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### Calendar

#### December

EPC Brown Bag lunch	7
Public school board meeting	8
Winter basket and silent auction	8

## Reinventing Michigan/Team Culture cards

This week, you received a Reinventing Michigan/Team Culture card from the Governor's office, and you watched a video from DTMB Director John Nixon explaining the card and the ten-point plan and values that will help all state workers reinvent Michigan.



ORS Director **Phil Stoddard** said, "These values are broad and applicable. We can all relate to them and believe in them. I'm excited that the highest levels of state government are taking these values to heart and creating a sustainable culture of excellence from the top down."

At ORS, we live these values every day, with every phone call, application processed, and incentive or reform passed.

Each one of us can contribute to a spirit of relentless positive action as we reinvent Michigan.

Why this? Why now?

- This is something the governor campaigned on and has been committed to from day one. ORS also has been living them in initiatives like Power of Perspectives and our employee engagement survey.
- Even in a large organization like state government, it makes sense to have a consistent set of values that clarify message, delivery, and feedback. The values and the ten-point plan provide a clear direction of what needs to be done. With purpose and direction, we can achieve statewide goals.
- These values will actively guide our relationships and our decision making. The more we live them, the better the services for our customers will be.
- Having the values and plan written down on the card where we can reference it easily can really help us focus and make sure we're living them every day.

Can ORS really help Reinvent Michigan?

- YES! What we do has a powerful effect on Michigan.
- In 2008, our Defined Benefit retiree spending supported an estimated 41,293 jobs throughout Michigan's 83 counties.
- Each \$1 in state and local pensions paid to Michigan residents ultimately generates approximately \$1.58 in total output for the state.
- And, because pension income is unaffected by recessions, it forms a solid economic foundation for Michigan.

EMPAC holiday lunch	15
EPC Brown Bag lunch	21
Winter begins	22
Christmas holiday	23-26

Look at the values. Look at the ten-point plan. You'll find examples of ways you're already making progress.

Our journey is just beginning with these discussions. Stay tuned for more as we work together to reinvent Michigan.

### On the Horizon

- New Year's holiday  
- Dec. 30 - Jan. 2
- Martin Luther King Jr., Day  
- January 16
- State employees board meeting  
- January 19
- Public school board meeting  
- January 26

### Quick Links

- [ORS Member Website](#)
- [ORS Employer Website](#)

### Commonly Used Acronyms

AST	Application Support Team
BLA	Business Leadership Assembly (EPC, BPOs, and BPLs)
BPD	Benefit Plan Design
BPL	Business Process Leader
BPO	Business Process Owner
CE	Customer Education
CS	Customer Service
DB	Defined Benefit
DC	Defined Contribution
DTMB	Department of Technology, Management and Budget
EPC	Executive Process Council (Phil, Laurie H, Laurie M, and Anthony)
EPO	Executive Process Owner
ER	Employer Reporting

## Ruling doesn't change withholding plans

The Supreme Court announced their ruling on the constitutionality of the pension tax just before Thanksgiving. The law will pretty much stand as written, except for one point. The court ruled that making recipients ineligible for the subtraction based on household resources (\$75,000 for single filers and \$150,000 for joint filers) created an unconstitutional graduated income tax; the subtraction is now allowed for everyone regardless of household resources. Everything else in law will stand.

ORS will begin withholding state of Michigan income tax with the January 2012 pension payments exactly as described to our customers in the [October Connections newsletter](#). Pension recipients will receive an insert with their December EFT or Warrant statement detailing the changes and outlining how they can change their withholding in miAccount; they will also receive an insert in January reminding them of the change.

A What's New will be posted on each member website soon that provides details and FAQs about the pension tax. Stay tuned for more information.

## Power of Perspectives presented to governor's staff

The governor's office caught wind of the great work happening with Power of Perspectives at ORS and wanted to see it first-hand. So, last month, **Phil, Laurie H,** and **Anthony** presented an overview of ORS's Power of Perspectives training to Rich Baird, Transformation Manager for Governor Rick Snyder.



"Mr. Baird was extremely engaged, interested, and supportive of what we're doing with Power of Perspectives," said Laurie. "He understood that when it comes to building a culture of open-mindedness, respect, and diversity, ORS staff has been given the tools that should invite creativity and innovation. We should all be proud of this public recognition."

## Contribution and pension limits for 2012

The dollar amounts on some IRS limits related to pension plans and 401(k) and 457 accounts for 2012 have changed and take effect January 1, 2012. Here's the new information:

401(k) and 457 plan contribution limits.

- The employee contribution limits for the 401(k) and 457 plans for 2012 have increased from \$16,500 to \$17,000.
- The 2012 Catch-Up Contribution Limit (for those 50 years or older) will remain at \$5,500 for each 401(k) and 457, totaling \$22,000 for each plan.



FICA (employment) tax changes.

- The FICA tax rate is scheduled to go back to its normal rate of 7.65 percent, after a temporary reduction passed by Congress in 2011 expires. (Note: at publishing time, whether or not the reduction will expire is still being debated.) The amount

ORS	Office of Retirement Services
PRIM	Preretirement Information Meeting ( <i>public school employees</i> )
PRO	Preretirement Orientation ( <i>state employees</i> )
PS	Process Support
SME	Subject Matter Expert
UAT	User Acceptance Testing

## ORS Strategic Goals



- Innovate and Improve Customer Service
- Best In Class Business Practices
- Instill Confidence in Staff Through Quality Communication
- Engage Top Talent to Realize Potential
- Continuously Renewed Business-Driven Technology
- Build Business Capacity Through Education and Development
- Proactive Policy Development and Legislative Strategy

of wages that can be taxed for FICA has gone up to \$110,100.

### Defined Benefit compensation calculation limits.

- Section 401(a)(17) of the IRS code can affect final average compensation, and therefore the pension payments, of certain highly compensated individuals who were hired after October 1, 1996. The rule places a limit on the maximum compensation allowed for retirement benefit computations. The 2012 limit increases to \$250,000.

### Social Security Earnings limits.

- For social security recipients who are working and are under the full retirement age (FRA), \$1 in benefits is deducted for each \$2 earned above the annual limit. For 2012, the annual limit is \$14,610.
- The limit changes in the year FRA is reached; \$1 in benefits will be deducted for each \$3 earned above \$38,880, but only counting earnings before the month FRA is reached.
- Beginning with the month FRA is reached, there is no earnings limit.

Go to <http://www.ssa.gov/cola/> for more information on the earnings limits.

For more information on all of the IRS changes, visit the [IRS website](#).

## business briefs

### Public school members must apply online

Beginning with July 1, 2012, retirement effective dates, all public school members must apply for retirement in miAccount (except for the handful who have already applied). Public school employers were notified of this in the November 2011 issue of *Retirement Times*; to see the newsletter, go to [www.michigan.gov/psru](http://www.michigan.gov/psru) and click on the *Retirement Times* link. **Tim McCormick** is leading the project planning team which will prepare public school members and employers for the change.

### Revised disability brochure for state employees

*If You Become Disabled: Your Disability Protection* for state employees in the Defined Benefit plan was revised and is now on the website under [Forms and Publications](#). The definition of disability was updated and the language regarding the duty disability pension calculation was clarified. Please recycle any prior versions of the brochure you may have. Printed copies will be available soon.

### Prudential becomes state Long Term Care provider

Effective February 1, 2012, Prudential will be the state's Long Term Care insurance provider. Retirees will be getting letters from Employee Benefits Division, MetLife, and Prudential about the change and will have the option to switch plans or stay in their current MetLife plan. For details on the change, check the CS Home page.

### New Balanced Scorecard posted

Check out the new look of ORS's Balanced Scorecard. The October results are posted in [the KL](#). Also, stay tuned for updates on how and where we'll present each process's scorecard.

### Health Initiative Strategic Plan document available

[Last issue](#), we talked about the Health Initiative Strategic Plan, a process that BPD and the public school board use to ensure we provide a quality healthcare plan for public school retirees. BPD has recently created a one-page document describing more details of the plan and process since it began in the early 1990s. ORS shares





this with other retirement systems and organizations at conferences; [click here to read the document](#).

### Phone Resource Tool is retiring

PS, in collaboration with state of Michigan technology partners, is working on a project to migrate ORS employee names, phone extensions, work process, and office location information from the Phone Resource Tool to the Outlook address book. When the updates are complete, PS will send instructions on how to find staff info in Outlook. In the meantime, the Phone Resource Tool will not be updated or maintained by PS.



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### Comings

AST welcomed three new employees in November.



On November 21, **Yacoob Mohamed** joined AST. In 2003, Yacoob worked on an AST project that focused on wages, contributions, and refunds. He is back to work on similar tasks and notes that he enjoys watching and playing football, volleyball, and cricket.



AST welcomed **Pratima Doddapaneni** on November 28. Pratima obtained her Master's degree in computer science from University of Nebraska Lincoln and worked for Xpanxion, a U.S. based IT consulting and outsourcing services provider. In her spare time, she enjoys playing badminton.



**Jo Ann Evans** is a computer programmer with 13 years of experience with the state; she joined AST on November 28. Jo Ann has four children and has been married for 25 years. In her spare time, she enjoys participating in church activities and window shopping.

### Goings

CS bid farewell to **Bea Barajas** on November 17.

**Craig Goerge** will leave CS but not the GOB – he accepted a position with Licensing and Regulatory Affairs, Workers Compensation division, on the first floor. Craig will assist with paying claims on workers comp insurances to members and insurance companies. His last day is December 2.

After two years of temporary service in ER, we wish the best to **Karen Short**. Her last day is today, December 2. At this time, Karen doesn't have another assignment but she's positive another door will open and she'll join another team soon.

**Brad Barron** accepted a departmental analyst position with the Department of

Community Health, Medicaid Policy division. His last day is December 9. Congrats, Brad!

CE wishes the best to **Erica Quealy** who will be leaving ORS to serve as the Marketing and Media Specialist for the Department of Human Services. Erica has been with ORS for more than six years and with the department for more than 14. Her last day is December 9. Be sure to say goodbye before Erica starts her exciting new role.

### Staff on the move

**John Davidson** joined the ER team on November 22. His move comes on the heels of the decision to move the Defined Contribution reporting duties from BPD to ER.

## ER Outreach program reaches across state

ER has been traveling across the state to answer employer questions, get feedback about employer needs, and put a face to our organization. This effort is part of ER's Outreach program that began earlier this year.

The map below shows all ER's Outreach stops in 2011. This map will be updated regularly in the employer newsletter, *Retirement Times*.



## Retirement planning made simple

Here at ORS, we tell our customers to start planning for retirement early. We tell them to plan for not only their pension or savings, but for social security and maybe even a part- or full-time job. To think about each aspect of retirement, not just the money but the social, spiritual, and physical aspects. To save X percentage of their salary each year for X number of years. To carefully consider the rising cost of healthcare, and so on.

Well, it comes down to one thing. To be ready for retirement ...

YOU have to DO something.

The accountability for being prepared for retirement rests solely in the hands of each individual.

As our society moves away from a Defined Benefit mindset and into a savings-based world, this concept is more important than ever. It's our job to share our knowledge and tips for preparing for the next stage of life, but our first goal is to get members to act. To take an active role in their own future. Simply put, to DO something.

CE's **Joy Bartell** used this concept at recent Brown Bag lunches in Detroit. She went over simple ways to take action and urged participants to get moving, no matter where they're at on the road to retirement.

Members are really catching on! They like the no-nonsense way Joy presents this message, and the easy-to-understand course of action. CE is looking at incorporating this message into future communications and presentations to our members.

In the meantime, continue spreading the word and helping to motivate everyone to take the next step and prepare for retirement.

Got a widget idea? [Send it to the LookOut.](#)

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## Leave a present under the tree

Many generous people have left gifts under the giving trees in A and B Wings for St. Vincent's Catholic Charities, but there are still angel tags that need gifts!

Select a tag, purchase the gift, and leave it under the tree with the tag and original receipt attached. No need to wrap it! The last day to give a gift is December 15. Thanks to everyone who has already helped out.



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## Stay prepared this winter

As the wind picks up and the snow starts to fall, it's a good time to make sure you've got an emergency plan in case you get snowed in or your car gets stuck in a snowdrift. Here are some tips.

- Get some cash out of the ATM and stash it at home in case your credit cards aren't working, the ATM is broken, or you can't drive to the bank.
- Keep your gas tank at least half full at all times.
- Think about what you might need in an emergency supply kit. Having one for home is important, but don't forget about a kit for your car and where you work.
- Make sure all your emergency supplies are in good shape, in one place, and easy to reach.
- Don't forget to pack for your pets!



Check out these tips and more at [do1thing.com](http://do1thing.com), a website that asks you to do one thing a month for disaster preparedness.

**ORS Purpose:**  
We are an innovative retirement organization driven to empower our customers for a successful today and a secure tomorrow.

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Thanks for reading!



## Holiday shopping ideas

### Support Michigan

When doing your holiday shopping this year, consider purchasing items that will not only put a little Michigan flair into each present, but also support this great state.

[Pure Michigan](#) has an easy-to-navigate online store with many American-made gift items like clothing, jewelry, wine glasses, books, greeting cards, and more. A portion of each item's profits supports the Pure Michigan campaign. And, if you register for their email marketing tool, you'll receive 10 percent off an upcoming purchase.

The [Michigan E-Store](#) has a wide variety of gifts for the whole family like stuffed animals, posters, coffee mugs, t-shirts, and more. When purchasing some of these items, you'll support Michigan's environment and natural resources, and endangered, threatened, and nongame species and their Michigan habitats. You can also use the site to make a tax-deductible donation to many Michigan charities.



### Save a little money

Don't forget about your perks! [Inside Michigan](#) has details on many discounted shops and services available to you as a state of Michigan employee. There are deals on computers from Apple and Dell, at salons like Douglas J, and theatres, cell phones, gym memberships, and even tickets to see the Harlem Globetrotters. Make sure to check out the site before doing too much holiday shopping and save yourself a buck or two.

Happy holidays from the *LookOut*!

**Note:** Because some of the links in this newsletter point to network resources, some of the links may not work if you are reading this outside of the organization.