Ready to Retire

Presented by

Dave Bernier,
Benefit Education Specialist

Deb Peake,
Chief Employee and Retiree Services Officer

Meet Today's Experts

- Deb Peake, Chief Employee and Retiree Services Officer
- Daniel Crosby, Behavioral Finance Expert
- Dave Bernier, Benefit Education Specialist

Defined Benefit Formula

Final Average Compensation	Service Credit	X	Benefit Multiplier	=	$ Annual Benefit

Final Average Compensation (FAC)

- Average of the highest consecutive wages earned over a period determined by employer
- Compensation is defined by your employer

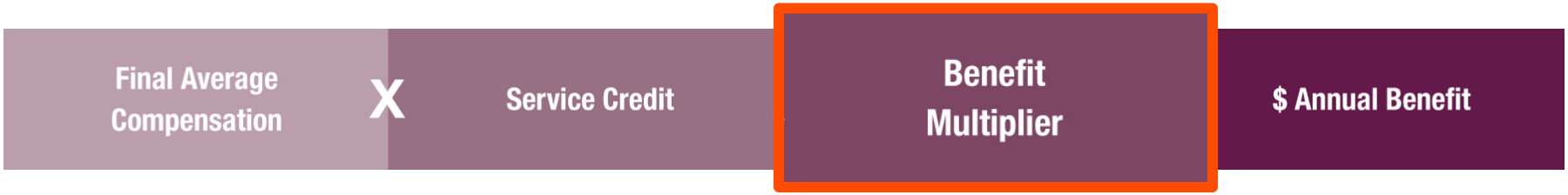
Defined Benefit Formula

Final Average Compensation	Service Credit	Benefit Multiplier	=	$ Annual Benefit

Service Credit

- Earned each month of work that meets employer's requirements
- Service credit reported to MERS by your employer
- You can view service credit history through myMERS
- Includes any purchases of service credit

Defined Benefit Formula



Benefit Multiplier

- Specific percentage adopted by employer for each division
- Multipliers range from 1.0% to 2.50%
- Benefit maximum of 80% of Final Average Compensation for multipliers at 2.25% or more

Working Through an Example

Meet Jane

Final Average Compensation $45,000

+

Service Credit of 25 years

+

2.0% Benefit Multiplier

Annual Straight Life benefit* $22,500

Monthly Straight Life benefit* $1,875

*Maximum benefit at retirement with no benefit to beneficiary

Applying for Retirement

1 Submit MERS *Application for Service Retirement*

Complete the application 45 – 90 days before desired retirement date

Applying for Retirement

2 We begin processing your application

It can take up to six weeks to review your file and begin processing your information

Applying for Retirement

3 Your preliminary benefit estimate and forms are sent

We'll send a personalized benefit calculation and you'll also receive the necessary forms to complete and submit back to MERS

Applying for Retirement

4 Return required forms to us

If applicable to your situation, you may also be asked to provide:

- Marriage license
- Birth certificate, yours and beneficiary(s)
- Proof of name change for you and/or your beneficiary, if applicable
- Entire copy of your Judgment of Divorce
- Affidavit of Insurable Interest
- Death Certificate, if claiming benefits as a beneficiary

Applying for Retirement

5

Enjoy your retirement!

Your retirement date will be the first day of the month following your termination date, or the first day of the month following MERS receipt of your completed retirement forms and information, whichever is later

Receiving Your Benefit

Straight Life Option

- Highest benefit at retirement
- Benefit applies only to retiree (no beneficiaries)

Life with 100%, 75% or 50% to Survivor

- A benefit for two lives, retiree and survivor
- Reduction for retiree based on life expectancy of both lives
- If survivor beneficiary predeceases retiree, retiree receives Straight Life benefit

Life with 20, 15, 10, 5 years certain

- Retiree receives benefit for life
- If retiree dies before the period certain ends, the beneficiary(s) will equally share in the benefit until the period certain ends
- Multiple beneficiaries allowed

Receiving Your Benefit

- Payment will be based on your preliminary calculation that was sent to you with your selected payment option
- Funds will be direct-deposited to your bank account on the 18th of each month
  - If the 18th falls on a weekend or holiday, funds will be deposited on the business day prior
- Once your employer has reported your final wage and service information, we will review and recalculate your information
  - Your pension may increase with a one-time retroactive adjustment, based on your final calculation

Pension and Taxes

- Pension subject to applicable federal and state taxes
- You choose how you want taxes to be withheld
- Each January, MERS will mail you a 1099-R form, which is necessary to file your income tax

Enjoy Your Retirement

Questions for the Experts

Please take time to fill in your survey

There are session surveys in the back of your book. Please take the time to fill in the survey to assist us in planning future events!

This presentation contains a summary description of MERS benefits, policies or procedures. MERS has made every effort to ensure that the information provided is accurate and up to date. Where the publication conflicts with the relevant Plan Document, the Plan Document controls.