

August 29, 2012

TO: All AMAESD Employees
FROM: AMAESD Business Office
RE: Retirement Reform Informational Seminar Dates

As you may be aware, the legislative changes to *the Michigan Public School Employees Retirement System* (MPSERS) will have a significant impact on retirement options and benefits. Keeping track of all the revisions to this reform has certainly been confusing – even for those who are closely monitoring the legislation. A final version of this legislative reform (currently referred to as Senate Bill 1040) has passed both the House and Senate and is on its way to the Governor for signature. **This bill will require nearly every public school employee to make a decision regarding their retirement plan. The enrollment period for this new plan begins on September 4, 2012 and ends October 26, 2012, and will take effect on the first payroll in December 2012.**

At present, Senate Bill 1040 provides **three** distinct options which you as an employee will be required to select from. This *irrevocable* decision will determine both your current MPSERS employee contribution as well as future retirement earnings. If you choose not to make a decision, the Office of Retirement Services (ORS) will default you to a plan which may or may not be in your best interest.

How do you make the best decision on your future retirement earnings?
Take advantage of educational opportunities and financial planning expertise.

To assist you in understanding your options and the potential impact, we are working closely with other ISDs and our local districts to provide educational opportunities on this very important decision.

The AMAESD, in cooperation with the Michigan Retirement Investment Consortium (MRIC) and Williams & Company, LLC (one of our 403b investment vendors) will be conducting joint informational meetings in the coming weeks.

Please be aware there may be very little time to become knowledgeable on which option is right for you. Each person or family has a different financial “footprint”. Truly “one size doesn’t fit all” when it comes to this important benefit.

We strongly encourage you (and your spouse) to attend one of the following informational meetings in our area:

Monday, September 24, 2012

4:00 p.m.

AMAESD Building

Register by September 17, 2012

Monday, September 24, 2012 (tentative date and place)

6:30 p.m.

Alpena High School Auditorium

Register by September 17, 2012

Monday, October 1, 2012

6:00 p.m.

Alcona High School Auditorium

Register by September 24, 2012

Monday, October 2, 2012

6:00 p.m.

Hillman High School Auditorium

Register by September 25, 2012

What can you do to prepare for your informational meeting?

Access or establish access to your individual Mi-Access retirement account to obtain information regarding your earned years of service credit.

You can access or establish your individual account at www.michigan.gov/ors. Once you have an account, you can access your personal retirement information (years of service, etc.).

There is an instructional video on how to utilize the calculator on the AMAESD web site. After viewing the video, click on the “1040 Estimator” button and supply the personal information requested (birth date, salary, etc.). Inputting eight pieces of personal data will allow Williams & Co. to create a personalized booklet for you (to be distributed at the meeting you choose to attend). The booklet will provide a comparison, (using your personal data) of the three retirement options proposed in Senate Bill 1040. This information will assist you in making an educated decision regarding your retirement plan...taking some of the guesswork out of determining your best option.

Frequently asked questions:

What if I submit my 1040 Estimator and I want to make a change?

Williams & Company will use the last submission made by an employee prior to the register by date.

What is accumulated retirement savings?

Accumulated retirement savings is your combined to date savings in a retirement type account (403b, IRA, 401K...). This is not what you have accumulated in your pension through MIP.

What is annual current contribution?

Annual current contribution is money that you are currently contributing through a payroll reduction to a 403b account. For example, \$100 per pay with 26 pays per year would equal an annual current contribution of \$2,600.

Can I ask the Retirement Office specific questions about the reform through MiAccount?

Yes, this will be available after September 4, 2012.