



ORS Look Out

Year 2000



476 Days

September 11, 1998

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Operations meets 90% goal with flying colors!

The final figures from Public School's August payroll are in and the results are outstanding!! Of the 3,630 applicants who submitted an application by July 1, 1998 for a retirement effective date of July 1, 1998, 3,269, or 90% *were placed on payroll within 60 days*. Of those, 1,774 went on payroll in July, with the other 1,495 on the August payroll.

Well in advance staff developed and implemented a plan to deal with summer rush.

"This was a great example of what can be done when we work together as a team," commented **Pam Kibby**, Operations Supervisor. "Everyone pitched in and put forth more than 100% effort. Although no overtime was authorized this year to meet our 90% goal."

Interestingly, the enthusiasm and desire to improve customer service spread beyond the boundaries of ORS. Pam shared what a few other school systems did. "Lansing school district substantially improved their turnaround time for Final Salary Affidavits (FSAs) compared to previous years. They added resources to accomplish to get the final affidavits processed sooner so we could get their retirees on payroll promptly."

Detroit also put forth extra effort this summer. Before a Detroit public school employee's FSA can be completed (a critical step in the retirement application process), the individual must complete a separation form (Form 4149) from the Detroit school district. This year,

whenever the Detroit payroll staff received an FSA from us and there was no Form 4149 filed, *their* staff sent the employee a personal letter requesting the form be completed and returned promptly. We also sent a reminder. This extra effort dramatically improved the turnaround time on Detroit area summer pensions.

"We used as much technology as we could this year to help speed up the process," Pam indicated. "We faxed all of our FSAs directly to the school payroll offices, except for the large schools—those we sent by overnight mail. When there were outstanding FSAs which we hadn't received by the time the July payroll was processed, staff

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ORS reaches \$2 billion in pensions

A major milestone was reached with the August pensions – an annualized \$2 billion in combined pension payments for State retirees, public school retirees, State Police retirees and retired judges. "Our payroll is increasing at an ever faster rate," explains **George**

Orban from the ORS Director's Office. "We reached the \$1 billion mark around October 1991 with a \$1.5 billion payroll in August 1995."

With the large influx of baby boomers due to retire in the next 10 years or so, we should

see an even sharper rise in the dollar volume of ORS' pension payments.

This trend reinforces our ranking as the 19th largest public retirement system (public or private) in the nation based on assets.

Supreme Court decides in favor of ORS

After a lengthy legal dispute, on July 28, 1998 the Michigan Supreme Court settled an issue regarding the reporting of Weekly Workers Compensation (WWC). The heart of the issue addressed whether or not a public school employee pending retirement, Bessie Traylor, could be granted service credit for the period of time when she was receiving Weekly Workers Compensation.

The Supreme Court decided in favor of the retirement system and allowed the retiree to receive service credit for her WWC time.

Ms. Traylor was injured on the job, lacking 0.2 year of the 30 years of service credit needed for full retirement. After receiving WWC for a year, Ms. Traylor applied for retirement and was denied service credit for the time she was drawing WWC. She appealed to the MPSERS Board, filing an exception, and the Board granted her request to receive service credit for her WWC back to the date of her injury, September 6, 1990.

On March 13, 1992, the Board adopted a policy consistent with this decision and notified

the school districts soon after. The policy was implemented as of July 1, 1992. The school districts did not agree with this new policy, in part because it would require them to pay MPSERS contributions on the WWC

payments. Some districts requested a hearing from the retirement board. This resulted in a declaratory ruling being issued by the Board on July 30, 1993, affirming its 1992 policy.

The school districts appealed to the Ingham Circuit Court which upheld the declaratory ruling of the Board. The districts continued their appeal process, progressing to the Court of Appeals, where the Circuit Court's order was reversed.

The retirement system took the case to the final judicial authority within Michigan, the Michigan Supreme Court, for a resolution of the issue, which was ultimately decided in favor of the retirement system.

During the course of this legal battle, the retirement system

amended the retirement act with Public Act 268 of 1996 to ensure Weekly Worker's Compensation would be classified as "compensation" under the retirement statute. This officially allowed service credit to be granted for Weekly Worker's Compensation payments made to retirement system members on or after June 12, 1996.

As a result of the Michigan Supreme Court decision, service credit can be granted to those public school employees who received WWC payments from July 1, 1992 forward.

It has been a long haul finalizing this decision, but the end result supports the board's authority to establish a policy to require reporting of WWC benefits prior to the passage of PA 268.



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followed up with phone calls to the payroll personnel. They took a very proactive approach. We also sent cards to members when FSAs were not returned timely.”

Although the primary focus was on achieving the summer rush payroll goal, this year other areas within Operations did not suffer as they had in previous years. No backlogs developed in correspondence. The turnaround goal for correspondence is 10 days.

With CIC and the Outreach Offices offering some assistance, the average number of days for handling correspondence was 6.3 days in July and 8.3 days in August. Almost 90% of the correspondence in July met the

“10-day” goal and almost 80% met the goal in August.

In the past, “set-ups”—the process of preparing the member’s file for retirement processing—usually weren’t done for future retirement effective dates and late July 1 applicants (August 1 and beyond) until after most of the July 1 effective date pensions were completely processed.

Before this year, someone applying in June for a July 1 or August 1 effective date might wait several months to get an initial letter and FSA sent. This year, almost all set-ups were completed within two weeks of the date they were received!

Pam Kibby also restructured the way her staff handles some of the

work flow. This year additional backup assistance was available to help auditors check over the calculations to make sure the pension amounts were correct. In addition, several other counselors were trained to audit files if needed.

All in all, this successful summer rush shows that individuals can achieve even the most formidable goals when they all work together as a strong team!

In recognition of the outstanding effort, the Board of Directors of the Public School Employees System issued a proclamation extending its appreciation and gratitude for a job well done.

A copy of the Board’s resolution is included with this issue.

Comings and goings in ORS



Andrew Wardach began working as a statistician in Operations on August 31.

Andrew Wardach Before coming to ORS, Andrew worked for ANR Pipeline.

Carl Huffman, a temporary statistician, left on August 28.

Angela Gilmore left Information Technology and Reengineering for a position with Consumer and Industry Services on September 4.

On September 10, **Rebecca Preston** also left Information Technology and Reengineering. She has accepted a position in the private sector.

The Operations Division has seen quite a few changes recently. **Anthony Estell**, a temporary from Kelly Services working in the Transaction Unit, is now an Analyst in Operations.

Pam Kenney, a temp from Kelly Services, is still working in the Transaction Unit, but she is now a State employee.

Mary Lowry was a temporary from Accountemps but she has now accepted a State position doing Retiree Death Benefits.

Andrew Oser, a temporary working in DC, has accepted a position as a Departmental Analyst.

Lisa Reed has accepted a promotion to Transaction Unit Analyst.

Tim Simpson, an Accountemps employee in Operations, has accepted a position as a Departmental Analyst.

EYE on ORS—the Finance Section

The Finance Section of Finance and Administration is responsible for many functions that help keep the Office of Retirement Services running smoothly. These responsibilities include accounting, actuarial, auditing, internal control, financial reporting and various special projects, according to Finance Manager, **Darlene Workman**.

Finance does all of the accounting for four retirement systems: Michigan Public School Employees Retirement System (MPERS), State Employees Retirement System (SERS), State Police Retirement System (SPRS), and Judges Retirement System (JRS).

All reconciliation of incoming cash is handled by Finance. They take in almost \$2 billion in cash and checks each year from the public school reporting units, State agencies, non-central agencies and payments from purchases of service credit. After cash reconciliation, Finance invoices or refunds the various entities appropriately.

Finance handles the IRS payments as well as those payments to maintain benefit coverages, such as insurance premiums to Delta Dental, Blue Cross Blue Shield, Aetna and HMOs. Finance is also responsible for paying the multitude of other invoices that are paid daily for all of ORS.

The Finance Section completes the monthly financial statements and a separate annual Comprehensive Annual Financial Report (CAFR) for each of the four retirement systems plus the Legislative Retirement System (LRS). With the State fiscal year ending in September, the Finance Section is extremely busy. From October until March, in

addition to their normal workload, Finance staff takes on the added responsibility of producing CAFRs for all four of the pension funds as well as LRS, coordinating annual audits for each of the pension funds, closing the books on one fiscal year and opening the next.

“The CAFRs require extra effort from all of the staff because of the sheer volume of hours that go into producing a CAFR according to Governmental Accounting Pronouncements from the Governmental Accounting Standards Board (GASB) and in accordance with State policy,” said **Deb Gearhart**, Director of Finance and Administration.

Finance is responsible for coordinating this effort with the Office of Financial Management, Office of the Auditor General, contract auditors, actuaries and Treasury.

In addition, the Finance Section is responsible for on-site audit of all of the reporting units. When auditing a reporting unit, auditors in the Finance Section review an 18-month period of payroll and other information, making sure they follow the requirements found in the Reporting Instruction Manual. There are more than 760 Michigan public school reporting units who make contributions to ORS, including local public school districts, public school academies, tax-supported community colleges, district libraries and seven universities.

The Finance Section is involved in a number of other special projects. Some of the recent projects include the Tax-Deferred Payment (TDP) program for MPERS, Defined Contribution transfers for SERS and

JRS, Y2K and attaining private-letter rulings from the IRS. They also work on the 1099s, preparing forms and troubleshooting, along with assistance from other divisions of ORS.

Finance is also responsible for the security of the Michigan Administrative Information Network (MAIN) at ORS. MAIN is a resource used for daily inquiries from members as well as accounting entries and inquiries from Finance staff. Finance also maintains the JRS and SPRS active database.

Deb Gearhart is proud of her staff's accomplishments. “Everyone has been putting forth extra effort. Reengineering is a daily practice in Finance and we've seen excellent results.”

Grand Opening!

Monday, September 14, is the Grand Opening of the ORS Resource Library between pillars D2 and D3 in 3A. Punch and cookies will be served from 11:00 to 1:00.

The Resource Library is set up alphabetically and contains, among other things, organization newsletters, staff training and development information and the health and fitness library.

A computer with Netscape to access the on-line procedures (which will be completed in the near future) and any other shared drive information, such as the phone list or the resource library checkout system, is available. A copier has been placed right outside the entrance for library usage, and a work area is available as well.

ORS has a visitor from Oregon



*The word is getting out! We're doing things right and other systems want to learn from ORS. **Bob Peterson**, left, manager of Customer Service for the Oregon Public Employees Retirement System, visited ORS on Tuesday, September 8, to get some firsthand information on our Customer Information Center (CIC). ORS Customer Service Manager **Laurie Hill**, center, showed Mr. Peterson the CIC. Here, **Gordy Hicks**, right, fields a call.*

United Way State Employees Combined Campaign gears up

Michelle Twichell reports that it's time again for the United Way State Employees Combined Campaign (SECC). She is the SECC representative for ORS. "Last year," Michelle reports, "ORS employees contributed approximately \$4,000 towards the wonderful charities that are offered by the SECC program. This year we would like to increase this amount. (If each State employee just contributed \$1.00 a pay period we would raise over \$1 million dollars to be dispersed to charities participating in the SECC. So, our challenge is to have each employee who is not contributing currently to just give \$1.00 per pay period.)"

"Remember, all of your contributions are tax-deductible and go directly to the charity of your choice. The best part of this program is the payroll deduction option. You

may choose to have your contribution taken directly from your check each pay period, thus spreading out your contribution over the year instead of making one lump payment. We could all spare \$1 a paycheck couldn't we? Plus this insures that charities receive contributions evenly throughout the year, instead of getting a lot of money at Christmas time and not other times of the year when it is needed also."

Michelle says, "I encourage everybody to take the time to review your Information and Code Directory when you receive it next Monday with your pledge sheet. You will see there are thousands of worthwhile charities to which you can direct your contribution. For instance, if you would like your contribution to be forwarded to the Boys & Girls Club you

can indicate that on your sheet. You can divide your contributions among specific charities and so on," she explains. "There are many options available to you."

Please forward your completed pledge sheet to Michelle Twichell in Finance and Administration. She will be happy to help with any questions you may have regarding the completion of your form. You need to sign and return the form to her even if you are not contributing this year. Thank you for your support of these wonderful charities.

Thought for the Day

Do not get discouraged;
it may be the last key in
the bunch that opens
the door.

Anonymous

PC tips and shortcuts

Ctrl + X, Ctrl + C, Ctrl + V, Alt + Z—they're all great shortcuts if you're right-handed. But if you're left-handed (which means that your left hand is on the mouse and your right hand is on the keyboard), these shortcuts just aren't short at all. Well, before you launch into another southpaw discrimination diatribe, try using the following shortcuts instead:

- To delete text, press Shift + Delete.
- To paste text, press Shift + Insert.
- To undo your last action, press Alt + Backspace.

Reprinted from:

DUMMIES DAILY(tm) Basic Computing Tip

DC Project winds down

Grace Bonofiglio reports that the Defined Contribution project is winding down and that all but three State employees have gone back to their "real" departments. Twenty-one temporary employees plus **Connie Henslee** and **Terry Colby** are still here through the end of September. And Grace, of course.

Her team has begun work on Tax-Deferred Payments (TDP) and the SERS Universal Buy-In (UBI).

Grace says that the DC Team received 3,482 applications for transfer to the Defined Contribution plan. Of those applicants, 3,224 actually were eligible to transfer to the DC plan.

You should be rushin' to solve this issue's Scramble!

Now that you're all rested up from the long Labor Day weekend, labor over this Scramble. The picture of the rainbow gives you a clue, and reminds us of the former Soviet weather prognosticator who always correctly predicted precipitation. When asked why he was always as right as rain, he would reply, "Rudolph, the Red, knows rain, dear!"

Be that as it may, see if you can solve:

fi uoy twan
het browina

oyu togat upt pu
tiwh eth nira.

Check your answer against the descrambled version on display in ORS next week.

