



2018

RETIREMENT CONFERENCE

DB Overview & Retirement Process

Presented by:

Tammy Marier

Agenda

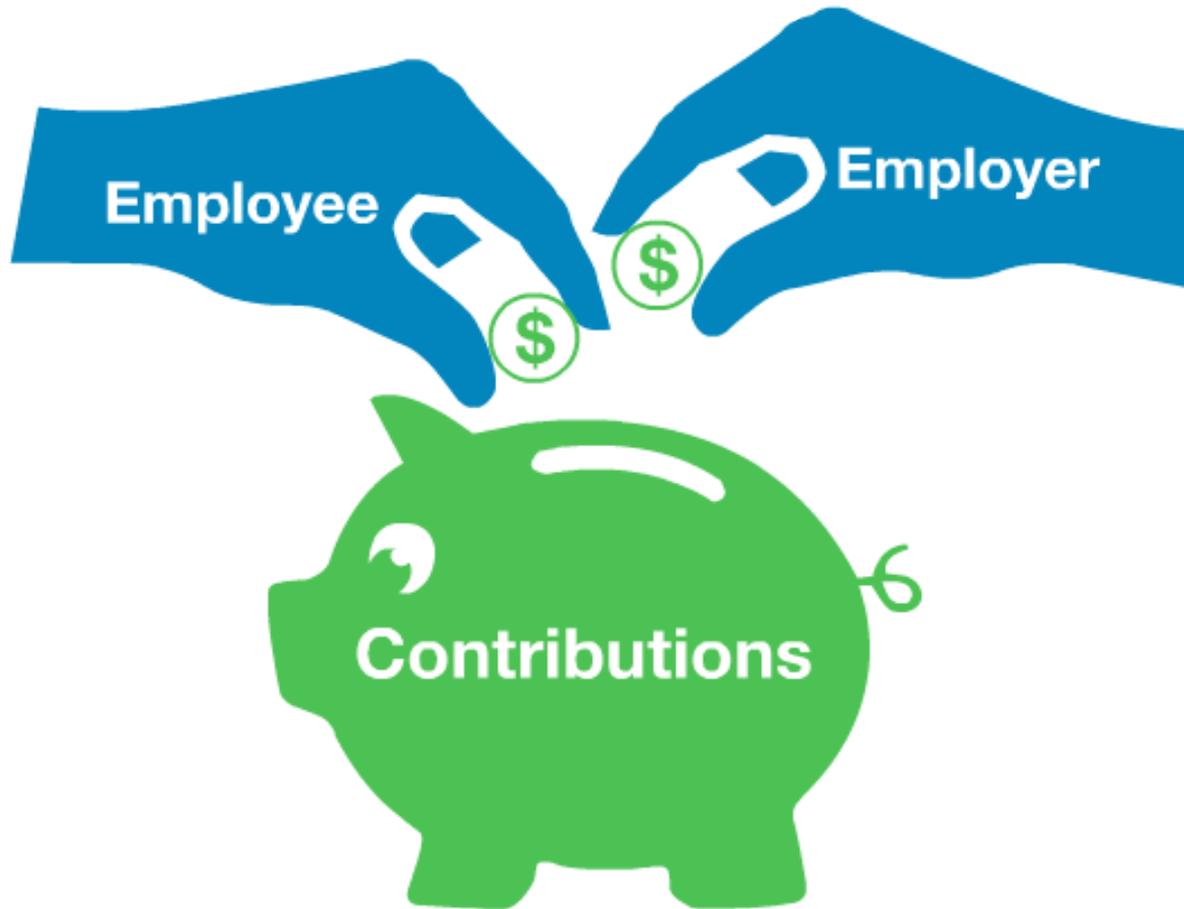
- Understanding the Defined Benefit Plan
- Beneficiary Information
- Applying for Retirement
- Tools for Retirement Planning Success



Understanding Your Defined Benefit Plan

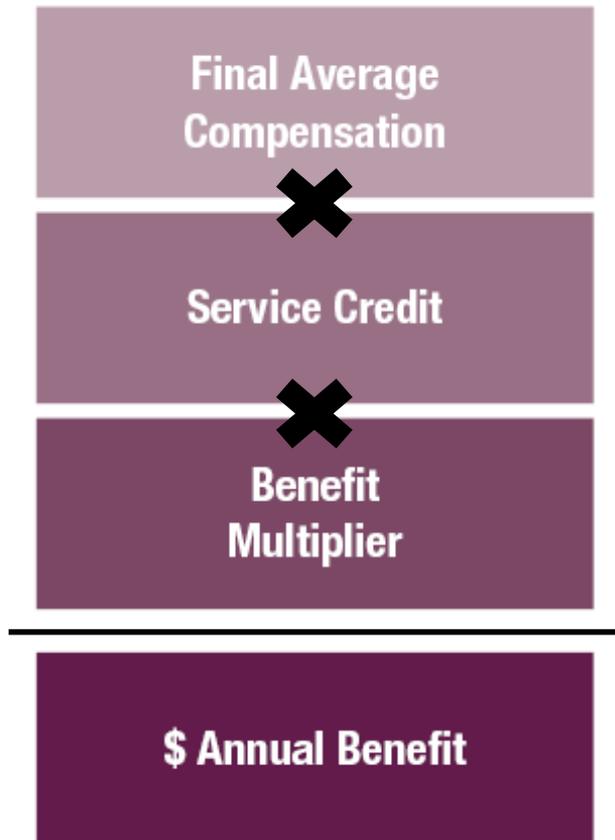


How are Defined Benefit Plans Funded?



MERS Defined Benefit Plan

Your defined benefit plan is made up of three components:



(If choosing retiree only benefit option)



Accessing Your Benefit Information

The screenshot displays the myMERS Participant Portal interface. At the top left is the myMERS logo, and to its right is the text "Participant Portal". Below this is a navigation menu with options: "Defined Benefit Home", "Inbox", "Records", "My Statements", "DB Calculator", "Resource Library", "Glossary", and "Contact Us". The main content area has tabs for "Summary", "Beneficiary", "Employment", "Payment", and "Calculation", with "Summary" selected. A "Need Help?" button is in the top right. A blue information box contains the text: "Your actual retirement eligibility date may be different based on changes in benefits or service credit. The date shown assumes future uninterrupted service credit will be earned until retirement." Below this are two columns of data:

— Summary —		— myBenefit Provisions In Effect as of 8/29/2018 —	
Employer:	Sample City	Benefit Program:	Benefit B-3 (80% max)
Projected Service:	16 years, 4 months	Final Average Compensation:	Benefit FAC-3 (3 Year Final Average Compensation)
Current FAC:	\$52,714	Normal Retirement Age:	Defined Benefit Normal Retirement Age - 60
myEstimated Retirement Date:	4/1/2028	Vesting:	10 Year Vesting
myCurrent Service:	6 years, 3 months	EE Rate:	Participant Contribution Rate 7%
		Other Provisions:	Benefit F55 (With 30 Years of Service) Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years



Accessing Your Benefit Statement

myMERS Participant Portal

Defined Benefit Home
Inbox
Records
My Statements
DB Calculator
Resource Library
Glossary
Contact Us

Summary Beneficiary Employment

Your actual retirement eligibility date may be earned until retirement.

Participant Portal

— My Statements —

	Year	Statement	Employer Name	Link
	2015	Defined Benefit Statement	MERS	View File

Annual Statement – Defined Benefit Plan – Municipal Employees' Retirement System

Employer: Sample City (0000)
Division: Sample Division (01)

January 1, 2017 - December 31, 2017

PARTICIPANT INFORMATION

Debbie Smith
123 Main Street
Sample City, MI 12345

SERVICE CREDIT		
Service Credit Earned and/or Purchased During Year.....	1 year 0 months	
Accumulated Service Credit.....	6 years 3 months	
Wages Reported to MERS.....	\$53,000.00	

EMPLOYEE CONTRIBUTIONS	Current Year	Total
Post-Tax Employee Contributions.....	\$0.00	\$0.00
Pre-Tax Employee Contributions.....	\$2,297.21	\$8,677.38
Interest Earned.....	\$202.79	\$322.62
Employee Account Balance.....	\$2,500.00	\$9,000.00

BENEFICIARY INFORMATION		
Beneficiary's Name.....	Bob Smith	
Beneficiary's Date of Birth.....	February 18, 1970	
Beneficiary's Relationship to Member.....	Spouse	
Multiple Beneficiaries on file.		

EARNED RETIREMENT BENEFIT		
YOUR EARNED MONTHLY STRAIGHT LIFE BENEFIT IS ESTIMATED TO BE:		
Current Monthly Benefit.....	\$484.30	
$\\$52,714.00 \times 6.3 \times 1.75\% = \\$5,811.71 \div 12 = \\$484.30$		
(FAC) x (Years Of Service) x (Benefit Multiplier)		
<i>Note: You must meet the vesting requirements to be eligible to receive this benefit if you terminate your employment.</i>		



Calculating Your Personal Benefit

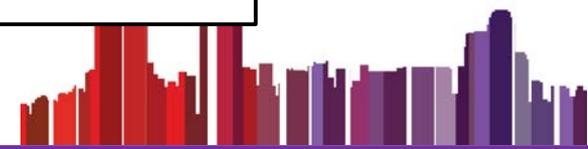
The screenshot shows the myMERS Participant Portal interface. On the left is a navigation menu with the following items: Defined Benefit Home, Inbox, Records, My Statements, **DB Calculator** (highlighted in yellow with a red circle containing the number 1 and a mouse cursor), Glossary, and Contact Us. The main content area has three tabs: Calculator, Results, and History. The Calculator tab is active and displays the following fields:

- Retirement Date: * The retirement date
- Beneficiary:
- FAC: * Your final average compensation
- Current Membership Service: Years Months
- Benefit Multiplier: 2.25% (80% of FAC Maximum Benefit Applies)

A red circle containing the number 2 is positioned over the **Calculate** button. Below the form, a note states: "*Information entered by user and shown for illustration purposes only." At the bottom, a calculation diagram is shown:

Final Average Compensation	X	Service Credit	X	Benefit Multiplier	=	Defined Benefit
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Please note the benefit may be subject to a maximum percent of the FAC.

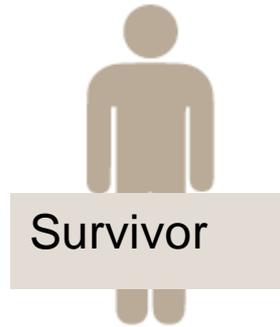


Beneficiaries



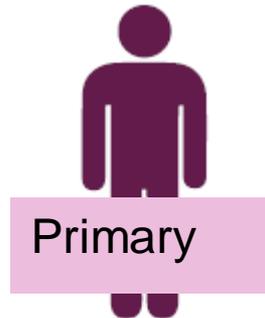
Naming Your Beneficiary

VESTED:
Lifetime benefit

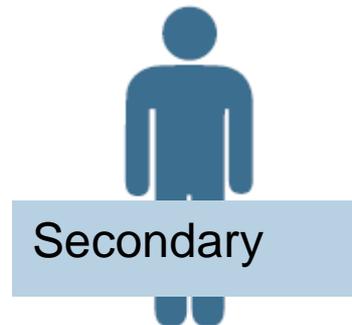


Any one individual, automatically the spouse

NON-VESTED:
Refund of member contributions plus interest



Can name one or more (equally share a lump sum) & can be a trust, estate, charity



Changing Your Beneficiary

myMERS Participant Portal

Logout

Defined Benefit Home

Inbox

Records

My Statements

DB Calculator

Resource Library

Glossary

Contact Us

Summary Beneficiary Employment Payment Calculation

Need

Forms

- Beneficiary Change Request
- Certification of Qualified Fund Rollover

Beneficiaries (3)

	Effective Date	Name	National ID	Birth Date	Gender	Beneficiary Type
	6/11/2012	John Doe	XXX-XX-XXXX	7/16/1954	Male	DB Primary
	6/11/2012	John Doe	XXX-XX-XXXX	7/16/1954	Male	DB Survivor
	6/11/2012	Sally Doe	XXX-XX-XXXX	2/13/1990	Female	DB Contingent

Beneficiary Address

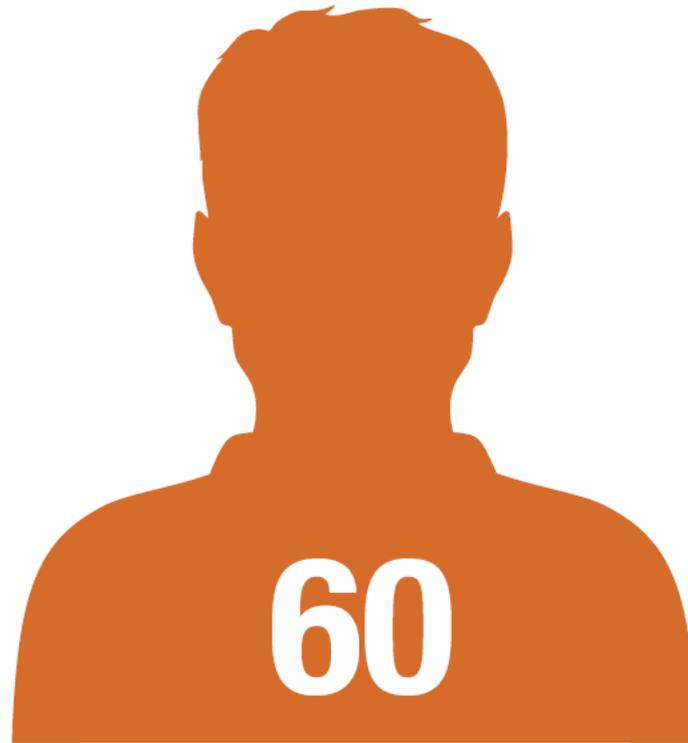
John Doe
123 Main Street
Sample City, ST 12345



Retirement Information



Retirement Eligibility



Pension Payment Options

Straight Life

**Life with 100%, 75% or 50%
to survivor**

**Life with 5, 10, 15 or 20
years certain**



Payment Option Example: Meet Jane

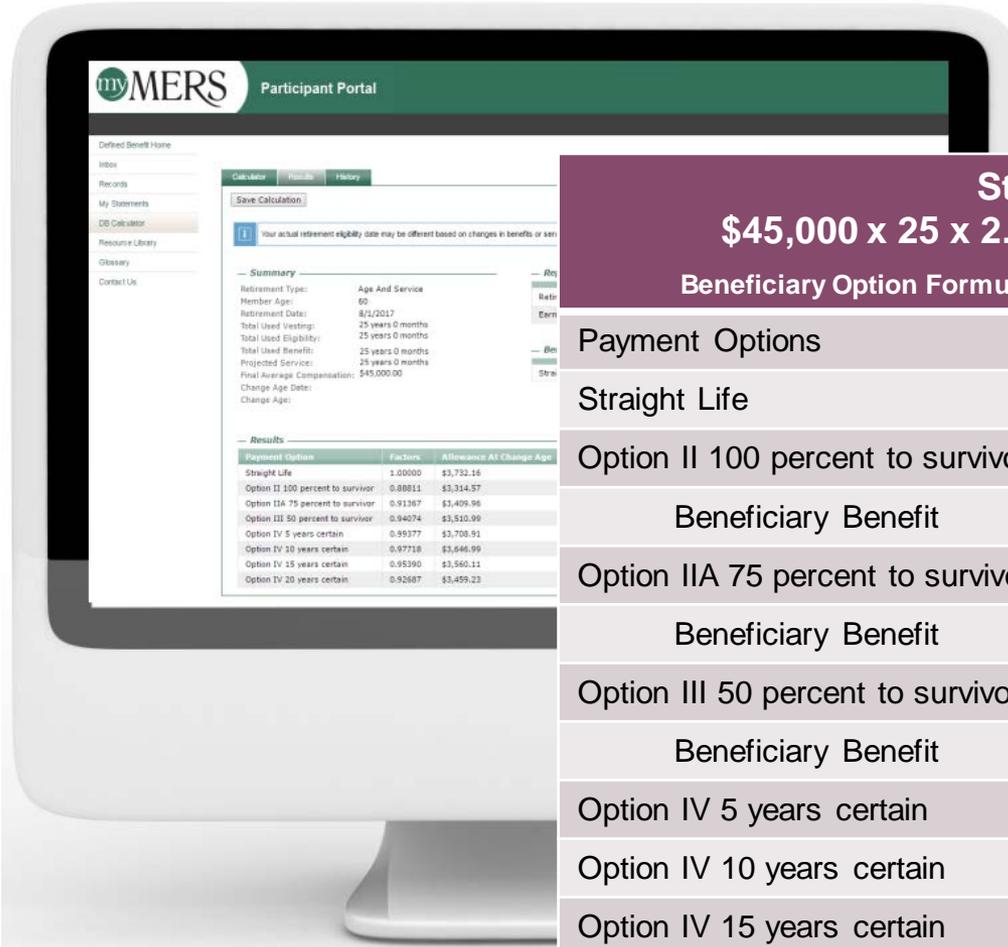


Jane is married and has one child

- FAC- \$45,000
- Years of service – 25
- Benefit multiplier 2.25%



Jane's Payment Options



Straight Life Formula
 $\$45,000 \times 25 \times 2.25\% = \$25,312.50 \div 12 = \$2,109.38$
Beneficiary Option Formula: Straight Life Monthly Benefit x Factor = Benefit

Payment Options	Factors	At 8/1/2017 (60 years, 0 months)
Straight Life	1.00000	\$2,109.38
Option II 100 percent to survivor	0.88811	\$1,873.36
Beneficiary Benefit		\$1,873.36
Option IIA 75 percent to survivor	0.91367	\$1,927.28
Beneficiary Benefit		\$1,445.46
Option III 50 percent to survivor	0.94074	\$1,984.38
Beneficiary Benefit		\$992.19
Option IV 5 years certain	0.99377	\$2,096.24
Option IV 10 years certain	0.97718	\$2,061.24
Option IV 15 years certain	0.95390	\$2,012.14
Option IV 20 years certain	0.92687	\$1,955.12



Steps to Apply for Retirement

1

Submit Application for Defined Benefit Retirement

2

MERS Processes Your Application

3

Receive Preliminary Benefit Calculation Estimate



Termination Date and Retirement Date

November

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5

Example:

If your last day of work is **November 6...**

Your retirement date will be **December 1** and you will receive your first benefit payment on **December 18**

December

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		



Living in Retirement

- Quarterly Statements
- Income Tax Forms (1099-R)

John Doe
1234 Sample Blvd
Sampleville, MI 48888

MERS
Municipal Employees' Retirement System

VOID CORRECTED

OMB No. 1545-0119
2018
Form 1099-R

Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

Copy 1 For State, City, or Local Tax Department

QUARTERLY FUND	
	Paym
	1/2018
Monthly Allowance:	1,145.69
Taxable Amount	229.14
Federal Income Tax	0.00
MI State Income Tax	0.00
Net Regular Amount	916.55

Persons with hearing impairments who have use a TDD should contact the Michigan Real one week in advance and ask them to conta shown below. Persons with disabilities need should request assistance by contacting:

MERS Service Center.....

*Amounts shown always represent the total Any checks mailed to you are included in t

Office of Customer Service|

1 Gross distribution \$

2a Taxable amount \$

2b Taxable amount not determined

3 Capital gain (included in box 2a) \$

4 Federal income tax withheld \$

5 Employee contributions (Designated Roth contributions or insurance premiums) \$

6 Net unrealized appreciation in employer's securities \$

7 Distribution code(s) \$

8 Other \$

9 Total employee contributions \$

10 Amount allocable to RIR within 5 years \$

11 1st year of delay Roth contrib.

12 State tax withheld \$

13 State Payer's state no. \$

14 State distribution \$

15 Local tax withheld \$

16 Name of locality \$

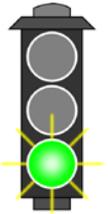
17 Local distribution \$

Form 1099-R

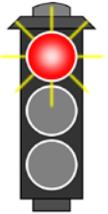
www.irs.gov/form1099-r

Department of the Treasury - Internal Revenue Service

Working In Retirement



Any other employer: No restrictions or impact to your MERS benefit



MERS employer you're retiring from: There are restrictions you must be aware of to rehire at this employer



Tools for Retirement Planning Success



Snapshot Reports



Get the Full Picture

myMERS

Contact Us Logout

myMERS: Home

Resources

- Edit Profile
- CentsAbility Blog

Select Plan

Please select a Plan

Alerts

You have no outstanding alerts.

Retirement Readiness

As a participant enrolled in a MERS retirement plan, you have access to free tools and resources to assist you in your retirement readiness planning.

GET THE FULL PICTURE

Events

Whether you're close to retirement, looking for ways to save money for retirement, or trying to understand your retirement plan better, we have the events to suit your needs.

Pizza & Planning
Events for participants
[>> Click Here](#)

Quick Bites
Webinars for participants
[>> Click Here](#)



Key Action Items

- If you haven't already done so, create and log in to your myMERS account
- Complete your Full Picture Report (available in your myMERS account) and review it often to make sure you are on target to reach your retirement goals
- Designate your beneficiaries, or update them if needed
- Take advantage of additional savings opportunities such as a 457 program or IRA
- Visit mersofmich.com for additional retirement tools and resources



MERS of Michigan



MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

1134 Municipal Way
Lansing, MI 48917

800.767.MERS (6377)

www.mersofmich.com

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.

