



# New Hire Retirement Plan Election

Michigan Public School Employees' Retirement System

## Get ready to make your retirement plan election

If you first worked for a Michigan public school on or after September 4, 2012, this is your opportunity to choose a retirement plan that fits your needs. Enclosed you will find resources from the Office of Retirement Services and your employer to help you make your decision, including:

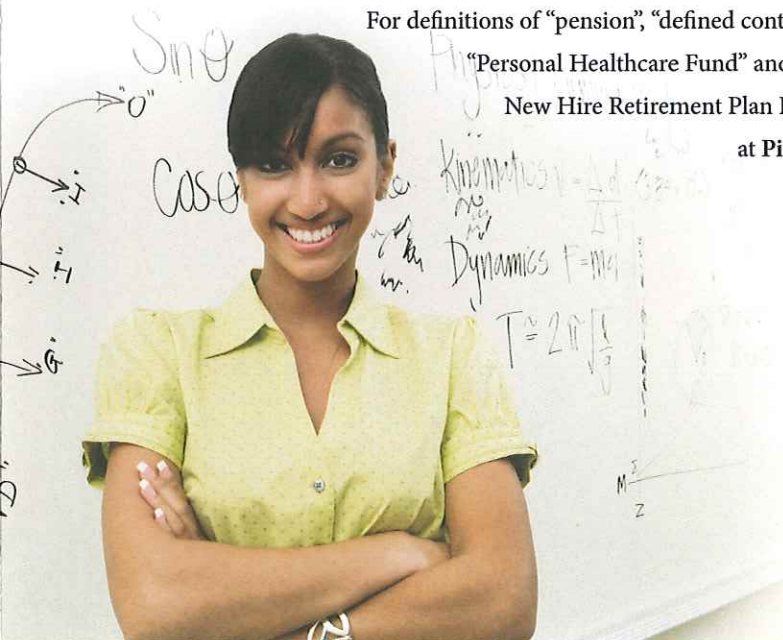
- access to the New Hire Retirement Plan Election Guide
- an overview of your plan options
- the New Hire Retirement Plan Election form

**Review the online guide carefully.** Talk about your plan options with the people in your life who would be affected by your decision. You may want to consult with a tax or financial advisor.

**Don't miss the deadline.** Return your completed election form to your payroll officer no later than 75 days from your first payroll end date. If you do not meet the deadline, you will remain enrolled in the Pension Plus plan. Once you submit your election form or the deadline passes, you cannot change your retirement plan.

### Are you unsure about what a "pension" is?

For definitions of "pension", "defined contribution plan," "Personal Healthcare Fund" and more, see the New Hire Retirement Plan Election Guide at [PickMiPlan.org](http://PickMiPlan.org).



### Two retirement plans: the choice is yours

The two plans have some features in common including the Personal Healthcare Fund and the opportunity to invest in the State of Michigan 401(k) and 457 Plans. But there are distinct differences, too. Get to know each plan and pick the one that best fits your future retirement needs.

#### Pension Plus plan

This plan offers two types of retirement plans in one: it pairs a **Pension Component** with a **Savings Component**.

The **Pension Component** guarantees you regular payments over your lifetime once you meet age and service requirements.

Retirement income from the **Savings Component** will depend on contributions to your tax-deferred retirement investment account and investment performance. You choose how to invest the money in the account.

On the day you begin public school employment, you are automatically enrolled in the Pension Plus plan to get you started saving for your retirement right away. It's up to you whether to stay in this plan or switch to the Defined Contribution plan.

#### Defined Contribution plan

The Defined Contribution plan enrolls you in a tax-deferred retirement investment account. Retirement income will depend on contributions to the plan and investment performance. You choose how to invest the money in the account.

# Which plan features matter most to you?

## You must act soon!

Tear out, complete and return the election form to your payroll officer. Your decision is due no later than 75 days from your first payroll end date. Once you submit your election, your retirement plan election cannot be changed.

Here are six features to help you think about what you want from your retirement plan. Learn about all plan features in the New Hire Retirement Plan Election Guide at [PickMiPlan.org](http://PickMiPlan.org) before making your decision.

	Pension Plus plan	Defined Contribution plan
Income when you retire	After reaching age and service requirements, you would receive a guaranteed monthly benefit for life plus the additional retirement income you accumulate in your retirement investment account. You can decide how much and when to withdraw money from your retirement account, following IRS rules.	You would receive retirement income based on your contributions to the plan and investment earnings. There's no guaranteed benefit, and retirement income ends when the account is depleted. You can decide how much and when to withdraw the money from your retirement investment account, following IRS rules.
The people who depend on you	You would have the opportunity to provide a lifetime monthly benefit for an eligible survivor after your death. Beneficiaries would also receive your retirement investment account balance upon your death.	You would have the opportunity to name individuals as your beneficiaries to receive your retirement investment account balance upon your death.
If you become disabled	You would receive a pension benefit if you become totally and permanently disabled and unable to perform duties for which you are trained, educated or experienced. Your eligibility depends on if your disability was incurred while at work or outside of work.  You would also have access to your employee contributions and any related earnings in your retirement investment account and Personal Healthcare Fund, along with any vested employer contributions and related earnings.	You would have access to your employee contributions and any related earnings in your retirement investment account and Personal Healthcare Fund, along with any vested employer contributions and related earnings.
Investment return and risk	Your pension payments would not be affected by the market's ups and downs or the risk of low returns on investments. But you would have the opportunity to use investment strategies to potentially build additional retirement income using the money you and your employer contribute to your retirement investment account.	Your retirement investment account would be affected by market fluctuations. You would invest the money you and your employer contribute to potentially build the value of your retirement account balance.
The money you put in	You would contribute toward both your future pension and your retirement investment account. <b>Pension Component:</b> You would make a mandatory contribution (graded, up to 6.4% of your pay), to your pension account. These contributions can be returned to you if you leave public school employment. <b>Savings Component:</b> You're automatically enrolled at a 4 percent contribution rate to your retirement investment account which allows you to receive your employer's full matching contributions to your retirement plan and Personal Healthcare Fund. You can make changes to your retirement investment account contributions at any time.	You would automatically be enrolled at an 8 percent contribution rate to your retirement investment account which allows you to receive your employer's full matching contributions to your retirement plan and Personal Healthcare Fund. You can make changes to your retirement investment account contributions at any time.
The money your employer puts in	<b>Pension Component:</b> Your employer makes contributions to help fund member benefits. <b>Savings Component:</b> Starting your first day on the job, you automatically began contributing 4 percent of your paycheck to your retirement investment account, which is made up of your Personal Healthcare Fund and your retirement savings. This automatic enrollment earns you your full employer match.  For every dollar you contribute, up to 2 percent of your wages, you will receive an equal matching contribution to your account from your employer. This is directed to your Personal Healthcare Fund. For the next 2 percent of your wages that you contribute, your employer's matching contribution will be half of what you contributed, up to 1 percent of your wages. This, plus any additional contributions you make, is directed to your retirement savings.	Starting your first day on the job, you automatically began contributing 8 percent of your paycheck to your retirement investment account, which is made up of your Personal Healthcare Fund and your retirement savings. This automatic enrollment earns you your full employer match.  For every dollar you contribute, up to 2 percent of your wages, you will receive an equal matching contribution to your account from your employer. This is directed to your Personal Healthcare Fund. For the next 6 percent of your wages that you contribute, your employer's matching contribution will be half of what you contributed, up to 3 percent of your wages. This, plus any additional contributions you make, is directed to your retirement savings.



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## New Hire Retirement Plan Election

### Michigan Public School Employees' Retirement System

If you first worked for a Michigan public school on or after September 4, 2012, you have 75 calendar days from your first payroll date (the last day of the first payroll period reported to ORS) to make your retirement plan election. If you do not make an election, you will remain a member of the Pension Plus plan.

#### Section I: Personal Information (Please print.)

MEMBER NAME (LAST, FIRST, M.I.)		LAST FOUR OF SSN XXX-XX-
MAILING ADDRESS		EMPLOYER (REPORTING UNIT NAME)
CITY, STATE, ZIP	PHONE: HOME OR CELL ( )	REPORTING UNIT NUMBER
EMAIL ADDRESS	WORK PHONE ( )	FIRST PAYROLL DATE

#### Section II: Retirement Plan Selection

Please read the information included with this form and the New Hire Retirement Plan Election Guide at PickMiPlan.org carefully before choosing your retirement plan. Your retirement plan election is irrevocable. Regardless of your retirement plan election, you are also enrolled in the Personal Healthcare Fund retiree healthcare benefit.

- Option 1: Defined Contribution plan.** I voluntarily choose to not become a member in the Pension Plus plan and to become a participant in the Defined Contribution plan, which provides a 50 percent employer match (not to exceed 3 percent of salary) on voluntary employee contributions of up to 6 percent of salary to a retirement investment account. I understand that retroactive to my first day worked, I will be automatically enrolled for a 6 percent employee contribution to my account in the State of Michigan 457 plan, which qualifies me for a 3 percent employer match paid into my account in the State of Michigan 401(k) plan. I understand that previous employer and employee contributions will be reconciled and deposited to the Defined Contribution plan.
- Option 2: Pension Plus plan.** I voluntarily choose to become a member of the Pension Plus plan. I understand that the Pension Plus plan is a hybrid plan that contains a Pension Component with a mandatory employee contribution (graded, up to 6.4 percent of salary) and a Savings Component that provides an employer match of 50 percent (not to exceed 1 percent of salary) on voluntary employee contributions of up to 2 percent of salary to a retirement investment account. I understand that starting my first day worked, I will be automatically enrolled for a 2 percent employee contribution to my account in the State of Michigan 457 plan, which qualifies me for a 1 percent employer match paid into my account in the State of Michigan 401(k) plan.

#### Section III: Plan Selection Approval (Signature required.)

I acknowledge that my election is based on my individual circumstances. I understand that this election is based on current federal and state law, which takes precedence over any contrary information contained in this election form, and that those federal and state laws may change in the future and have an impact on the election I have made. I understand that each option has pluses and minuses for my situation. I further understand that I may change the automatic enrollment for either retirement investment account and elect a different contribution percentage, on a prospective basis only. With these understandings, I voluntarily agree to this election.

MEMBER'S SIGNATURE	DATE
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**New Employee:** Return this completed and signed form to your payroll officer as soon as possible but no later than 75 calendar days from your first payroll date (the last day of the first payroll period reported to ORS).

**Employer:** Report the new employee's retirement plan election to ORS as instructed in the Reporting Instruction Manual, chapter 7.11.00.01 - Reporting Employees New to the MPERS System. Keep a copy of the completed election form for your records. Please do not send a copy to ORS.

Tear or cut out this form along the dotted line.

# Frequently Asked Questions

## What are the steps I need to take?

1. Review all information carefully, including in the New Hire Retirement Plan Election Guide at [PickMiPlan.org](http://PickMiPlan.org).
2. Complete and return the form to your payroll officer before the deadline. Make a copy for yourself.

## Who can I talk to about my choices?

If you have questions after reviewing the New Hire Retirement Plan Election Guide, you can call us toll free. However, we cannot advise you on which retirement plan is right for you. Consider consulting a tax or financial advisor about your personal situation.

Call 1-800-381-5111 or log into miAccount at [www.michigan.gov/orsmiacount](http://www.michigan.gov/orsmiacount) and use the secure Message Board for information about the Pension Plus pension account.

Call 1-800-748-6128 for information about the Pension Plus retirement investment account, the Defined Contribution plan and the Personal Healthcare Fund.

## Does my choice of a retirement plan affect my retiree healthcare benefit?

No. You will remain enrolled in the Personal Healthcare Fund whether you choose Pension Plus or the Defined Contribution Plan. The Personal Healthcare Fund is a portable, tax-deferred investment account that can be used to pay for healthcare expenses in retirement.

## Does my employer match my contributions to either plan?

Yes, your employer will match a portion of your contributions to either plan's retirement investment account. Your employer will match, dollar for dollar, your first 2 percent contribution to the Personal Healthcare Fund.

## Are the investment options the same for the Pension Plus retirement investment account and the Defined Contribution plan?

Yes.

## What type of account is the retirement investment account?

Your contributions to the retirement investment account in both the Pension Plus plan and the Defined Contribution plan, including the Personal Healthcare Fund, are invested in a 457 plan. Your employer's matching contributions are invested in a 401(k) plan.

## What is the deadline for returning the form?

75 days from your first payroll end date.

## Who can tell me what my first payroll end date was?

Ask your employer to confirm the date.

## What happens if I don't do anything by the deadline?

You will remain a member of the Pension Plus plan.

## What happens if I change my mind?

You cannot change retirement plans once you submit your election form or the deadline passes.

## Questions?

Get the answers in the New Hire Retirement Plan Election Guide at [PickMiPlan.org](http://PickMiPlan.org).

