



ORS Look Out

Year 2000



462 Days

September 25, 1998

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ORS uses new satellite technology

On Thursday, September 10, six members of ORS's staff reached out to school administrators and other reporting unit personnel via innovative technology – a satellite broadcast – to provide training on the public school's Tax-Deferred Payments Program implementation.

Reporting units across the state were instructed in advance how to tune into the broadcast, which consisted of a 35 minute PowerPoint presentation on TDP. Wayne RESA (Regional

Educational Service Agency) hosted the broadcast and provided technical assistance to prepare for the session and follow-up services. Regional Educational Media Centers (REMC) sites and others opened their doors to their school personnel and neighboring schools.

Viewers learned about what steps they needed to complete to participate in the Tax-Deferred Payments Program, along with

detailed information about the tasks required to offer this program to employees and properly report their deductions.

Following the formal presentation, viewers were able to fax, e-mail or phone in their questions, which staff responded to on the air for almost an hour.

At the end of the broadcast, viewers were provided an e-mail address and a chat site address which they could use for any

See *TDP Satellite Training* on Page 3

Did you know? . . . Returning to work might affect a retiree's pension

Many retirees may decide months or years after retiring to return to work, for many different reasons. Some miss the social interaction with co-workers and being on a regular schedule. Others encounter unplanned expenses or find their retirement income doesn't stretch quite as far as they projected.

Whatever the reason, if a retiree decides to go back to work, even part-time, he or she should know there may be limits on how much can be earned without affecting pension benefits. Some limits are set by the statutes of the retiree's retirement system;

other earnings limitations are set by Social Security. *The following information does not apply to disability retirees.*

When would a retiree be subject to earnings limits?

All pension recipients face Social Security limitations to their earnings until they turn 70. The Federal Social Security Act determines the yearly maximum earnings permitted, and adjusts them yearly. For calendar year 1998, the maximum earnings are: (1) under age 65 – \$9,120; (2) age 65 - 69 – \$14,500; (3) age 70 and over – no limit. If a retiree might exceed these limits, he or she should contact the local Social

Security office to determine what effect additional earnings might have on his or her Social Security payments.

Other limits to earnings are determined by the retiree's retirement system. **Generally if retirees return to work with employers affiliated with their retirement system, they may lose part or all of their monthly pension payment if they earn more than the retirement system allows.**

However, if they for an organization which is not a contributor to their retirement system, their only earnings limitations are those imposed

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Outreach Offices gear up for 1998-99 schedule

The Customer Outreach staff are ready to kick off a follow-up to last year's successful ORS' Customer Outreach Program. Following last year's format, staff will be visiting 45 locations across the state to host Pre-Retirement Information Meetings (PRIMs) and individual counseling sessions for those nearing retirement.

Ken Wright, Program Coordinator, explains some of the improvements in this year's efforts. "We found several areas last year with high demand for counseling sessions and we tried to work in as many extra appointments as we could. Normally we include a half day and another full day for counseling sessions in addition to our PRIM meeting. This year we've adjusted our schedule in these high demand areas to offer an extra day to meet the high demand for individual counseling appointments."

"Our goal for these Pre-Retirement Information Meetings remains the same as last year – to provide

Thought for the Day

"I can give you a six-word formula for success:
"Think things through – then follow through."

Edward Rickenbacker

members the opportunity to attend a PRIM and/or an individual counseling session within 50 miles of their home, and have this available a minimum of twice a year," Ken continues.

In addition to the PRIMs, Administrative Seminars have also been scheduled again this year for school

system administrators across the state. The purpose of these meetings is to help new and continuing administrative staff better understand the requirements for pension eligibility and the retirement process so they can help their employees prepare for retirement. In addition, school personnel are updated on a variety of topics, such as current Retirement Board and legislative activity; the forms they need to complete as their part of pension processing for pending retirees; and the wage and service reporting requirements for their employees, a new feature added this year.

Staff and customers who have access to the Internet can get detailed information through the school employees home page about when and where these PRIMs will be held. Staff

without Internet access can use the computer in the Resource Library to view these same maps. Check out the instructions in the library for how to log on and view this information.

The Upper Peninsula sites for

Administrative Seminars still need to be scheduled. Plans are to take advantage



of video-conferencing to conduct these sessions. Because of the UP's sparse population, school districts there have been using video-conferencing for some time to interact with other districts. As a result, there is quite an extensive video-conferencing network in place which ORS hopes to tap into for these and similar types of training sessions.



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TDP Satellite Training

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additional questions which might come up. Participants were also asked to complete a survey to evaluate the training program and their comfort level using this new technology.

Over 150 surveys were returned. Ninety-eight percent of the respondents either agreed or strongly agreed the broadcast was informative and addressed their questions. Ninety-nine percent of the respondents either agreed or strongly agreed they were comfortable with the

satellite technology, and would attend other seminars using similar technology.

TDP Update: As of late September, 425 of the 750 governing boards have adopted and submitted the TDP resolution and supporting Board minutes to participate in the TDP program, which is the first step in the process.

Reporting units must submit two test diskettes in the proper file format before they can begin withholding and submitting payments through TDP. So far we have approved 46 test Agreement/

Payment Authorization Diskettes and 37 Payment Diskettes.

From the employee side, ORS has received more than 5,000 requests for billing statements since July 1, 1998. The employees must have a current billing statement to sign up to purchase service credit through this payroll deduction program.

ORS staff are working extra hard to provide timely responses to the employees and employers. Due to this additional diligence, the TDP program is progressing very well.

Earnings Limits

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by Social Security, which might reduce any Social Security payment they are receiving.

For example, if a **State retiree or State Police retiree** returns to work under his or her retirement system, the *entire pension* is suspended for the month wages are earned, no matter how much is earned. But if he or she works for another employer, their State or State Police pension wouldn't be reduced.

Public school retirees who work for a Michigan public school affiliated with the system can earn up to the maximum allowed under Social Security **OR** an amount equal to 1/3 of their final average compensation (FAC), *whichever is greater*. Each year after retiring, the retiree's FAC is increased by 5%

(compounded). A \$27,000 FAC would allow earnings of \$9,000 in the first year of retirement, \$9,450 in the second year of retirement, and \$9,923 in the third year, etc. During the first calendar year of retirement, allowable earnings are prorated, so for someone retiring as of July 1, 1998 who wants to return to work in August or September, if their FAC was \$27,000, their first year earnings limitation would be \$4,500 rather than \$9,000.

For public school retirees who exceed their earnings limits, for each \$1.00 earned over the maximum, the pension is reduced by the same amount.

Judges who, after retirement,

are elected or appointed by the Governor to a judgeship or as a State official, will have their retirement pension suspended during the time they serve.

When should a retiree be concerned about earning additional income? Unless the retiree exceeds the earnings limits indicated above for their retirement system, there is no reason to worry about adjustments to their pension. Only a small percentage of retirees exceed the limits set by their retirement system, and they

are notified on an annual basis when this occurs.

However, knowing what retirees' earnings limits are helps them avoid unforeseen adjustments.





Sue DeBor, seated, receives a cybertour of the computer in the Resource Library from Lisa Schmidt during the grand opening on September 14th.

Resource Library Grand Opening!

Monday, September 14, was the Grand Opening of the ORS Resource Library. Lisa Schmidt, Library coordinator says, "We had about 100 people and everyone seemed impressed with the set-up and computer access. It went well. I think the staff will be using it quite often."

If you missed it, the Library is located between pillars D2 and D3 in 3A. It's set up alphabetically and contains, among other things, organization newsletters, staff training and development information and the health and fitness library, plus a computer, a copier and a work area.

ORS Calendar for October and beyond

- EFT notices mailed to PSERS, SERS & SPRS retirees
- COLA Distributed for all systems
- Insurance rate changes for SERS & SPRS
- Survey retirees
- New State Fiscal Year begins October 1
- State Employees Board meets October 1
- State Police Board meets October 15
- Public School Employees Board meets October 16
- Pension Paydate October 23
- ORS Casual Day October 30
- ORS Holiday Party at Tony M's..... December 11

Comings and goings in ORS



Michael Gearhart

Michael Gearhart recently joined the Report Processing Unit to help with data entry on beneficiary nomination forms and address changes.

Courtney Frost left the Report Processing Unit recently to take a State job in Kalamazoo. Michael Gearhart is her replacement.

Congratulations **Lisa Reed!** Lisa has been appointed as acting supervisor over the Transaction Unit to allow Dick Pennington to pursue some special project assignments.

Get serious about this Scramble!

If you've seen *City of Angels* or watch *Touched by an Angel*, then you should be an expert on the subject and will be able to figure out what the scramble says. The plain English version will be posted next week on both first and third floors. Here it is:

snagel anc lyf
 escabue hety keat
 vesselmeth thillyg!

Remember, if you get stuck, it's okay (even encouraged) to collaborate with a co-worker, and then discuss how it might relate to your work.

