |
| View Payroll Calendar | 2. Click the OK button. | |
| Work with Contacts | SSN Search Form | |
| View Employee Info | Enter the SSN : | |
| Member Benefit Plans | | |
| Retirement Accounts | | |

Check the member benefit plan for all new hires

SAMPLE EMAIL SENT TO ALL EMPLOYEES NEW TO THE RETIREMENT SYSTEM --

| | | |
|---|--|---|
|  R0606C_Retirement_Plan_Election_Guide.pdf 835 KB |  R0607C_RetirementPlanDecisionGuide.pdf 589 KB |  403b updated introl letter.pdf 76 KB |
|  employee online guide updated 2023-24.docx 208 KB | | |

Welcome!

As a new employee at Lake Orion Community Schools you have a decision to make about your future! Please review the information available at PickMiPlan.org

to understand your options and consider what fits you best. You can also watch this short video, [Choosing Your Retirement Plan](#) that helps to explain the two plan options

About three to five weeks after the first day you work, you'll receive a letter from the Michigan Office of Retirement Services (ORS) with information, including an account number that you will need to make your election on miAccount. In the meantime, we hope you'll review the information and consider your future

I have attached employee online instructions for you. Your employee ID number is *****

I have also attached information for you regarding our 403b option available to you and some valuable retirement information.

Thank you,

NEW HIRE ORS PROCESS CONTINUED.....

| Things To Do | | |
|---|--|--|
| Employer Home | | |
| Work on Reports | | |
| View DC Feedback File | | |
| View Election Status | | |
| View Payroll Calendar | | |
| Work with Contacts | | |
| View Employee Info | | |
| Member Benefit Plans | | |
| Retirement Applicants | | |
| View Employer Statement | | |
| Update My Profile | | |
| Admin Web Accounts | | |

| Benefit Plan ↕ | Elected/Defaulted Date ↕ | DTL4 Adjustments Comp |
|----------------------|--------------------------|-------------------------------------|
| Defined Contribution | 01/31/2024 | <input checked="" type="checkbox"/> |
| Defined Contribution | 12/20/2023 | <input checked="" type="checkbox"/> |
| Defined Contribution | 02/29/2024 | <input checked="" type="checkbox"/> |
| Defined Contribution | 01/31/2024 | <input checked="" type="checkbox"/> |
| Defined Contribution | 02/10/2024 | <input checked="" type="checkbox"/> |
| Pension Plus 2 | 12/18/2023 | |
| Defined Contribution | 03/14/2024 | <input type="checkbox"/> |
| Defined Contribution | 01/31/2024 | <input checked="" type="checkbox"/> |
| Defined Contribution | 03/14/2024 | <input type="checkbox"/> |
| Defined Contribution | 01/31/2024 | <input checked="" type="checkbox"/> |
| Defined Contribution | 12/20/2023 | <input checked="" type="checkbox"/> |

Check election status for new hires who have defaulted to DC plan or elected their plan. Create positive Detail 4 records for those who require adjustments.

Good news process is ending soon
... 😊

Balancing – ORS vs. Payroll System

| emp ret plan, amt, wages and hours and totals report | | REPORTABLE WAGES for pay 3/8/24 | | | | | TOTAL WAGES | EXEMPT WAGE | TOTAL |
|--|--|---|---|--|-----------|-----------------------|-----------------|-----------------|------------------------|
| | | Retirement Gross mdc hcf, mdc phf, ppdc phf | Retirement Gross b hcf, mip hcf, mip phf, | Retirement Gross pensplus, pensphf, pensphf2 | | PA 464 RET. Rep total | RETIREES-bas ic | | |
| Retirement codes: | | DC converts | All MIP/ Basic | HYBRIDS | | ADJUSTMENT | REPORTABLE | RETIREES | TOTAL REPORTABLE WAGES |
| | | 278,998.28 | 1,578,011.33 | 415,976.87 | | | 2,272,986.48 | 8,058.10 | 2,281,044.58 |
| | | | | | | | | | |
| | | DC CONVERTED EMPLOYER DB CONTRIBUTIONS | MIP/BASIC EMPLOYER DB CONTRIBUTIONS | PENSION PLUS EMPLOYER DB CONTRIBUTIONS | | | | | |
| DC converts w /PHF 20.96% | | 2,821.21 | | | | | 2,821.21 | Comments: | |
| DC converts w /HCF 21.21% | | 55,894.55 | | | | | 55,894.55 | | |
| MIP/BASIC w /HCF 25.56% | | | 475,288.17 | | | | 475,288.17 | | |
| MIP/BASIC w /PHF 25.31% | | | 17,410.09 | | | | 17,410.09 | | |
| HYBRID w /HCF 24.28% | | | | 12,875.54 | | | 12,875.54 | | |
| HYBRID w /PHF 24.03% | | | | 98,578.45 | | (426.61) | 98,151.84 | dc elect adjust | |
| RETIREES-reportable - | | | | | | | | | |
| TOTAL BASIC CONT. | | | | | | | 662,441.40 | | |
| EE Defined Benefit DEDUCTIONS | | | 82205.87 | 25,878.89 | 47,473.36 | -426.61 | 155,131.51 | dc elect adjust | |
| TDP | | | | | | | 865.00 | PAYMENT DATE | CONF. # |
| | | | | | | | 818,437.91 | | |
| Employee contributions | | EMPLOYEE AND EMPLOYER DEFINED CONTRIBUTIONS | | | | | | | |
| PHF | | | | | | | 13,728.28 | | |
| DC 2/1 | | | | | | | 31052.97 | | |
| DC PP6/3 | | | | | | | 4933.12 | | |
| DC 3/3 and DCBM0/4 | | | | | | 68.81 | 16,136.38 | dc elects | |
| DC SSC (small steps) 436/ DC 457 - 438 | | | | | | | 8533.95 | 60,656.42 | |
| Employee DC total: | | | | | | | 74,384.70 | | |
| Employer contributions | | | | | | | | | |
| PHF | | | | | | | 13,728.28 | | |
| DC 2/1 | | | | | | | 4,141.93 | | |
| DC PP6/3 | | | | | | | 1,135.50 | | |
| DC 3/3 | | | | | | 412.85 | 7,442.46 | dc elect | |
| DC 0/4% | | | | | | | 1,327.15 | | |
| DC 4%/ small steps | | | | | | | 9,985.14 | 24,032.18 | |
| Employer DC total: | | | | | | | 37,760.46 | PAYMENT DATE | CONF. # |
| | | | | | | TOTAL DC PAYMENT: | 112,145.16 | | |

Reconciling Download Detail

Important Payroll/HR Responsibility

Information Message

DC feedback file has been added in the past 4 days

Information Message

You have employees who require action on the View Election Status page. DTL4 adjustments may be required.



Unposted Reports

| ORG Fix Required | Status | % Complete DB | % Complete DC | Date Submitted | Begin Date / End Date | Delete | Edit | Report Accepted | Edit Report | View Totals |
|------------------|-----------|---------------|---------------|----------------|-------------------------|------------------------|----------------------|-----------------|-----------------------------|------------------------------------|
| Yes | Suspended | 99.60 | 99.90 | 03/12/2024 | 02/24/2024 - 03/08/2024 | delete | edit | 03/14/2024 | View Report | View Totals/Accept |
| Yes | Suspended | 99.76 | 100.00 | 02/23/2024 | 02/10/2024 - 02/23/2024 | delete | edit | 02/29/2024 | View Report | View Totals/Accept |

Report Totals for Regular and Adjustments [Download Detail](#)

| | |
|----------------------------------|---------------|
| Total Gross Wages | \$ 482,509.01 |
| Total Gross Wages (Retirees) | \$ 66.41 |
| Total Member DB Contributions | \$ 30,696.75 |
| Total Member DC Contributions | \$ 2,622.21 |
| Total Employer DB Contributions | \$ 119,278.30 |
| Total Employer DC Contributions | \$ 1,103.53 |
| Total Member PHF Contributions | \$ 1,232.04 |
| Total Employer PHF Contributions | \$ 1,232.04 |
| Total TDP Deduction Amount | \$ 748.87 |

[Accept](#)

[Unaccept](#)

REMINDER : Once you have accepted a report and any records post, you cannot delete the report.

What are the discrepancies?

| | | | | | | | | | | | | | | | | | |
|-------------------------------|---------------------------------|----------------------------------|---------------------------------|-----------------------------------|------------------------------------|----------------------------------|-----------------------------------|------------------------------------|------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|---------------------------------------|
| \$ 30,696.86 | \$30,649.56 | \$ (47.30) | \$ 119,278.31 | \$ 119,264.93 | \$ (13.38) | \$ 2,617.76 | \$ 2,622.21 | \$ 4.45 | \$ 1,088.29 | \$ 1,103.53 | \$ 15.24 | \$ 1,230.26 | \$ 1,232.04 | \$ 1.78 | \$ 1,203.33 | \$ 1,232.04 | \$ 28.71 |
| Member Contributions Reported | Member Contributions Calculated | Member Contributions Discrepancy | Employer Contributions Reported | Employer Contributions Calculated | Employer Contributions Discrepancy | Reported Member DC Contributions | Calculated Member DC Contribution | Member DC Contribution Discrepancy | Reported Employer DC Contributions | Calculated Employer DC Contributions | Employer DC Contribution Discrepancy | Reported Member PHF Contributions | Calculated Member PHF Contributions | Member PHF Contribution Discrepancy | Reported Employer PHF Contributions | Calculated Employer PHF Contributions | Employer PHF Contribution Discrepancy |

Save the entire file – then make it manageable to review and reconcile.

| SSN | Name | Benefit Plan as of 09/12/2017 | Employer Reported Wages | Employer Reported Wages (Retirees) | Exception Wages | Member Contributions Reported | Member Contributions Calculated | Member Contributions Discrepancy |
|-----|----------|-------------------------------|-------------------------|------------------------------------|-----------------|-------------------------------|---------------------------------|----------------------------------|
| xxx | DOE JANE | Pension Plus | 1573 | 0 | 0 | 94.38 | 47.19 | -47.19 |

We know we added Jane Doe correctly. What is up with this? She's not Pension Plus. She's MIP Graded. Hmmm... Wrong SSN. First pay and fixed. What happens if it went on for 6 months...6 years?

Reconciled, corrected, balanced, and now pay!



Q&A – Short Break Time

Questions we can answer today?

Do you have any burning question(s) you are asked by employees regarding the following?

- HSA
- FSA
- Dependent Care
- Salary and Benefits
- Website Resources
- ORS Codes
- Retirement reconciliation and new hire processing



Part 2: Employee Benefits Compliance



Autumn Ward | Employee Benefits Product Manager, SET SEG

Isaac Updike | ACATR Specialist, SET SEG



Disclaimer:

The contents of this presentation should not be construed as legal or tax advice on any specific facts or circumstances. The material provided is intended for general informational purposes only. Please contact your attorney or financial advisor with respect to a particular issue or concern.



Consolidated Omnibus Budget Reconciliation Act (COBRA)

Loss of coverage under the plan:

- Employee death (36 months)
- Employee termination or reduction in hours (18 months)
- Employee becoming entitled to Medicare (36 months)
- Employee divorce or legal separation (36 months)
- A child's loss of dependent status (36 months)

Notices:

- General – within 90 days of coverage
- Qualifying Event – within 30 days
- Election – with 14 days of event notice

Election - 60 days from event or Election Notice to enroll, whichever is later

102% of premium max

- Initial premium due within 45 days of election
- 30-day grace period for each monthly payment thereafter



Paid Medical Leave Act (Michigan PMLA)

Effective March 29, 2019

- 1 hour for every 35 hours actually worked but no more than 40 in a 12 consecutive month period (same as benefit eligibility)
- Carryover permitted but counts towards the 40 max
- Can front load (no carryover) or prorate upon eligibility (no more than 90th calendar day)
- Must be used in 1-hour increments
- PTO may be required prior to PMLA
- \$1,000 fine

Pay is employee's regular rate of pay or, if greater, minimum wage

50 or more employees (belly buttons) excluding less than 25 hours/week in preceding year and exempt employees

Posting requirement <https://www.michigan.gov/leo/bureaus-agencies/ber/Wage-and-Hour>

- \$100 for each separate willful violation



Publicly Funded Health Insurance Contraction Act (Michigan PA152)



Maximum public employer aggregate spend on medical benefits per coverage year

Hard Cap: enrolled employees only, calculated at the end of the coverage year

2024

- Single \$7,702.85
- Two-person \$16,109.06
- Family \$21,007.83

2025

- Single \$7,718.26
- Two-person \$16,141.06
- Family \$21,049.85

80/20: employer pays 80%, employees pay 20%

- All employees
- Specific inclusions and exclusions
- Seek legal counsel/tax advice

Penalty – 10% reduction in EVIP (self-reported)



What is the

Patient Protection & Affordable Care Act (ACA)



- Passed by the 111th US congress and signed into law by President Obama on March 23, 2010
- The purpose of the ACA was to reduce the number of uninsured Americans by encourage employers to offer coverage to their employees by assessing fines to employers who don't offer coverage under certain circumstances
- **Tracking and Reporting: Applicable Large Employers (ALE's)** are required to offer affordable health coverage to substantially all of their full-time employees or be subject to a penalty





What's an ALE?

- ALE Status is determined using a specific calculation defined by the IRS that takes an average of the total full-time employees and full-time equivalent (FTE) employees in each month.
- For the purposes of ALE calculation:
 - A full-time employee is any employee who worked 130 hours in a given month or 30 hours per week
 - To calculate full time equivalent count, take the sum of all hours of non-full-time employees, but don't include more than 120 hours per employee, and divide by 120
- The FTE count from the preceding calendar year is used to determine ALE status for the current tax year



Who is a Full-Time Employee?

Employee Status

The ACA requires employers to designate all employees as one of the four types upon hire and track employee hours to determine ongoing eligibility:

| Full-Time | Part-Time | Seasonal | Variable |
|---|--|---|--|
| Employee is expected to work more than 30 hours per week on an ongoing basis – must be offered coverage by 1 st day of 4 th calendar month following hire | Employee is expected to work less than 30 hours per week on an ongoing basis | Employee is customarily expected to work for 6 months or less | Cannot be determined whether employee will work more than 30 hours |
| <i>(Teachers, administrators)</i> | <i>(Food service, paraprofessional)</i> | <i>(Coaches)</i> | <i>(Food service, paraprofessional)</i> |

Eligibility & Measurements

Measurement Methods for Identifying Full-Time Employees

The **monthly measurement method** determines full-time status for each calendar month based on the employee's hours of service in that month

- Advantage: simplified calculations; straight forward administration
- Disadvantage: does not allow for forward-looking eligibility determinations which could lead to unexpected penalties if part-time employees aren't offered plans according to minimum coverage requirements



Eligibility & Measurements

Measurement Methods for Identifying Full-Time Employees

The **lookback measurement method** Gives an employer advance notice before eligibility begins and allows for more consistency by letting an employer define up to a 12-month cycle where eligibility status does not change

- **Measurement period** (MP): 6-12 month past period during which an employee's working hours are tracked and measured
- **Administrative period** (AP): 6-90 day period to complete calculations and offer coverage
- **Stability period** (SP)*: up to 12 month period during which employee's eligibility does not change
- **Initial measurement period**: an employee's first lookback measurement, initiated after hire
- **Standard measurement period**: a defined schedule by which ongoing employees are measured, usually aligned with open enrollment

**Length must match the length of the measurement period*



Eligibility & Measurements



Example of IMP, IAP, ISP transition to SMP

New hired employee who started on 7/28/23 (PT, V, S)

| 2022 | 2023 | 2024 | 2025 |
|------|---|--|---|
| | <div>IMP Aug 1, 2023 – Jul 31, 2024 (12 months)</div> | <div>IAP Aug 1-31, 2024 (30 days)</div> | <div>ISP Sep 1, 2024-Aug 31, 2025 (12 months)</div> |
| | <div>SMP Oct 15, 2023-Oct 14, 2024 (12 months)</div> | <div>SAP Oct 15-Dec 31, 2024 (78 days)</div> | <div>SSP Jan 1-Dec 31, 2025 (12 months)</div> |

Example of Ongoing, SMP, SAP, and SSP

Ongoing employee

| 2021 | 2022 | 2023 | 2024 |
|--|--|---|---|
| <div>SMP Oct 15, 2021-Oct 14, 2022 (12 months)</div> | <div>SAP Oct 15-Dec 31, 2022 (78 days)</div> | <div>SSP Jan 1-Dec 31, 2023 (12 months)</div> | |
| | <div>SMP Oct 15, 2022-Oct 14, 2023 (12 months)</div> | <div>SAP Oct 15-Dec 31, 2023 (78 days)</div> | <div>SSP Jan 1-Dec 31, 2024 (12 months)</div> |



What Counts as an Hour?

Keep record of employees' hours of service



TIME SHEET

| Start Time | End Time | Regular Hrs. | Ov |
|------------|----------|--------------|----|
| 8.00 | 17.00 | 8 | |
| 8.00 | 17.00 | 8 | |
| 8.00 | 18.00 | 8 | |



Account for:

- All employees' payroll hours
- Hourly employees – time sheets for hourly employees
- Salary employees – ORS hour equivalency rates
- Bona-fide volunteers – hours that an employee is available to the employer
- Student workers, unless a federal work-study student
- Board members

Time to Include:

- Vacation
- Holiday
- Personal time
- Hours worked

Special Counting Rules for the Education Industry



Measurement Period hours Calculations Rules



Rehire Rule

- Rehired employees maintain their eligibility and measurement status from their previous employment if their period of absence was less than 26 weeks long

Educational Breaks

- Employers that are educational institutions cannot penalize employees for not working during an educational break period
 - Modifications must be made to measurements to account for summer breaks

Qualified Leave of Absences

- Cannot penalize employees for time away from work due to:
 - FMLA
 - Military leave
 - Jury duty

What to Offer?

Minimum Requirements of Medical Coverage

Minimum Essential Coverage

Standard MEC provides for some wellness, preventive services, prescription discounts, and telehealth services.

- Does not cover all essential health benefits
- Not a typical major medical plan
- Does not meet the definition of qualified health coverage





How are penalties assessed?

Two-Tiered System of Employer Responsibility

- Any employee considered full-time who enrolls in marketplace coverage and receives the premium tax credit (PTC) will trigger a penalty assessment
- The assessment will award a fine based on the employer's compliance with two requirements:
 - Offering minimum essential coverage (MEC) to at least 95% or all but 5 on an employer's full-time population – **4980H(A)**
 - Offering coverage to all full-time employees that meets both the minimum value and affordability standards – **4980H(B)**
- An employer can only ever receive one of the two fines in a given tax year
- Fines are assessed in each month of non-compliance



What is “substantially all full-time employees?”



4980H(A) Penalty

- 95% or all but 5 full-time employees must be offered MEC in each month
- \$2,970* per employee-per year with 30 employee exemption
- The most severe \$2,970 annual assessment on every employee is based on whether employees were offered minimum essential coverage (MEC)

Example: Employer with 100 total full-time employees only offers coverage to 94 of them. One of the 6 employees not offered coverage received a marketplace subsidy.

Penalty: $(100 - 30) * \$247.5 \text{ per month} * 12 \text{ months} = \$207,900$

**indexed*

| FT Employee Count | Penalty (annual) |
|--------------------------|-------------------------|
| 50 | \$ 59,400.00 |
| 100 | \$ 207,900.00 |
| 250 | \$ 653,400.00 |
| 500 | \$ 1,395,900.00 |
| 1000 | \$ 2,880,900.00 |
| 2000 | \$ 5,850,900.00 |

What is “affordable, minimum value coverage?”



4980H(B) Penalty

- The \$4,460* assessment per subsidy-qualifying employee is based on whether the offer of coverage meets three criteria:
 - It must be “affordable” meaning that it can't cost the employee more than 8.39%* (2024) of their household income
 - It must meet or exceed “minimum value” meaning that it must pay for at least 60% of an average person’s average annual medical expenses

Example: Employer has 6 full-time employees not offered affordable coverage. Two of the six get a marketplace subsidy, one for the entire year, the other for six months.

Penalty: 18 total months * \$372 per month = \$6,696

**indexed*





How to Measure Affordability?

4980H(B) Penalty – Safe Harbor Rules

There are 3 methods available to show a plan is affordable by comparing the minimum required employee contribution against a calculated assumed household income:

- Federal Poverty Level
 - Household Income = Federal Poverty Line
- Rate of Pay
 - Lowest hourly rate of pay * 130
- W2 Box 1 earnings
 - W2 Box 1 Earnings (gross pay – pre-tax deductions)
- 2024 Affordability Percentage: 8.39%



ESRP

Penalty Chart



| Tax Filing Year | 2023 | 2024 |
|-------------------------------------|------------|------------|
| 4980H(a) penalty | | |
| • Annual Amount (per employee) | \$2,880 | \$2,970 |
| • Monthly Amount (per employee) | \$240 | \$247.50 |
| • Required Med offer % of full-time | 95% | 95% |
| • Full-time Exemption | 30 | 30 |
| 4980H(b) penalty | | |
| • Annual Amount (per employee) | \$4,320 | \$4,460 |
| • Monthly Amount (per employee) | \$360 | \$371.67 |
| • Affordability Safe Harbor % | 9.12% | 8.39% |
| • Applicable 100% FPL (prior year) | \$13590 | \$14580 |
| • FPL Affordability Annual Amount | \$1,239.40 | \$1,223.26 |
| • FPL Affordability Monthly Amount | \$103.28 | \$101.94 |

Compliance Strategy

Assessment Strategy

- Most employers who offer an employee health plan will work to ensure they avoid the \$2,970 on every employee
 - Structure labor contracts to allow for flexibility to offer MEC to all full-time employees (even if unaffordable or if below minimum value) to avoid A-penalty risk
- Some employers may be comfortable with the \$4,460 assessment potentially applying to the marketplace-subsidized employees
 - Often more cost effective than offering coverage
 - Can be more favorable to employees as they remain eligible for federal subsidies



Reporting Requirements



IRS Form Mailing & Filing Dates



ACA Sections 6055 & 6056 outline 2 forms ALE's use to report ACA Compliance data to employee's & the IRS

- Mail 1095-C forms to your employees by 3/2 (leap year 3/1)
- Electronical file 1094-C and 1095-C forms with the IRS by 3/31



Effective this year, the IRS requires all ALEs to file their 1095-C forms electronically (e-file)

Form **1094-C**

Department of the Treasury
Internal Revenue Service

**Transmittal of Employer-Provided Health Insurance Offer and
Coverage Information Returns**

Go to www.irs.gov/Form1094C for instructions and the latest information.

☐ CORRECTED

OMB No. 1545-2251

2023



Part I Applicable Large Employer Member (ALE Member)

| | | |
|---|----------------------|---|
| 1 Name of ALE Member (Employer) | | 2 Employer identification number (EIN) |
| 3 Street address (including room or suite no.) | | |
| 4 City or town | 5 State or province | 6 Country and ZIP or foreign postal code |
| 7 Name of person to contact | | 8 Contact telephone number |
| 9 Name of Designated Government Entity (only if applicable) | | 10 Employer identification number (EIN) |
| 11 Street address (including room or suite no.) | | |
| 12 City or town | 13 State or province | 14 Country and ZIP or foreign postal code |
| 15 Name of person to contact | | 16 Contact telephone number |

For Official Use Only



17 Reserved ☐

18 Total number of Forms 1095-C submitted with this transmittal

19 Is this the authoritative transmittal for this ALE Member? If "Yes," check the box and continue. If "No," see instructions ☐

Part II ALE Member Information

20 Total number of Forms 1095-C filed by and/or on behalf of ALE Member

21 Is ALE Member a member of an Aggregated ALE Group? ☐ Yes ☐ No

If "No," do not complete Part IV.

22 Certifications of Eligibility (select all that apply):

☐ A. Qualifying Offer Method ☐ B. Reserved ☐ C. Reserved ☐ D. 98% Offer Method

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and to the best of my knowledge and belief, they are true, correct, and complete.

| | | |
|-----------|-------|------|
| Signature | Title | Date |
|-----------|-------|------|

Part III ALE Member Information—Monthly

| | | (a) Minimum Essential Coverage Offer Indicator | | (b) Section 4980H Full-Time Employee Count for ALE Member | (c) Total Employee Count for ALE Member | (d) Aggregated Group Indicator | (e) Reserved |
|-----------|---------------|--|--------------------------|---|---|--------------------------------|--------------|
| | | Yes | No | | | | |
| 23 | All 12 Months | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 24 | Jan | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 25 | Feb | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 26 | Mar | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 27 | Apr | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 28 | May | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 29 | June | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 30 | July | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 31 | Aug | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 32 | Sept | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 33 | Oct | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 34 | Nov | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |
| 35 | Dec | <input type="checkbox"/> | <input type="checkbox"/> | | | <input type="checkbox"/> | |





Enforcement Action

Notifications



- 5699 Letter – Failure to file
- 226J Letter – ESRP assessment
 - Good Faith no longer applies
- 1865C Letter – IRS Forms Correction
- 3-year enforcement Cycle → 4 Year data retention

Contact Us



Isaac Updike

ACATR Data Analyst

517-816-1616

iupdike@setseg.org



Autumn Ward

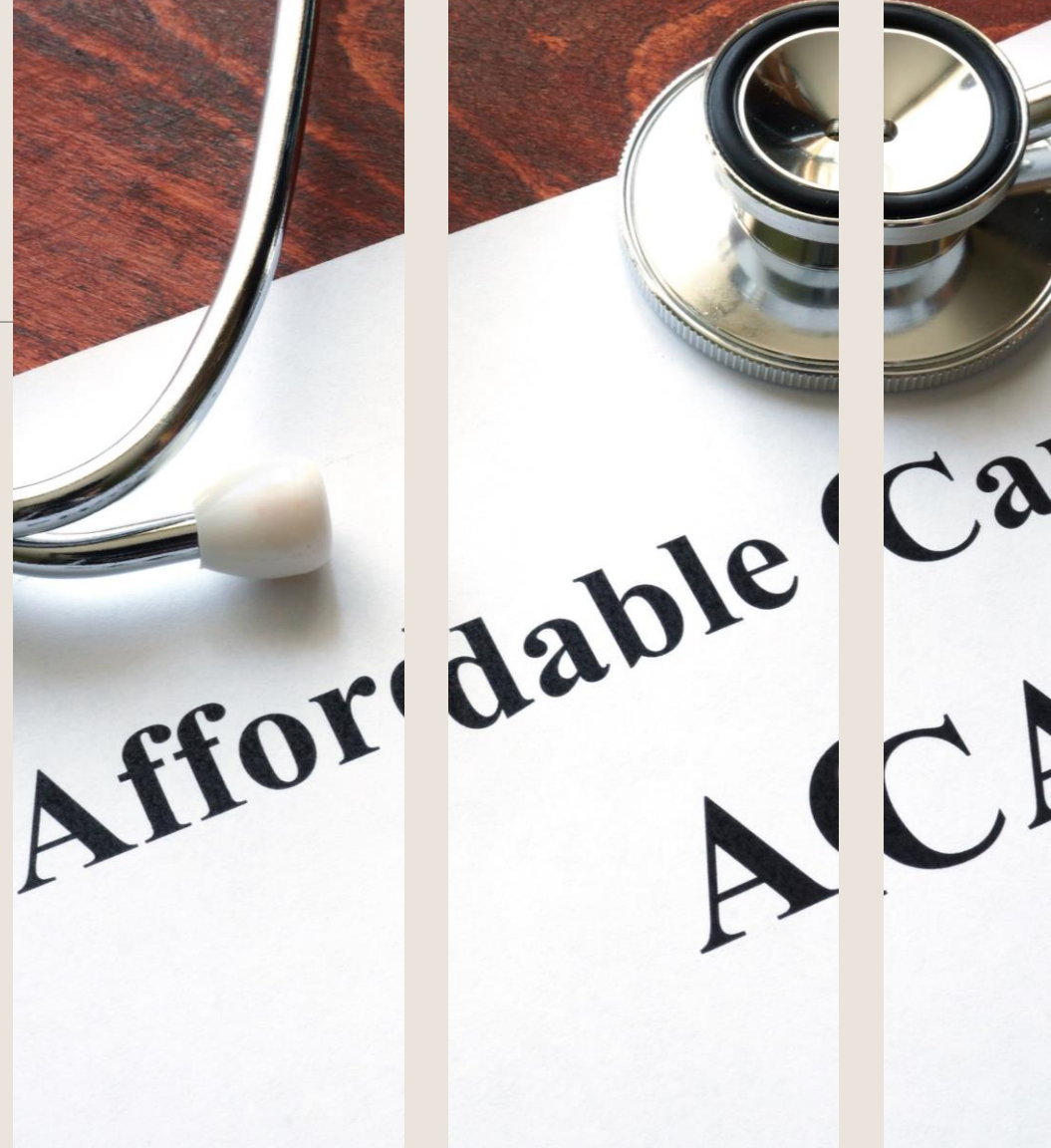
Employee Benefits Product Manager

517-816-1690

award@setseg.org



Thank You!



Part 3

Retirement Options

Mike McEvilly, Executive Vice President, GLP Financial Group

Sean Shearon, Registered Representative



Retirement Options Under MPERS



Financial
Group

Michael McEvilly, Executive Vice President

Sean Shearon, Registered Representative

April 23, 2024

One Family, Six Companies

- **GLP & Associates, Inc.**

The parent and management company of our firm, GLP & Associates, Inc., has been providing retirement planning products and services since 1969. Our years of experience have given us a deep understanding of the economic challenges facing those in the public sector.

- **GLP Investment Services, LLC**

An independent broker-dealer and member of FINRA/SIPC, GLP Investment Services, LLC, is registered in 38 states nationwide and provides investment products and services to help meet the comprehensive financial objectives of the education community.

- **Asset Allocation Strategies, LLC**

A registered investment advisor created to provide investment advisory and financial planning services for our individual and institutional customers, Asset Allocation Strategies, LLC, uses a proprietary mix of actively managed portfolios to help our clients achieve their financial goals.

- **GLP Property and Casualty, LLC**

GLP Property & Casualty, LLC specializes in providing home and auto insurance. The agency is proud to offer insurance for educators through Meemic. Meemic was founded by teachers and has been serving the education community for over 60 years.

- **GLP Strategic Administrative Group, LLC**

Created specifically to comply with IRS 403(b) regulations, GLP Strategic Administrative Group, LLC, provides comprehensive plan compliance, third-party administration, universal common remitting, investor education and full back-office support for all tax-exempt retirement plan types (403(b), 457, 401(k), 401(a), VEBA and others), all from our local offices.

- **The GLP Foundation**

GLP Financial Group and its foundation has had the pleasure of providing grants and gifts to many deserving educators and students across the United States for over 50 years. Their efforts inspire us to continue funding their passions. Our goal is to assist deserving education-based programs throughout the communities in which we serve.

The Retirement Dilemma

EMPLOYMENT INCOME

\$15,000

\$25,000

\$40,000

\$60,000

\$80,000

\$90,000

\$100,000



55%
Pay Cut
With
30 Years
of Service

PENSION INCOME

\$6,750

\$11,250

\$18,000

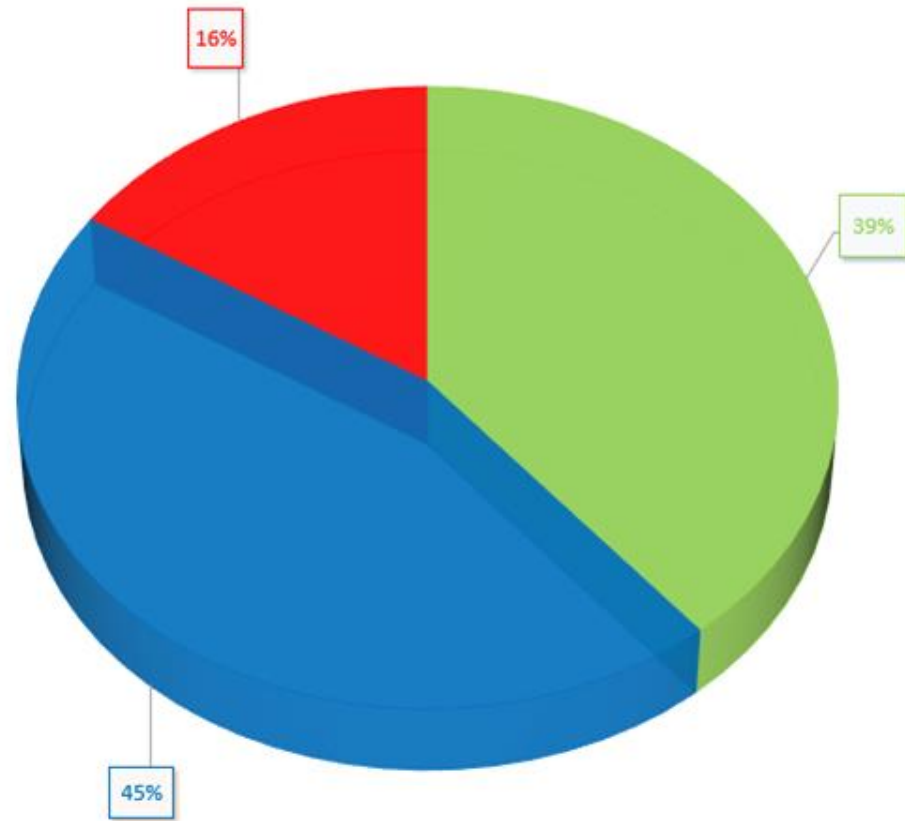
\$27,000

\$36,000

\$40,500

\$45,000

How do we achieve... **Financial Independence?**



What are the retirement components?

PENSION

SOCIAL SECURITY

PERSONAL SAVINGS

Social Security & Retirement Penalties

What to expect from Social Security at Age 62, and your age for full Social Security benefits:

This chart shows when you'll be able eligible for full Social Security benefits, and the amount your benefits will be reduced if you retire at Age 62

| <u>BIRTH YEAR</u> | <u>AGE FOR FULL BENEFIT ELIGIBILITY</u> | <u>PERCENT REDUCTION</u> |
|-------------------|---|--------------------------|
| 1938 | 65 years, 2 months | 20.80% |
| 1939 | 65 years, 4 months | 21.70% |
| 1940 | 65 years, 6 months | 22.50% |
| 1941 | 65 years, 8 months | 23.20% |
| 1942 | 65 years, 10 months | 24.20% |
| 1943-1954 | 66 years | 25.00% |
| 1955 | 66 years, 2 months | 25.80% |
| 1956 | 66 years, 4 months | 26.70% |
| 1957 | 66 years, 6 months | 27.50% |
| 1958 | 66 years, 8 months | 28.30% |
| 1959 | 66 years, 10 months | 29.20% |
| 1960 & later | 67 years | 30.00% |

AVERAGE MPSEER RETIREMENT AGE IS 57

Steps To A Successful Retirement

1. Your Individual Pension Calculations

1. Find Your Proper Contribution Level

1. Implementation of Plan

1. Annual Monitoring and Adjustments

Resources



Retirement Plan Decision Guide

[Ro607C_RetirementPlanDecisionGuide_10_2021.pdf](#)



Retirement Plan Election Guide

https://voyamarketingzone.dmplocal.com/dsc/collateral/Ro606C_RetirementPlanElectionGuide_10_2021.pdf

Michigan Public School Employee Retirement System

Four Plans:

- Defined Benefit (DB) – there is a defined “guarantee” benefit in retirement
- Defined Contribution (DC) – there is a defined “guarantee” contribution while working
- Pension Plus – hybrid (DB and DC) **i2 – i8 default**
- Pension Plus 2 – hybrid (DB and DC) for new hires on or after 02/01/2018

2 Components of Retirement: Money and Medical

Pension

Retiree Health Insurance
Subsidy

OR

Pension = a monthly
income in retirement

PHF (Personal Health
Fund)

| DB Defined Benefit Plan | | | | | |
|---|--|---|--|--|---|
| Basic | | MIP (Members Investment Plan) | | | |
| Basic 0 | Basic 4 (chosen during SB1040 eff. 02/01/13) | MIP Fixed (switched from Basic) | MIP Graded DOH: 01/01/1990 through 06/30/2008 | MIP Plus DOH: 07/01/2008 through 06/30/2010 | MIP 7 (chosen during SB1040) eff. 02/01/2013 |
| 0 | 4% | 3.9% | July 1 – June 30 (contract year) 0 – 5,000 = 3% 5,000.01 – 15k = 3.6% 15,000.01 + = 4.3% | July 1 – June 30 (contract year) 0 – 5,000 = 3% 5,000.01 – 15k = 3.6% 15,000.01 + = 6.4% | 7% |
| 55 w 30 60 w 10 55 w 15 (w/ stipulations) | | 46 w 30 60 w 10 60 w 5 (w/ stipulations) 55 w 15 (w/ stipulations) | | | |
| FAC – highest consecutive 60 months, 5 years | | FAC – highest consecutive 36 months, 3 years | | | |
| Premium Subsidy OR PHF Personal Health Fund (if chosen during SB 1040 effective February 1, 2013) | | | | | |

Pension Plus and Pension Plus 2 (Hybrid Plans combining DB and DC)

| PENSION Defined Benefit | PLUS Defined Contribution | |
|--|---|--|
| <p style="text-align: center;">Pension Plus</p> <p>(DOH: 07/01/10 – 01/31/18) EE Contributions follow the contact year (July 1 – June 30)</p> <p style="text-align: center;">0 – 5,000 = 3% 5,000.01 – 15k = 3.6% 15,000.01 + = 6.4%</p> <p>Pension Plus 2 (DOH: 02/01/18 – Present) EE Contributions = 6.2% flat rate all year</p> | <p style="text-align: center;">EE 457</p> <p style="text-align: center;">2% of gross pay (default)*</p> <p>* This amount can be increased to IRS limits, but may also be reduced to zero.</p> <p>- 2% EE deduction is set to automatically increase by 1% per year until = 15% - Members may increase or decrease this deduction at any time.</p> | <p style="text-align: center;">ER 401k</p> <p style="text-align: center;">Match = 1% of gross pay**</p> <p>** The maximum ER match is 1% and will be eliminated if EE contribution is <2%.</p> |
| <p style="text-align: center;">MUST be at least age 60 to apply for a monthly pension based on contributions made while working</p> | <p style="text-align: center;">Access is allowed upon Separation from Service according to 457 rules</p> | <p style="text-align: center;">Access is allowed upon Separation of Service or age 59.5 according to 401k rules</p> |
| <p style="text-align: center;">10 years vested</p> | <p style="text-align: center;">Vested immediately</p> | <p style="text-align: center;">Vested 50% x 2 YOS 75% w 3 YOS 100% w 4 YOS</p> |
| <p style="text-align: center;">Premium Subsidy available if DOH = 07/01/2010 – 09/03/2012 OR PHF Personal Health Fund If hired 09/04/2012 – Present OR If chosen during SB 1040, effective February 1, 2013</p> | | |

DC ONLY

New Hires will be placed in the DC ONLY Plan by default unless the member actively chooses the Pension Plus 2 Plan within 75 days of the end of the first pay period. Once the choice is submitted, it is irrevocable.

| PENSION Defined Benefit | PLUS Defined Contribution | |
|---|---|--|
| | <p style="text-align: center;">EE 457 3% of gross pay (default)*</p> <p>* This amount can be increased to IRS limits, but may also be reduced to zero.</p> <p>- 3% EE deduction is set to automatically increase by 1% per year until = 10% - Members may opt out of this increase and return to 3% at any time.</p> | <p style="text-align: center;">ER 401k Match = 3% of gross pay**</p> <p>** The maximum ER match is 3% and will be eliminated if EE contribution is <3%.</p> <p>PLUS an additional mandatory 4% contribution from ER into the 401k.</p> |
| | Access is allowed upon Separation from Service according to 457 rules | Access is allowed upon Separation of Service or age 59.5 according to 401k rules |
| | Vested immediately | <p style="text-align: center;">Vested 50% x 2 YOS 75% w 3 YOS 100% w 4 YOS</p> |
| <p style="text-align: center;">PHF Personal Health Fund If hired 09/04/2012 – Present OR If chosen during SB 1040, effective February 1, 2013</p> | | |

Investment Options

- Target Retirement Funds

- Target retirement funds are used as your default investment option. They are for investors seeking automatic asset allocation – just choose one fund geared to the year you anticipate retiring or withdrawing money from your account to ensure a well diversified investment mix for years to come.
- These funds offer instant diversification by providing a mix of stocks, bonds, and cash equivalents. Each fund adjusts the mix of stocks, bonds, and cash equivalents over time, becoming more conservative as the fund nears its target retirement date.

| Target Date | |
|--|-------------------------------------|
| State Street Target Retirement Income Fund | |
| State Street Target Retirement 2015 | State Street Target Retirement 2040 |
| State Street Target Retirement 2020 | State Street Target Retirement 2045 |
| State Street Target Retirement 2025 | State Street Target Retirement 2050 |
| State Street Target Retirement 2030 | State Street Target Retirement 2055 |
| State Street Target Retirement 2035 | State Street Target Retirement 2060 |

Core Investment Options

- You may also choose to invest in core investment funds which allow you to choose how your funds are invested. These investment options include index funds and actively managed fund options and cover stocks, bonds, and cash equivalents.

| Passively Managed | |
|---|---|
| Investment Option | Category |
| BlackRock Government Short-Term Investment Fund | Short-Term Money Market |
| Stable Value Fund | Investment Contract / Short-Term Investment |
| State Street Bond Market Index | Bond Index |
| State Street S&P 500 Index | Domestic Stock Index |
| State Street S&P Midcap Index | Domestic Stock Index |
| BlackRock Government small Cap 600 Equity Index Fund | Domestic Stock Index |
| State Street Global All-Cap Equity ex-U.S. Index Fund | Foreign Stock Index |

| Actively Managed | |
|--|------------------------------------|
| Investment Option | Category |
| PIMCO Total Return Fund | Intermediate-Term Bond |
| Oakmark Equity and Income Fund | Moderate Allocation |
| Dodge & Cox Stock | Large-Cap Value Stock |
| Jennison Large-Cap Growth Fund | Large-Cap Growth Stock |
| T. Rowe Price Mid-Cap Value Fund | Mid-Cap Value Stock |
| Artisan Mid-Cap | Mid-Cap |
| Virtus Small Cap Value Equity I | Small-Cap Value Stock |
| Voya Small cap Growth Strategy | Small-Cap Growth |
| American Funds EuroPacific Growth Fund: R6 | Foreign Large Blend Stock |
| Blackrock Emerging Markets Index | Diversified Emerging Markets Stock |

You may also choose to invest in core investment funds which allow you to choose how your funds are invested. These investment options include index funds and actively managed fund options and cover stocks, bonds, and cash equivalents.

The Self-Directed Brokerage Account (SDBA)

- The SDBA is a brokerage account that gives you access to most individual stocks, bonds, certificates of deposits (CD's) exchange-traded funds (ETF's), and more than 10,000 different mutual funds (all for an additional fee and at your own risk). Log in to your retirement investment account online for details and an SDBA application if you wish to take advantage of this option.

Changing your investment elections

- To change the way your current or future contributions are allocated among the various investment options, log in to your retirement investment account online or call Voya at 800-748-6128.

Resources



- MIORS / MPSERS – (517) 284-4400
- MIORS – miAccount Register Now

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Welcome to the secure section of the State of Michigan ORS website. Log in to manage your personal retirement account.

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