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DISCLOSURES

LIFETRAXX
A Guide To Your Retirement Plan

- Project Retirement Income Goals
- Project MPSERS Benefits
- Project Equated Income
- Illustrate Survivor Benefits
- Explain Personal Savings Needs
- Pension Maximization Calculations

Michigan Public Schools Employees' Retirement System (MPSERS) Provides Two Benefits to the Retiree

1

HEALTH INSURANCE
- Major Medical
- Prescriptions
- Hearing
- Dental
- Vision

2

PENSION BENEFITS
- Income

MPSERS HEALTHCARE • **2 GROUPS**

WORKED ***BEFORE***

SEPT. 4, 2012

WORKED ***ON*** OR ***AFTER***

SEPT. 4, 2012

WORKED ***ON*** OR ***AFTER***

SEPT. 4, 2012

- Automatically Enrolled into the Personal Healthcare Fund (PHF)
- You will pay 2% and receive a 2% match into an account

MPSERS HEALTHCARE

Employees Automatically Contribute 2%
Employer Matches the 2%

$40,000 salary

Employee contributes 2%	$ 800
Employer matches 2%	$ 800
Total Annual Contribution	**$ 1,600**

This hypothetical example is for illustrative purposes only and each individual's situation is different. Please consult your financial or tax professional regarding your circumstances.

PERSONAL HEALTHCARE FUND

50% Vested After 2 Years
75% Vested After 3 Years
100% Vested After 4 Years

WITH ALL EMPLOYER CONTRIBUTIONS

EMPLOYER CONTRIBUTIONS VESTING SCHEDULE

If you have the **PERSONAL HEALTHCARE FUND**, you do not have the Premium Subsidy benefit and are not eligible for subsidized health, prescription drug, dental, or vision insurances through the retirement system.

PERSONAL HEALTHCARE FUND

You, your spouse, and your dependents may enroll in insurances if you enroll immediately when you retire but you will be responsible for the entire premium. If you, your spouse or dependents are dis-enrolled at any time, they will not be able to re-enroll.

PERSONAL HEALTHCARE FUND

WORKED ***Before***

SEPT. 4, 2012

MPSERS HEALTHCARE

Employees have a maximum 80% insurance subsidy if they are still paying 3% into the health insurance trust after the 2013 pension reform.

HEALTH INSURANCE

2013 HEALTHCARE CHANGES

Hired **BEFORE** July 1, 2008

- Maximum of 80% Healthcare Subsidy
- Pay 3% into the Retiree Healthcare Fund

Hired **AFTER** July 1, 2008

- Graded Subsidy
- 10 Years 30% with an additional 4% each year worked
- Maximum of 80%

MPSERS
MASTER
HEALTHCARE
PLAN

Your Retirement Healthcare Benefit is **VERY DIFFERENT** from What You Have Today.

If you will receive a pension check from MPSERS,
you will qualify for a Health Care Plan, which includes:

- Major Medical
- Prescriptions
- Hearing
- Dental
- Vision

SIGN UP IN 2 PARTS

PART 1: Major Medical • Prescriptions • Hearing

PART 2: Dental • Vision

HEALTHCARE BENEFIT

Four Different Major Medical Plans

PPO Plan → Blue Cross Blue Shield

HMO Plans →
- Blue Care Network
- Priority Health
- Health Alliance Plan (HAP)

Four Different Plans
SAME MONTHLY PREMIUMS

MM/P & HMO premium (Medicare Part B) → **2025 PRE-MEDICARE**

$183.46 deducted from MPSERS check with spouse for $338.44

Dental/Vision → **$6.68** per person

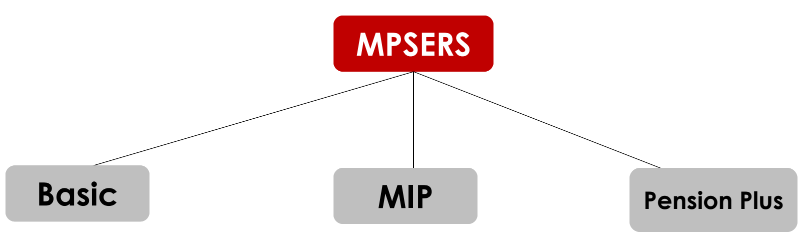
Non-Medicare Summary Comparison Sheet* **Effective January 1, 2025**

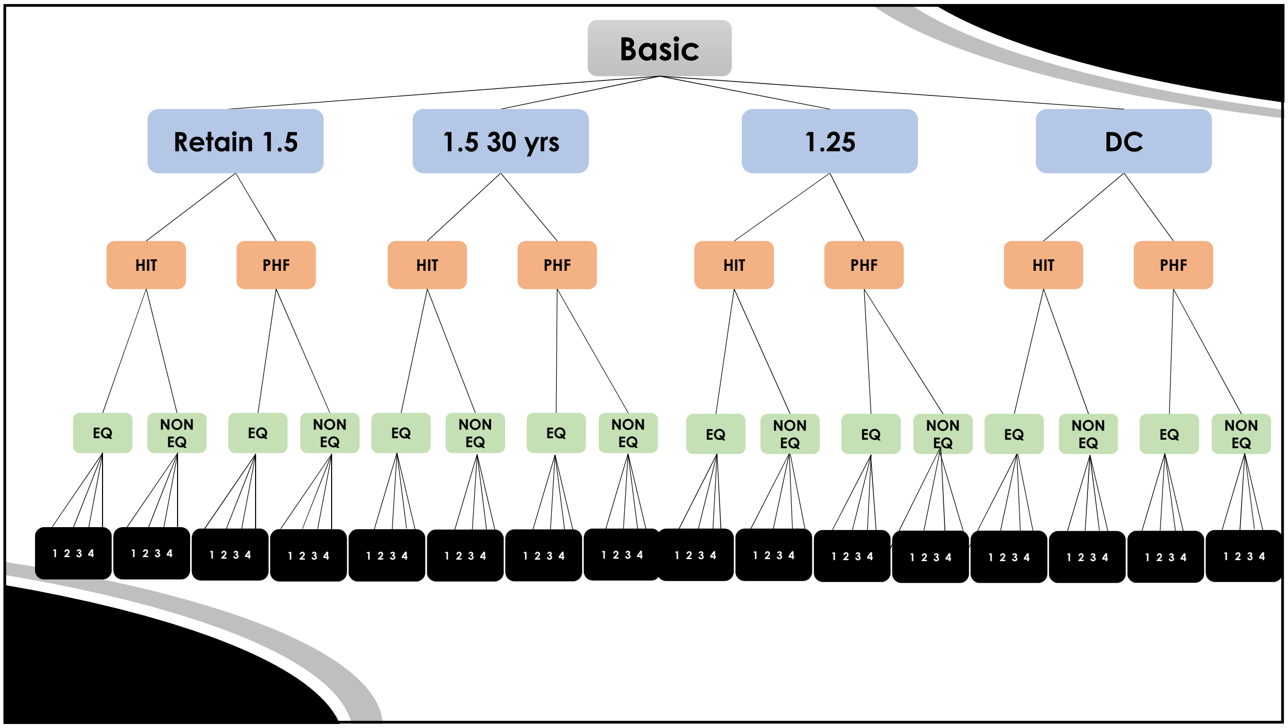
HEALTHCARE BENEFIT	Blue Preferred PPO (Blue Cross) 800-422-9146 Optum Rx 866-288-5209	Blue Care Network (BCN) HMO 800-662-6667	Health Alliance Plan (HAP) HMO 800-422-4641	Priority Health HMO 844-403-0847
Hospital Care				
Inpatient hospital care	10% coinsurance, after deductible.	10% coinsurance, after deductible.	10% coinsurance, after deductible.	10% coinsurance, after deductible.
Outpatient hospital care, including diagnostic services	10% coinsurance, after deductible.	10% coinsurance, after deductible. $150 copay, after deductible, for high-tech imaging services.	10% coinsurance, after deductible. $150 copay per test — deductible does not apply — for high-tech imaging services.	10% coinsurance, after deductible. $150 copay — deductible does not apply — for high-tech imaging services.
Alternatives to Hospital Care				
Home healthcare	Deductible.	$35 copay, after deductible.	Deductible. Up to 100 visits per benefit period (combined in network and out of network).	10% coinsurance, after deductible.
Skilled nursing facility	10% coinsurance, after deductible, up to 100 days (can be renewed).	10% coinsurance, after deductible. Coverage for 120 days per calendar year (can't be renewed in the same calendar year).	10% coinsurance, after deductible. Covered for authorized services. Up to 100 days per benefit period, renewable after 60 days of non-confinement (combined in network and out of network).	10% coinsurance, after deductible, up to 100 days. Can be renewed after 60 days.
Hospice	Covered in full.	Covered in full, after deductible. Inpatient hospice care requires prior authorization.	Covered in full.	10% coinsurance, after deductible.
Emergency Services				
Emergency room care	10% coinsurance, after deductible. $140 copay/visit after coinsurance maximum is met.** Waived if admitted within 72 hours.	$150 copay after deductible, waived if admitted within 72 hours.	$150 copay, waived if admitted.	$150 copay, waived if admitted.
Urgent care	10% coinsurance, after deductible. $65 copay/visit after coinsurance maximum met.**	$65 copay.	$60 copay.	$60 copay.
Surgical Services				
Surgical services	10% coinsurance, after deductible.	10% coinsurance, after deductible.	10% coinsurance, after deductible.	10% coinsurance, after deductible.
Doctor Office Visits and Services				
Office visits	10% coinsurance, after deductible.	Primary doctor: $25 copay. Specialist: $35 copay, after deductible.	Primary doctor: $25 copay. Specialist: $40 copay.	Primary doctor: $25 copay. Specialist: $40 copay.
Online visits	10% coinsurance, after deductible.	$25 copay.	Covered in full through Amwell. Virtual visits through HAP providers will take the appropriate office visit copay.	Covered in full.

- Deductibles, Copays and Coinsurance
- Network Availability
- Prescriptions

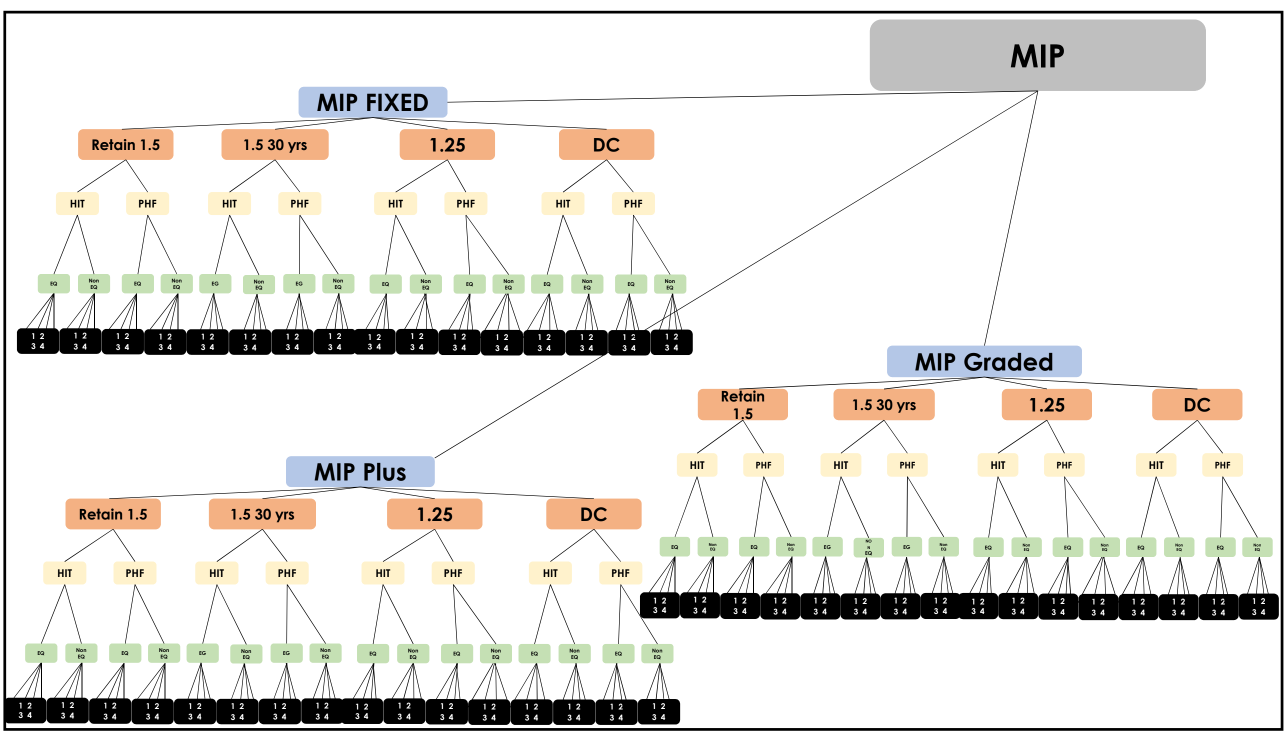
SAMPLE OF BENEFITS

MPSERS
PENSION BENEFIT

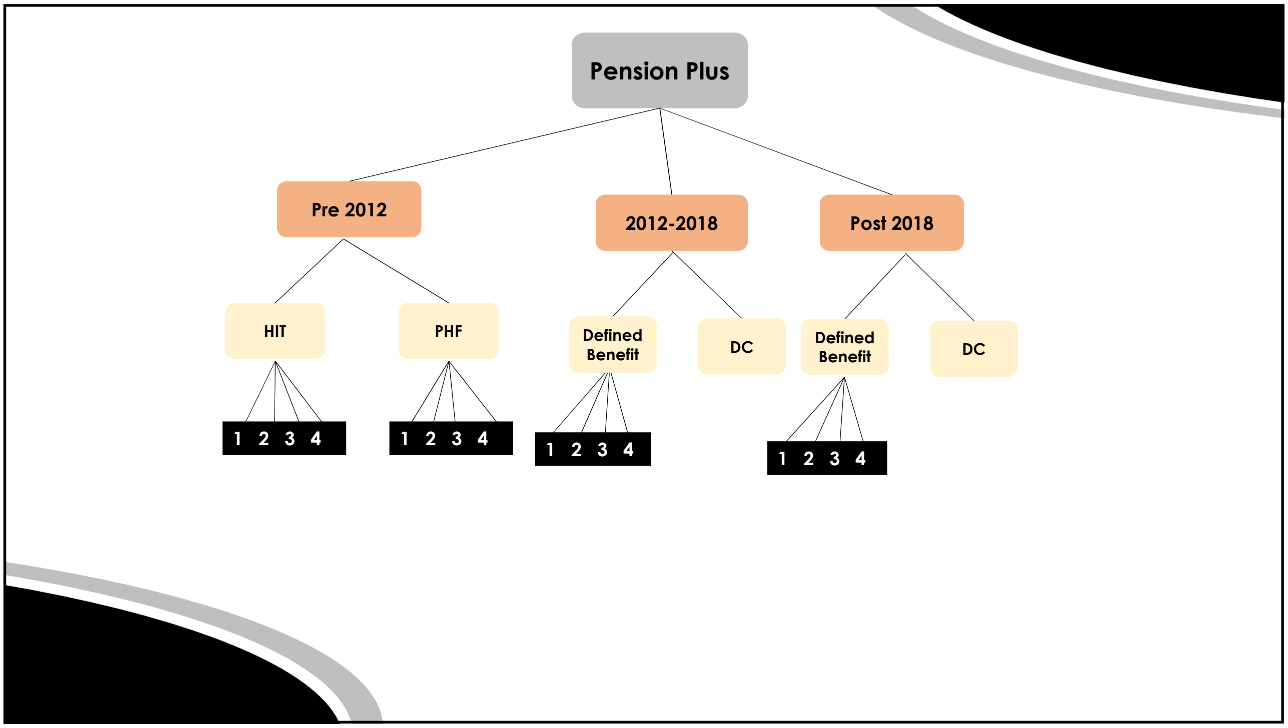


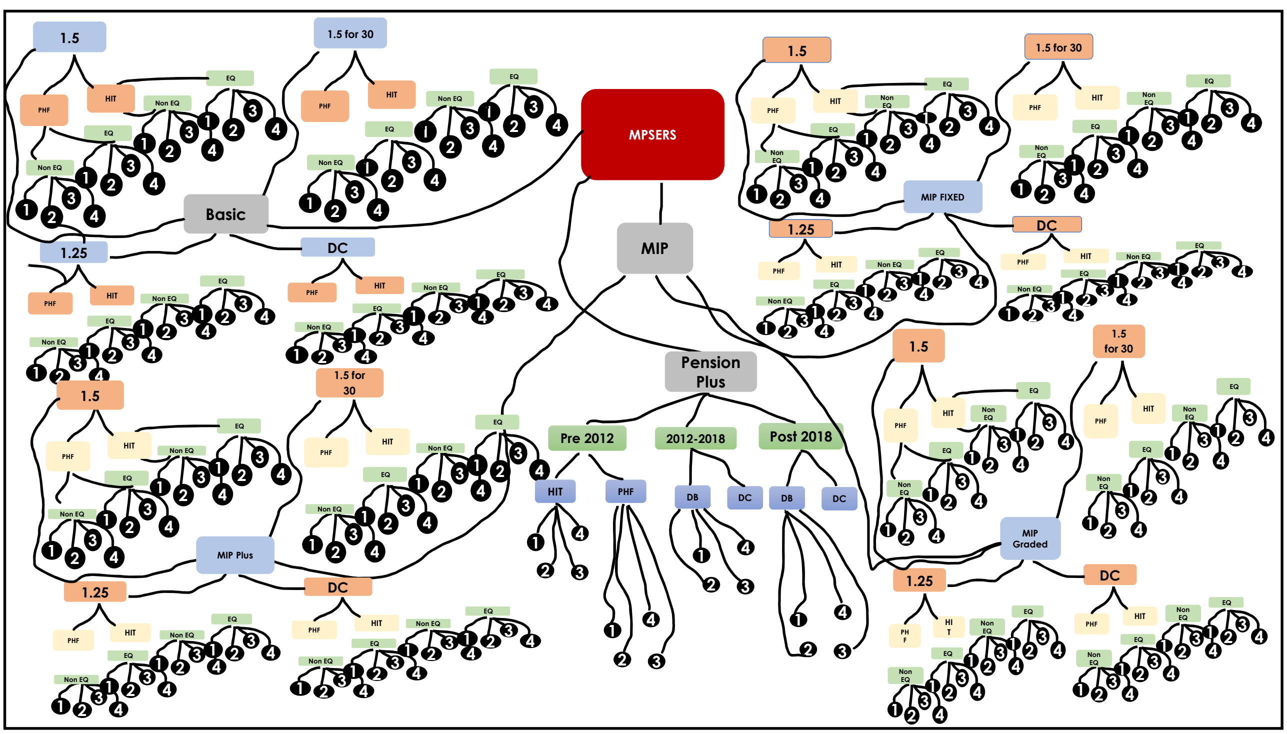


Basic
Retain 1.5
1.5 30 yrs
1.25
DC
HIT
PHF
EQ
NON EQ
1 2 3 4



MIP
MIP FIXED
MIP Graded
MIP Plus
Retain 1.5
1.5 30 yrs
1.25
DC
HIT
PHF


Pension Plus
Pre 2012
2012-2018
Post 2018
HIT
PHF
Defined Benefit
DC
Defined Benefit
DC
1 2 3 4
1 2 3 4
1 2 3 4
1 2 3 4


MPSERS
Basic
MIP
Pension Plus
1.5
1.5 for 30
1.25
DC
MIP Plus
MIP FIXED
MIP Graded
Pre 2012
2012-2018
Post 2018
HIT
PHF
DB
DC

How many retirement scenarios?

THOUSANDS!

You had 75 days from your first payroll date to choose between:

Default Option

- **DEFINED BENEFIT PLAN**
  - **PENSION PLUS PLAN (7/1/2010 – 1/31/2018)**
  - **PENSION PLUS 2 PLAN (2/1/2018 – PRESENT)**
- **DEFINED CONTRIBUTION PLAN**

NEW HIRES

Employees Automatically Contribute 3%
Employer Matches 100% of this up to 3%

$40,000 salary

Employee contributes 3%	$ 1,200
Employer matches 100%	$ 1,200
Total Annual Contribution	**$ 2,400**

This hypothetical example is for illustrative purposes only and each individual's situation is different. Please consult your financial or tax professional regarding your circumstances.

DEFINED CONTRIBUTION PLAN
SAVINGS COMPONENT

Started the first pay period after October 1, 2017

Employer will have a mandatory 4% contribution

DEFINED CONTRIBUTION PLAN
EMPLOYER CONTRIBUTION

- Increases contributions 1% per year until contributions are at 15%
- Negative consent email beginning of December
- If you don't opt out you can never stop these increases

SMALL STEPS

From where could I receive income?

Income Previous to Retirement 100%

Retirement Income Goal 70% - 90%

MPSERS 35 - 45%

RETIREMENT INCOME GOALS

TOTAL NUMBER YEARS OF SERVICE **X** AVERAGE SALARY **X** MULTIPLIER

ANNUAL INCOME FROM OPTION 1
(No Survivorship Benefit)

HOW MPSERS CALCULATES YOUR BENEFIT

PENSION QUALIFIERS

- Full Retirement
- Early Reduced
- Deferred
- Age 60 & Up

PUBLIC ACT 88 - RECIPROCAL RETIREMENT ACT OF 1961

- Combine service you earned with another Michigan government unit.
- You are not buying the years of service just using them to qualify for a pension.
- Examples: city, township; village or county, commission or court, and state employment under the Defined Benefit plan.

OTHER SERVICE CREDIT

MPSERS **OPTION 1** DEFINED BENEFIT CALCULATION

Formula	Basic	MIP	Pension Plus
Average Salary	60 Highest Consecutive Months	36 Highest Consecutive Months	60 Highest Consecutive Months
X	X	X	X
Years of Service	Age 55 w/ 30 Years	Age 46 w/ 30 Years	Age 60 w/ 25 Years
X	X	X	X
Multiplier	Multiplier	Multiplier	1.5
Annual Increase	Potential 13th Check	3% Non-compounding Increase	No Increase

MPSERS Post 2008 Changes

- Impact of Buying Years of Service on Insurance Subsidy
- Increase in MIP Contributions
- Creation of Pension Plus
- Taxes on Michigan Pensions
- Working After Retirement

POST 2/1/2013
PENSION REFORM

OPTION 1
Maintain 1.5% multiplier with added cost

OPTION 2
Maintain 1.5% multiplier until you reach 30 years then switch to 1.25%

OPTION 3
Reduce your multiplier to 1.25% for the balance of your career with no added increase

OPTION 4
Freeze pension, 4% deposited in a retirement account

2013 PENSION REFORM COSTS TO KEEP 1.5%

BASIC MEMBERS
PAY 4%

MIP MEMBERS
PAY 7%

TOTAL NUMBER YEARS OF SERVICE X AVERAGE SALARY X 1.5%

ANNUAL INCOME FROM OPTION 1
(No Survivorship Benefit)

HOW MPSERS CALCULATES YOUR BENEFIT IF YOU ELECTED 1.5%

PRE 2013
Years of Service X 1.5%

POST 2013
Years of Service X 1.25%

X

AVERAGE SALARY

= YOUR PROJECTED ANNUAL STRAIGHT LIFE **MPSERS** BENEFIT

HOW MPSERS CALCULATES YOUR BENEFIT IF YOU ELECTED 1.25%

Benefits under the **defined benefit system** are frozen and starting in 2013 you will be in a defined contribution plan. You have a 4 percent employer contribution going to a 401k. Employees would qualify for a 1.5 percent multiplier on all existing accrued benefits.

As of 6/4/2018 There is also a 3% 401k match to every employee that opted out on top of the 4% mandatory contribution.

HOW MPSERS CALCULATES YOUR BENEFIT IF YOU ELECTED 4% DC PLAN

2013
PENSION REFORM

This is the **DEFAULT** if you didn't elect a choice on **miAccount**

REDUCE YOUR MULTIPLIER TO 1.25%
for the balance of your career with no added increase

R0009C (Rev. 7/2008) - 2 -

ORS Public School Employees
Retirement Application (continued)

Section IV: Election of Pension Option and Beneficiary

Member ID: ___________________

R0009C (Rev. 7/2008) - 2 -
ORS Public School Employees
Retirement Application (continued)

Section IV: Election of Pension Option and Beneficiary

Pension Option: Read about each option in the instructions and the *Retirement Readiness.* Be sure you understand how this choice will affect your pension amount and any potential survivor benefits. Select your desired option. **No corrections or visible erasures are permitted on this page**. If you make a mistake, you can print a new page at **www.michigan.gov/ORSschools**.

I elect the following pension option (select one):

☐ **Straight Life** ☐ **100% Survivor** ☐ **75% Survivor** ☐ **50% Survivor**

4 OPTIONS

Equated Option: *I wish to combine the above pension option with the Equated Plan. I understand I will receive a larger pension until age 62 when it will be permanently reduced. I have enclosed a Social Security estimate with this application.*
Beneficiary Designation: If you selected a survivor pension option above, you MUST name a beneficiary. You can only name one person as beneficiary. See instructions for eligible beneficiaries. If you selected a straight life option above, your beneficiary named below will receive a one-time refund of contributions, if any.
Beneficiary Name: ________________________________ **Relationship:** ________________________

Beneficiary's SSN: ________________________________ **Birth Date:** __________ Male Female
STOP Do not sign until you are in front of a Notary Public. All signatures must be notarized AT THE SAME TIME.

PENSION OPTIONS

WHO CAN BE MY PENSION BENFICIARY?

SPOUSE
(If someone else is elected, spouse must sign off.)

CHILD

PARENT

SIBLING

Dependency is not required

WHICH IS BEST FOR **YOU**?

	YOU	BENEFICIARY	BENEFICIARY PERCENTAGE	BENEFICIARY HEALTH	POP UP
Straight Life **OPTION 1**	$1,500	$0	0%	NO	NO
100% Survivorship **OPTION 2**	$1,100	$1,100	100%	YES	YES
75% Survivorship **OPTION 3**	$1,200	$900	75%	YES	YES
50% Survivorship **OPTION 4**	$1,300	$650	50%	YES	YES

Monthly benefits are based on a retiree who has 30 years of service and an FAC of $40,000. Benefits will vary depending on each individuals circumstance.

This hypothetical example is for illustrative purposes only and each individual's situation is different. Please consult your financial or tax professional regarding your circumstances.

MPSERS RETIREMENT OPTIONS

Compared to Straight Life,
you are reducing your pension benefit by

$400/mo. › **$4,800/yr** › **$144,000 in the first 30 years of retirement!**

100% SURVIVORSHIP
"HONEY, I LOVE YOU" OPTION

WHO IS LIKELY TO TAKE…

STRAIGHT LIFE

- Someone who is single
- Spouse has **guaranteed** health insurance in retirement
- Two school employees

100% & 75% SURVIVOR

- Life expectancy issues
- Didn't plan for higher income option

50% SURVIVOR

- Wanted highest income of all survivor options
- Planned in advance to maximize pension income

"NEW SPOUSE" BENEFIT

JANUARY 1, 2009

Allows you to add a new spousal beneficiary if your spouse at retirement dies before you or you are single at retirement and marry later

179 days - 1 year to enroll new spouse after marriage

Not available for non-spouse beneficiary

From where could I receive income?

Income Previous to Retirement 100%

Retirement Income Goal 70% - 90%

SS/E-OPT 10% - 15%

MPSERS 35 - 45%

RETIREMENT INCOME GOALS

R0009C (Rev. 7/2008) - 2 -

ORS Public School Employees
Retirement Application (continued)

Section IV: Election of Pension Option and Beneficiary

Member ID: ____________________

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Retirement Application (continued)

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Beneficiary Designation: If you selected a survivor pension option above, you MUST name a beneficiary. You can only name one person as beneficiary. See instructions for eligible beneficiaries. If you selected a straight life option above, your beneficiary named below will receive a one-time refund of contributions, if any.
Beneficiary Name: ______________________________________ **Relationship:** ___________________________________
Beneficiary's SSN: ______________________________________ **Birth Date:** ___________ Male Female

THE EQUATED OPTION

RETIREMENT INCOME **WITHOUT** EQUATED PLAN

	AGE 62
AGE 55	Social Security $1,100
Pension $1,500	Pension Amount Unchanged at 62

RETIREMENT INCOME **WITH** EQUATED PLAN

	AGE 62
AGE 55	Social Security $1,100
Initial Pension + Equated $2,000	Pension Reduced to $900

This hypothetical example is for illustrative purposes only and each individual's situation is different. Please consult your financial or tax professional regarding your circumstances.

MPSERS STRAIGHT LIFE EXAMPLE

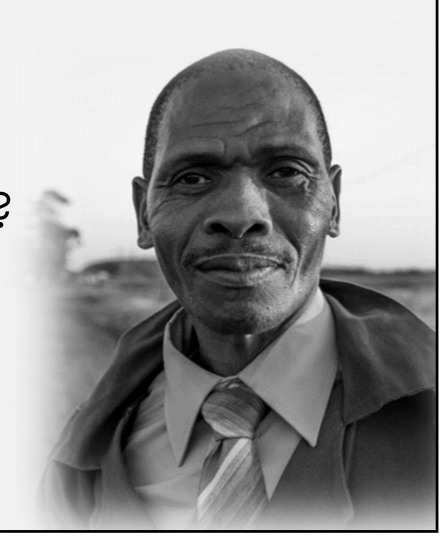
WHO IS LIKELY TO TAKE THE EQUATED OPTION

- Someone with a short life expectancy
- Someone who needs to bridge their income before 62
- Someone who thinks they can do better investing the extra money

PERSONAL RETIREMENT SAVINGS

What is a 403(b)?

How much can I contribute?



100% of Compensation up to $23,500

403(b) CATCH-UP PROVISIONS

**15 Yrs of Service - $3,000 for 5 Years

Over Age 50 Catch-up $7,500 per year

Age 60-63 Catch-up $11,250

Amounts withdrawn from a 403(b) account are included in taxable ordinary income in the year distributed. Distributions prior to age 59 1/2 may be subject to a 10% IRS penalty.

**Assumes participant is eligible for catch-up

* 2025 contribution and catch up limits

[Taken From IRS.gov]

403(b) DEFERRAL LIMITS*

From where could I receive income?

RETIREMENT INCOME GOALS

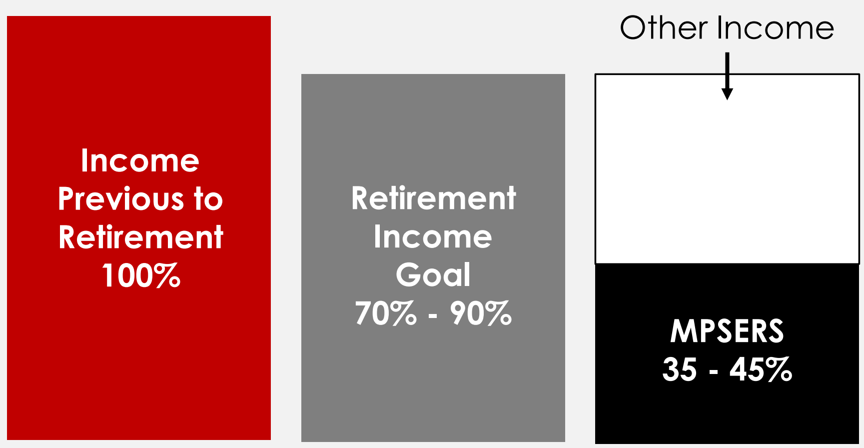
WORKING AFTER RETIREMENT

Retirement date on or after Oct 10, 2023

- Non Superintendents that retired on or after 10/10/2023 can come back after 1 month directly or indirectly and make up to $15,100 in any position.
- Superintendents that retired on or after 10/10/2023 can come back after 1 month directly or indirectly and make up to $15,100 in any position other than superintendent.
- After 6 months employees can be hired directly or indirectly in any position and they have no earnings limits.

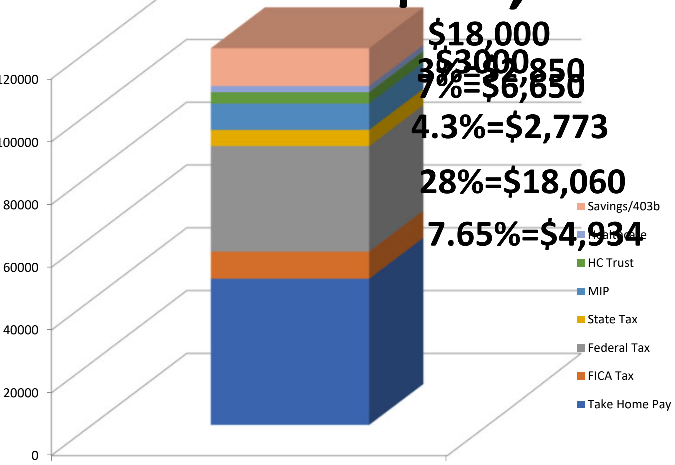
RETIREMENT INCOME GOALS

From where could I receive income?



Income Comparison Example Pre-retirement

Net Income=$38,733



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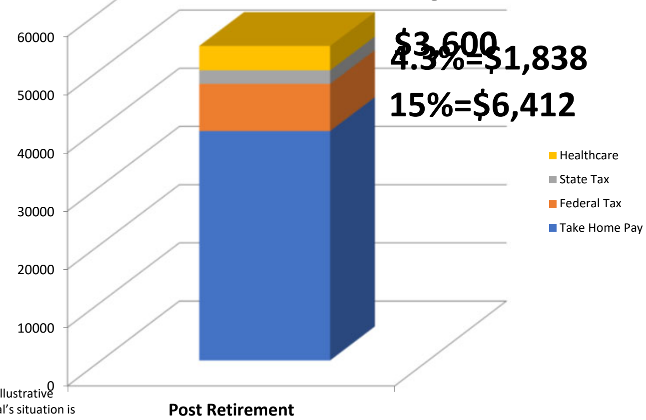
Income Comparison Example Post-retirement

Net Income=$30,900



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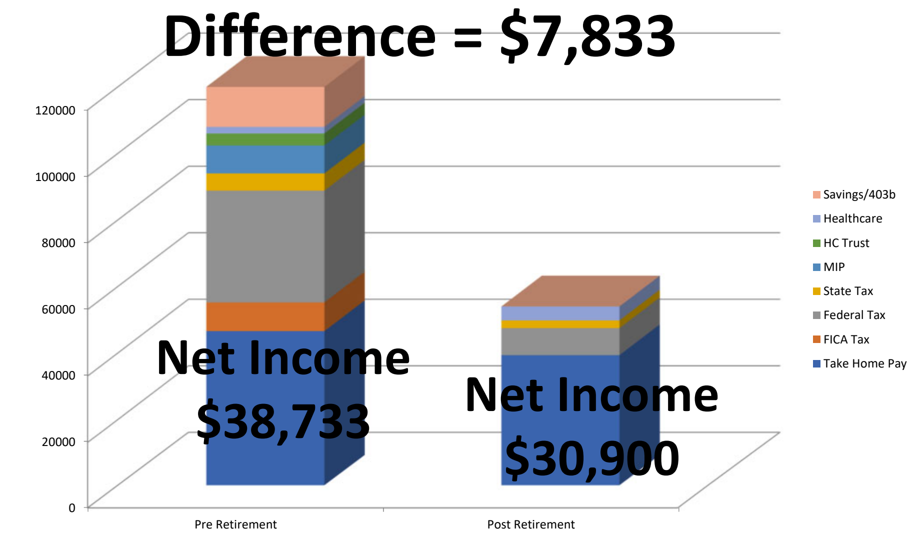
Income Comparison Example



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MPSERS INFORMATION

www.Michigan.gov/ors
800.381.5111

miACCOUNT online account access

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MARSP
Michigan Association of Retired School Personnel
Protecting your future

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