



May 3, 2002

Volume 6, Issue 9

ORS Mission:
We deliver pensions related benefits and services to promote the future financial security of our customers.

ORS Vision:
Fast, easy access to complete and accurate information and exceptional service.

ORS Calendar

May

Judges Board Meeting -- 7th
All-Staff Meeting ----- 21st
Pension Paydate ----- 25th
Six Weeks to
Wellness Ends ----- 26th
Memorial Day ----- 27th
School Employees Board
Meeting ----- 30th

June

State Employees Board
Meeting ----- 6th
Pension Paydate ----- 25th

Provisions of the Early Out bill



Most of us are familiar with the provisions of the Early Out legislation as it directly affects those eligible for state retirement. However, the legislation also includes other modifications to the various retirement statutes. The following provides an overview of how these changes impact the retirement systems.

Common Pension Protection – Retirement benefits for all retirement system members or retirees are now protected identically from bankruptcy,

garnishment, or attachment.

Federal Tax Compliance – The pension amounts payable to highly compensated retirees were previously limited by the Internal Revenue Code (IRC). Our statutes now take advantage of provisions in the IRC that allows such retirees to collect the full pension to which they are entitled under the pension formulas while also complying with the IRC, and allow an excess benefit plan under IRC section 415.

Advance Funding for Health Care –

See Early Out on page 2

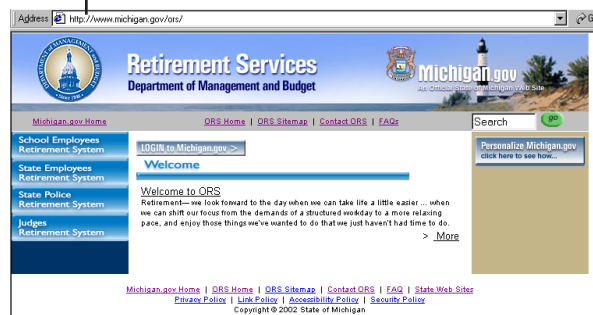
A new ORS web site introduced

On May 1, the ORS web site successfully migrated to the michigan.gov portal. The new site retains all of our previous information with a new look and format. The purpose of e-Michigan is to provide consistency among all state web sites, providing the same look and feel as well as allow customers easy access to state government and other arenas in Michigan.

Currently, 30 of the 41 sites have migrated to michigan.gov. Tom Weston, e-Michigan Project Manager, complimented ORS on the organization of the web site and the efficiency of the migration as a success in the

overall e-Michigan project. ORS met Governor Engler's goal of migrating to e-Michigan by May 1.

Check out our new ORS web site at www.michigan.gov/ors/. Kudos to the Communication staff for all their hard work during the migration!



Early Out *(continued from page 1)*

In years when pension benefits are more than 100% funded, the full employer pension contributions from public schools and the state will be saved in a special account to invest and fund future retiree health care benefits.

State Disability Issues – Minor changes now require individuals to apply for state disability benefits within 12 months of separation, with a possible 12-month extension because of special circumstances. Once a state disability pension is approved, the retirement board can request a re-exam no more than once a year until age 60, when the pension is converted to a regular pension.

Application Period for State Employees – Previously state employees had to apply for retirement within a specific window period of 30-90 days prior to the effective date. The new legislation removed this requirement. Members now can apply at any time.

State Beneficiary – If a vested member of the state retirement

system dies, and the spouse, if any, dies at the same time, a survivorship pension can now be paid to the children under age 18. This provision now corresponds with the public school system.

State Board Per-Diem – The state retirement board's current per diem is now based on the rate set by the legislature for all boards in the budget each year, rather than being specified in the retirement statute.

Detroit Purchases – State retirement members who transferred from Detroit to the state retirement system on September 1, 1981, can purchase up to 10 years based on their Detroit service.

Actuarial Purchases – The actuarial cost of purchased time for State employees is now to be based on full-time or equated full-time compensation.

Judges Health Reserve Funding – Because of rapidly increasing national health costs, a change was made to update member contribution rates, ensure potential shortfalls are funded

with non-pension dollars, and ensure retirement health benefit funding remains in compliance with the Internal Revenue Code.



Early Out applicants line up early to hand in their applications.

Early Out Update

Since the Early Out was first announced in February, ORS has been busy. Between February and the end of April ...

... 108,747 calls came into ORS

... 6,333 walk-ins received service

... 9,001 service credit billings were sent

... 10,632 email responses were sent

... 9,690 employees attended 89 seminars in March and April

... 8,385 applications were received in April

Great Job! We'll keep you posted as the numbers change.



Published by: State of Michigan
Department of Management
& Budget
Office of Retirement Services
P.O. Box 30171
Lansing, MI 48909-7671

Director: Chris DeRose

Editors: Rosemary Baker
Robert Glennon
Connie Morse

Angela Schrauben

Printed by Authority of 1984 P.A. 431

Total number of copies printed: 250

Total cost: \$97.50 Cost per copy: \$0.39

ORS at the Crossroads

The ORS Crossroads will soon be turned into a meeting and discussion space!

Beginning in May, Executive Process Owners will be hosting one-hour meetings with staff as a forum to discuss the "hot topics" in the office. **ORS at the Crossroads** is a modified format of the past coffee hours. The modifications are to better foster communication throughout the office and give staff an opportunity to discuss topics of interest to them. The format is one hour with two distinct parts.

The first 30 minutes of each **ORS at the Crossroads** will be a roundtable discussion with the topic announced in advance. Ideas for future roundtable discussions can be submitted to Meg Leonard.

The last half of each **ORS at the Crossroads** will be a more familiar format. Staff will be welcome to discuss topics of their choice with the Executive Process Owner host and the other staff.

You can choose to come to the roundtable discussion, the free format discussion, or both!

Please join **Laurie Hill** at the Crossroads in Wing A on **Thursday, May 16, from 9 to 10 a.m.** as we spend the first

30 minutes in a roundtable discussion about the Early Out and the last 30 minutes conversing on any topic of your choice!



CAFRs published

The fiscal year 2000-2001 Comprehensive Annual Financial Reports (CAFRs) for each of our four retirement systems are now available. In addition to year-end financial data, these reports contain a wealth of interesting statistics, facts, and summaries about each system.

Please refer any requests for a printed copy to **Audrey Smith** of DMB/Finance by email, including the requestor's name, address, number of copies, and which system's CAFR. The CAFRs will be available on the ORS web site in the near future.

Producing CAFRs each year requires an enormous effort from dozens of people throughout and outside of ORS. Congratulations to all who did such a fine job gathering, compiling, and publishing this report for the benefit of our customers.



Janet Darling takes advantage of the recycle center.

Who moved the pop cans?

The EMPAC Snack Bar and ORS Recycle Center will be moving to the new central area (the exact areas to be announced at a later date) when the construction is completed.

Both areas are enjoying phenomenal success and hope to continue in the centrally located site.

Bring your child to work day



Nineteen children visited ORS to participate in Bring Your Child to Work Day. The children received a tour of ORS, watched the Gumby video, and learned a little about what their parents do at work. Thanks to all who participated.



What is the Balanced Scorecard?

The Balanced Scorecard was developed by Drs. Robert Kaplan and David Norton, coauthors of *The Balanced Scorecard: Translating Strategy into Action*, as a tool that "translates an organization's mission and strategy into a comprehensive set of performance measures that provides the framework for a strategic measurement and management system."

Developed as a supplement to the traditional financial metrics used by organizations, the Balanced Scorecard integrates four different perspectives of an organization: customer, financial, internal business processes, and employee learning and growth. Within these four

perspectives, organizations choose strategic objectives linked by cause-and-effect relationships that ultimately lead to the organization's mission and goals. Organizations also select measures that reflect these objectives and determine if progress is being made.

ORS reports monthly on its own Balanced Scorecard, which is reflected on the DMB Balanced Scorecard. The DMB Balanced Scorecard gives a big-picture overview of the progress made toward organizational goals on a quarterly basis.

Look for more information on the Balanced Scorecard in upcoming issues.

Windows Conversion - what you should know



ORS computers will be upgraded to Windows and Office 2000 applications beginning next week. Staff who do not share or interact with ORS-developed databases or spreadsheets will be upgraded during the week of May 6; conversions for remaining staff (including consultants and temporary staff) will take place the weekend of May 11-12 or the following week. ITSD technical support will be available following each installment to answer questions or address any software problems.

Pre-Windows 2000 Conversion Instructions have been distributed to all staff, with step-by-step guides to saving favorites and desktop icons, archived email, and label maker data, as well as how to choose printer drivers. These preparatory steps should be taken before your upgrade—if you need assistance please consult your Technology Owner (TO) as soon as possible. TOs by business process are:

- Director's Office and Plan Design and Development - **Deb Grescoble**
- Employer Reporting - **Michele Childs**
- Benefit Management - **Andy Oser**
- Customer Accounts (Service Credit & CIC) - **Tim Simpson**
- Customer Education - **Angie Schrauben**
- Process Support - **Ann Schneider**

Lori Edwards will provide Office and Windows 2000 training on Monday, May 6, at 1:00, 2:00, and 3:00 pm., and on Friday, May 10, at 8:30, 9:30, and 10:30 a.m. The one-hour sessions will take place in Conference Room B. Since the room capacity is 40 seats, please sign up at **David Travis'** cubicle, near pillar B-6 in Wing 3A, or by emailing David. Please check with your supervisor before signing up for training.

Office and Windows 2000 training CD-ROMs and videotapes are also available. If you wish to use a CD-ROM or videotape, or if you have questions or concerns about the Office and Windows 2000 installation, installation scheduling, or Pre-Windows 2000 Instructions, please contact David at 2-6848.

ORS unpacks and enjoys the new core area



Customers will enjoy the new reception area (above). **Denice Hansen, Pam Kenney, and Fred Doll** (right) take a break in the new lunch room area.



Amy Betts (above) unpacks in her "new digs" for the fourth and final time.

A look into the telephone coordination process

Submitting phone orders, updating the telephone inventory, maintaining a blueprint of phone locations, and notifying the State directory of changes are only part of the process of coordinating the 365 telephones, fax lines, modems, and ACDs ORS staff use daily. To ensure staff has appropriate equipment, the ORS telephor coordinator also makes suggestions for the best phone and accessory needs for staff.



Below are a few tips on how staff can help in the telephone coordination process:

- Phones and headsets are partners and should not be separated or swapped. When a headset is separated from the phone it is assigned, ORS is still charged for its use and the inventory will be wrong. If you no longer have a use for the headset, please contact the telephone coordinator and submit a phone order to have it removed or switched. A Telecom technician should not remove phone equipment no longer used without a phone order.

Did you know...

The ORS phone bill averages \$13,000 a month? A physical inventory and the elimination of unused phone equipment two years ago cut the bill by \$2,000 a month. This does not include ORS toll-free telephone lines, which cost just as much per month on average.

- Phones are no longer moved when an employee changes offices unless a phone doesn't exist in the new office, which helps keep costs to a minimum. Telecom charges \$6 for a phone order to be reviewed, \$64 per hour for a technician to visit ORS, and \$10 to change a voicemail password, as well as various charges along the line for voicemail and ACD set up. These fees are in addition to the monthly charges for rental services.
- Review Procedure ORS71- Reimbursing the State for Personal Telephone Calls to learn how to pay back the State of Michigan for any personal toll calls.

Any questions or telephone problems should be directed to the ORS telephone coordinator **Lisa Schmidt**.

ORS receives recognition for early implementation of CAFRs

The Government Accounting Standards Board (GASB) recently awarded ORS with four Certificates of Recognition for Early Implementation our 1999-2000 Comprehensive Annual Financial Reports (CAFRs). The CAFR for each of our four retirement systems was recognized with this award.

The Certificate of Recognition for Early Implementation of GASB 34 is a testament to professional leadership, initiative, and commitment to improving public accountability. The GASB encourages early implementation as a way to improve financial reporting.

Congratulations for a job well done!

Reminders

All-Staff Meeting

Mark your calendar for May 21 for the All-Staff meeting.

Recipe Books Almost Ready

The EMPAC Recipe Book *Who Ate My Cheese: In the Kitchen With ORS* is now being printed. A few extra copies will be available for those who didn't take the opportunity to order in advance.