

Your Staff, Their Retirement: Who's Responsible?

S T A F F , R E T I R E M E N T , A N D T H E O R S

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Disclaimer:
We (and you) are
not the ORS...

Your staff members
should ALWAYS consult
the ORS if they have
questions about
retirement.

..but - they also
need assistance.

Do you have a formal practice
with staff regarding their
retirement?

1. Those staff newer to education
2. Those at the end of their
career.

WHAT MAIS D DOES WITH CURRENT EMPLOYEES

We all have many staff with different plans and situations.

- Retirement trainings - multiple times per year.
 - ORS staff has come on site (pre-covid)
 - Michigan Association of Retired School Personnel (MARSP) - Will come to you
 - They offer multiple sessions based on the Type of Retirement Plan
- Internal: Offer after school / end of day sessions to share the website and allow staff to ask questions.

Attempt to Educate Staff - do not assume they know what, when, where etc.

ORS CURRENT PLANS FOR STAFF

- Defined Benefit Plans (Basic / MIP etc. Plans) Pre-2010
- Pension Plus Plan 2010-2018
- Pension Plus 2 Plan 2 2018 - Present
- Defined Contribution Plan 2018 (2012, if elected) - Present

DO YOU HAVE IN-DISTRICT RETIREMENT INCENTIVES ?

- Master Agreements
 - What do they say?
- Board Policy
 - What do they say?
- Legacy Costs vs Retention/Recruitment Tool?

MASTER AGREEMENT LANGUAGE EXAMPLES

Any teacher hired on or after November 22, 2022, with at least twenty (20) years of service at Reeths-Puffer Schools, or with at least ten (10) years of service at Reeths-Puffer Schools and ten (10) years of MPSERS service credit earned outside of Reeths-Puffer Schools, who is eligible for retirement under MPSERS, may elect retirement from Reeths-Puffer Schools. The teacher shall be eligible for the following accumulated sick day reimbursement:

50-150 days \$3.00 x unused sick days x years of service (for all days)

15 1+ days \$5.00 x unused sick days x years of service* (for all days)

*Maximum reimbursement shall be \$20,000



MASTER AGREEMENT LANGUAGE EXAMPLES

Employees should provide a minimum of a 60 day notice to the MAISD and the ORS. Upon retirement a teachers who have completed ten (10) years or more of employment with the Employer, who retire under the Michigan Public School Employees Retirement System shall, upon retirement, be paid \$ 150.00 per day for up to sixty-five (65) days plus 1/5 of earned, but unused, leave over sixty-five (65) days, up to a total of 100 days. Funds will be placed into the employee's 403b.



BOARD POLICY LANGUAGE EXAMPLES

A. Severance

For those District staff not classified as administrative staff or who are not covered under a collective bargaining agreement, the Board shall grant severance pay when the following conditions have been met:

1. The individual must have served in public education on a full-time basis for a minimum of ten (10) years of MPSERS service credit with at least the last five (5) years of MPSERS service credit served at the MAISD.

2. The staff member must retire through the Michigan School Employees Retirement System. The amounts payable herein shall be deposited by the employer in the form of a non-elective employer contribution to a 403(b) plan of each eligible employee's choice, except that no contribution shall cause an employee to exceed the limitations of Section 415(c) of the Internal Revenue Code. Contributions that exceed the Section 415(c) limitations shall be deposited for each affected employee in the following calendar year and in each subsequent year, not to exceed five (5) years from the year in which separation of service from the school district occurs until all amounts due have been deposited by the employer. Employees have no cash option to this employer 403(b) contribution. The 403(b) policy of this district shall provide that all employees are eligible to retire from the school district for the purpose of the district's 403(b) and hence may withdraw 403(b) contributions at any time after termination of employment to the extent allowed by the Internal Revenue Code.

BOARD POLICY LANGUAGE EXAMPLES

B. Health Insurance

For those district staff not classified as administrative staff or who are not covered under a master agreement, the board shall make available reimbursement for MPERS health insurance costs when the following conditions are met:

1. The individual must have served at the MAISD for at least twenty (20) years MPERS service credit .
2. The staff member must retire through the Michigan Public School Employees Retirement System .

The MAISD Board will pay to the individual a quarterly amount equal to that which is deducted by the Michigan Public School Employees Retirement fund to fully cover the individual and his/her spouse. This payment will continue until both the individual and spouse are eligible for Medicare . Payments are capped at \$100 per month for individuals with a spouse and neither qualify for Medicare . Payment is capped at \$59 per month for individuals without a spouse or if the spouse is eligible for Medicare .

This health insurance benefit shall be effective as of January 1, 2004 , for all retired staff in good standing .

In no case will this coverage be extended to a cash benefit for a spouse who is under the Michigan Public School Employees Retirement plan or is covered under the spouse's medical plan, unless there is a difference in cost .

For all new employees hired after July 1, 2018, this provision will be eliminated .

Healthcare choices - Yikes!

What do your staff know about their choices for healthcare in retirement?

STAFF READY TO RETIRE - WHAT IS YOUR PROCESS?



What do your meetings look like?

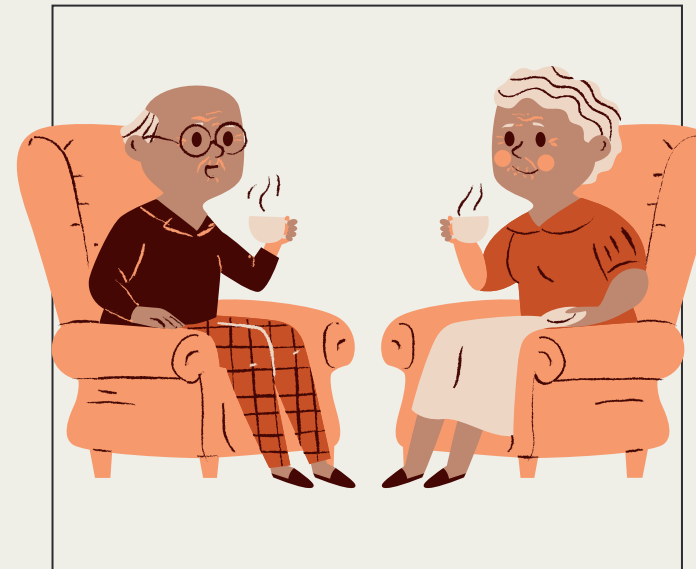
Do you sit with staff? Do you have meetings yearly from outside vendors / ORS?



What is their plan?
What does their pension look like?

Do staff know that their MiAccount and Voya accounts are available to them?

Have they even reviewed their financial information before deciding on retiring?



Spouse involvement?

“I don’t want my spouse to have this money.”



Outside factors

Social Security
VA Benefits
Medicare / Medicaid

STAFF RESOURCES DRIVE

Staff Resources > Human Resources - Sta... > Retirement Information ▾

Type ▾

People ▾

Modified ▾

Files



MI-Checklist-New-...



Retiree Sick Pay Ou...



2021-21 Non-Administrative Union Staff Retirement Pay of Retirees
A. Overview
For those staff not covered by administrative staff or other not covered
under a collective bargaining agreement, the State will pay an amount that may
depend on the following conditions have been met:
1. The individual must have worked at least 10 years of service for the
State of Michigan (including any other state or local government) and at least the last
100 days of all 1000 annual workweeks of the 10 years.
2. The staff member must have worked for Michigan Public Schools
Retirement System
Upon qualification, the State will pay the retiree for up to 180 days (or 180 days
of any period less than 180 days) of any amount due from the State for 180
days (180 days) of work weeks for the retiree's first daily rate of pay
(\$100,000) or 100 per day.
The amount payable shall be replaced by the employee or the member of
their family's employer's contribution to a 401(k) plan of each higher employer's
elective amount that contribution shall cause an employee to exceed the
limitation of the 1000-180 days of the Michigan Retirement Code. Furthermore, the
amount of the State's sick pay shall be reduced for each additional
employee in the following calendar year which such employee's year ends
within the 10 years from the year in which the employee's service from the State
ended (including any other amount due) have been multiplied by the number of
employees that are each again in the employee's employment.
The 1000-day period of this section shall include that all employees are eligible to have
their 1000-day period for the purpose of the State's 1000-day and better than
without 401(k) contributions if any other contribution was required for the
year covered by the internal Revenue Code.
B. Health Insurance
For those staff not covered by administrative staff or other not covered
under a collective bargaining agreement, the State shall make available contribution to
the State Health Insurance Plan when the following conditions are met:
1. The individual must have worked at least 10 years of service (1000 days)
for the State.
2. The staff member must have worked for Michigan Public Schools



Retirement Thoughts



2021-21
As you develop your retirement plan, you will need to contact the Human Resources Office
directly. There are a few planning points that will help you move through the process:

- 1. Give yourself the MARS and the Office of Retirement Services (ORS) time to be ready
if you do not give the ORS 60 days, you must wait your health care in the first month of
payments. To give notice to ORS, you will need to send an email to your manager
and Human Resources. To get notice for ORS, you must send an email to
MARS.
- 2. Make sure you have your MARS information, all staff members have a MARS card
but if you do not use it, it is easy to forget. You can contact the ORS to get the
information, and that can take a few days. You must have your MARS card right at work
through the ORS retirement process.
- 3. Make sure you agree to the ORS website and to the retirement plan process. You must do
this a portion of your salary and that is dependent on many factors. Take care of the
website or contact the ORS for different ways to choose fees.
- 4. Do you have a 401(k) plan? The MARS has been working with you a little amount
There are two different ways to do it for ORS members. This is for all children
groups. You can either find your information from the ORS website or contact
Human Resources to complete the all the work required.



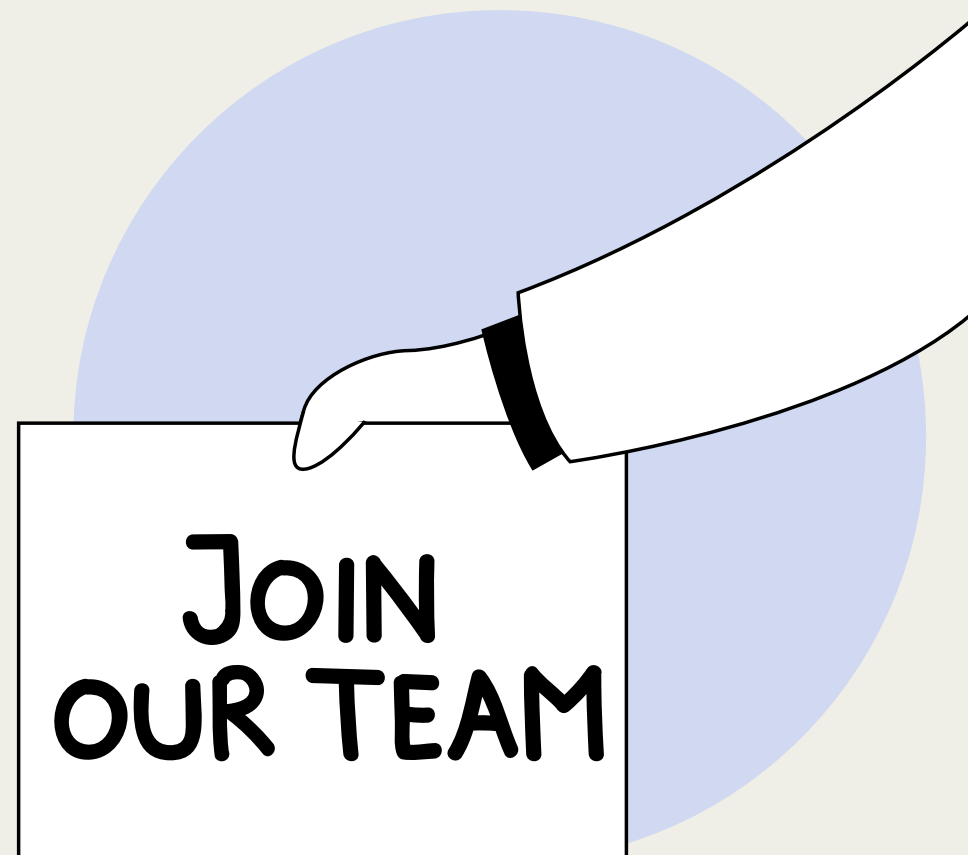
MAISD STAFF

Are you contemplating retirement in the near future? If so, let the Human Resources Office assist you. Here are a few planning points that will help you move through the process.

1. Give yourself, the MAISD, and the Office of Retirement Services (ORS) time to be ready. If you do not give the ORS 60 days, you could risk your healthcare in the first month of retirement. To give notice to MAISD, you will need to send an email to your supervisor and Human Resources. To give notice to the ORS, you need to submit on ORS's [MiAccount](#).
2. Make sure you know your MiAccount information. All staff members have a MiAccount but if you do not use it, it is easy to forget. You can contact the ORS to get this information, but that can take a few days. You must have your MiAccount login to work through the ORS retirement process.
3. Make sure you spend time on the ORS website and do the calculations. Your pension is only a portion of your salary and that is dependent on many factors. Look over all the insurance options as the ORS has different plans to choose from.
4. Do you have a 403b plan? The MAISD sick bank payouts MUST go into a 403b account. These are tax deferred which is beneficial for staff members. This is for all employee groups. Need a 403b? Find vendor information [here](#). [This](#) form needs to be completed before retirement to complete the 403b sick day payout.
5. Meet with HR. Your retirement effectiveness date will impact your MAISD healthcare, an exit interview will be scheduled before your last day.
 - a. Remember - if you leave mid-month your insurance will likely end the last day of employment. Please check with Human Resources for an exact date of insurance termination as your position or Master Agreement may change the timeline of things.
6. Communicate with your supervisor as soon as possible so they can have ample time to replace your position if necessary.

NEW HIRES

- ORS Checklist
- Reminders to enroll
- Their role v your role



10 action items to help you get started on your retirement journey

1. Review your retirement plan election options for the Defined Contribution (DC) plan and the Pension Plus 2 plan.

 - Attend a *New Hire Orientation* live [webinar](#) or watch it [on-demand](#).
 - Visit [PickMIPlan.org](#) for a comparison of the two plans.

Important: Be sure you fully understand your options since you cannot change your retirement plan after you make your election or the deadline passes. At the end of your election window, if you have not chosen a plan, you will become a participant in the DC plan.
2. Make your retirement plan election in [miAccount](#) no later than 75 calendar days from the end of your first payroll period. You can also click I'M READY TO MAKE MY ELECTION on [PickMIPlan.org](#) to begin the election process.
3. Register your account at the State of Michigan 401(k) and 457 Plans (the Plans) [website](#).
4. Designate your beneficiaries.

 - In your Plans account, click the person icon on the top right of your screen to designate your beneficiaries > Personal Information > Beneficiary Information.
 - If you chose the Pension Plus 2 plan, you must also designate your beneficiary in [miAccount](#).
5. Set your communication preferences and regularly [log in](#) to your account in the Plans. Doing so keeps you engaged with your retirement information and makes your account more secure.
6. Meet your employer's match so you don't leave money on the table. You are automatically enrolled at a contribution rate that maximizes your employer match. If you reduce your contribution rate, your employer will reduce their contributions to match the reduced rate.
7. Consider regularly increasing your contributions using the annual Small Steps 1% increase or the automatic increase feature in your State of Michigan 457 Plan account.
8. Take the [Financial Wellness Assessment](#) and access investment services in your account by clicking More Resources > Get Investment Advice or schedule an [account review](#) with Voya's education team.
9. Read your quarterly State of Michigan Plans newsletters sent by email. You can also find the newsletters online:

 - [Defined Contribution](#)
 - [Pension Plus 2](#)
10. Become vested, which means you own the assets in your account. Your contributions and earnings on those contributions are always 100% vested. Your employer's matching contributions are 100% vested after 4 years of service. You can only accrue 1 year of service (or 1,020 hours of service) toward vesting in any given school fiscal year. Review your Plan Highlights [e-book](#) for more information.

WHO DO YOUR STAFF MEMBERS TALK AND LISTEN TO?

Examples:

- Parapr
- o
- CTC
- Voya



NONUNION ADMINISTRATORS

- ORS case and hearing
- “Total Compensation” Salary + Annuity + Longevity
- What do your employee contracts say?

Sample language:

Compensation. Compensation includes salary and wages, investments made in a tax-sheltered annuity for a public-school employee as remuneration for service under the Public-School Employees Retirement Act, longevity pay, and merit pay as established by a reporting unit for the purpose of rewarded achievement or specific performance objectives. This combined sum shall be reported as wages for Office of Retirement Services (ORS) retirement contributions. Total Compensation is \$XXXXX.XX.

Annuity. In addition to annual salary for services performed, Administrator will be paid wages/compensation as a non-elective annuity contribution to an IRS 401(a), 403(b) or 457 plan in the annual amount of \$XXX.XX. This sum shall be prorated based upon actual time worked if Employee does not work the full regularly scheduled work year.

Longevity. In addition to annual salary, the administrator will be paid \$0 for longevity.

COMING BACK TO WORK AFTER RETIREMENT

- Are your staff members asking you about this potential?
 - What is your answer?
- Understanding the rules of working in schools after retirement is very important!



What are others doing?

What is working well for you?

Thank you!

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