



Retirement Planning TimeLine
MPSERS Retirement Plan Participant

Retirement planning is essential early in your career! Your MPSERS retirement pension is based on your best 3 years (MIP plan) or 5 years (Basic plan) of salary and your years of service credit earned at one of Michigan's seven universities (Michigan Tech, Northern Michigan University, Lake Superior State University, Central Michigan University, Eastern Michigan University, Ferris State University and Western Michigan University), also you can earn service credit if you worked in a Michigan public school. **Learn all you can about your MPSERS plan- it is never too early to plan for your retirement!**

- Know what plan you are in - MIP or Basic.
- Review your MPSERS account statements sent to you yearly – make sure the years of service and your beneficiary information are correct.
- Attend MPSERS meetings when they are held in the Houghton area.
- View your MPSERS account and information on-line by accessing the MPSERS website at <http://www.michigan.gov/orsschools> and setting up your own on-line account (mi-account).

By setting up a MPSERS on-line account (mi-account), you can work on different retirement scenarios and view if you are on track to funding your future retirement plans. Your specific retirement plans can affect your income needs in retirement. In general you will need 85% of your current income which you will receive from your savings, Social Security, MPSERS pension, SRA/IRA accounts and possible employment. **It's all about being prepared!**

Are You Ready to Retire?

The following are some helpful hints and information you should consider before you decide on a retirement date. If you take the time to think about your retirement plans in advance, you will not feel rushed into making a decision. So let's begin!

- What kind of income will you need in retirement? Begin a retirement budget and review your personal spending and savings.
- **Check with MPSERS** regarding your retirement status, eligibility (years of service credit and eligibility) before you pick a retirement date.
 - You can call MPSERS at 1-800-381-5111.
 - Or you can go on-line to <http://www.michigan.gov/orsschools> and set up your own on-line account (mi-account).
- Check your most current statement, sent to you yearly, from MPSERS for accuracy.
- Review your yearly Social Security statement. Visit the Social Security office in Houghton or go on-line to <http://www.ssa.gov/> .

- Check with the Benefits office regarding your eligibility to participate in Michigan Tech's Retirement Severance Voluntary Program (RSVP).
- Begin thinking about paying off your debts – credit cards, car loans and/or mortgage.
- Review your investment strategy if you have a TIAA-CREF/Fidelity account – less riskier investments as you age.
- Begin to build up your emergency fund to cover at least six months or more of your current salary.
- Now add up your sources of retirement income –MPSERS pension, Social Security income, savings and possible employment.
- How will you spend your time in retirement? – traveling, working on a hobby, or other employment. This will affect your retirement spending.
- Where will you live? Think about property taxes, homeowners insurance, heating/cooling costs, snow/sun, medical care, or a university or college where you can work or take classes.
- You are fortunate!! Currently, MPSERS offers inexpensive medical insurance – the cost is deducted monthly from your check. Go on-line to MPSERS to check the current cost of medical premiums <http://www.michigan.gov/orsschools> .
- If you are 65 plus your Medicare premiums will be deducted from your Social Security check. Check with Medicare for the monthly cost of premiums <http://medicare.gov/>
- Do you have a will, powers of attorney, or medical directive? If so check and update.
- Do you need life insurance or additional life insurance?
- Do you need long-term care insurance?
- Are your beneficiary forms (life insurance, SRA's, MPSERS) up to date?

After reviewing your plans, if your retirement income is not what you expect or need – you might want to consider working longer and saving more.

Ready to Retire!

Following is a timeline on how to make your transition to retirement a little bit easier! Use the attached retirement checklist for MPSERS participants to keep on schedule.

36 Months Before Retirement

- Make sure you can locate birth certificates, Social Security cards, marriage license. If you can't locate your copies, order new copies.

- Some states allow you to order birth certificates and marriage licenses on line. The State of Michigan website is <http://www.michigan.gov/mdch/>
- For new Social Security cards either visit the Social Security office in Houghton or go on-line to <http://www.ssa.gov/>
- Begin thinking of a retirement date by reviewing your MPSERS pension estimates, Social Security pension estimates, RSVP eligibility, savings and retirement budget.
- MPSERS Information
 - Estimate your pension income by contacting MPSERS at 1-800-381-5111 or going on-line to your mi-account <http://www.michigan.gov/mdch/> .
 - Your MPSERS retirement always begins the first day of the month.
 - You cannot work for a MPSERS institution during your first month of retirement.
 - Your MPSERS medical insurance begins the first day of the month, and there will be no break in your medical insurance coverage since Michigan Tech's coverage ends the last day of the month.
 - You will receive your first MPSERS retirement check usually the 2nd or 3rd month of your retirement.
- Visit the local Social Security office in Houghton to schedule a meeting to review your Social Security options and to estimate your Social Security income or go on-line to <http://www.ssa.gov/> .
 - When will you be eligible for Social Security?
 - Will you work when you retire?
 - How much income can you make while on Social Security?
 - Will the date you retire affect the amount of your Social Security income for that year?
 - When and how do you apply for Medicare if you are age 65 plus? If you sign up for Medicare you must take part A and B.
- When are you eligible for Michigan Tech's Retirement Supplemental Voluntary Program (RSVP)?
 - Call the Benefits office at 487-2517 and make an appointment to review you RSVP status (date of full-time hire – date when you become eligible).
 - Rule of 80 = age plus years of full-time service at Michigan Tech or 65 years old and 10 years of full-time service at Michigan Tech.
 - Receive 50% of salary (maximum is set – refer to current RSVP policy) at time of retirement.
 - Since you will have medical insurance currently through MPSERS you will receive a lump-sum payment in cash (taxable).
 - Should you pre-tax your lump-sum into a TIAA-CREF/Fidelity SRA?
 - Make an appointment with the Benefits office at 487-2517 to sign your RSVP forms at the appropriate enrollment period (July 1 to October 31).
- If you are planning on moving to a new and warmer/colder location – start visiting areas. Keep in mind the following:
 - Is it important to have family near-by?
 - Is there a major airport near-by to easily fly to family, friends and fun locations?
 - How is the climate?
 - What are the taxes? Property, personal, and is your MPSERS pension taxed?

- Do you want to live there year-round?
- Is there a university or college near-by to take classes or work?
- What is the cost of housing? Cost of living?
- Should you keep your house in the Keweenaw or sell? If you are selling it's a good time to start your cleaning, updating, and clearing out un-needed items. Begin talking to a realtor or maybe you want to sell it yourself.
- Meet with your accountant or financial advisory regarding your retirement plans.
 - Discuss your MPERS eligibility requirements.
 - Plan your retirement date by reviewing Social Security estimates, Medicare eligibility, RSVP (taxed or pre-tax) lump-sum payments.
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24 Months Before Retirement

- Call MPERS at 1-800-381-5111 or go on-line <http://www.michigan.gov/mdch/> to your mi-account to estimate your pension using your most current information.
- Review your most current Social Security statement.
- Are your retirement projections on track?

12 to 18 Months Before Retirement

- Make an appointment with the Benefits office at 487-2517 to sign your RSVP forms at the appropriate enrollment period (July 1 to October 31).
 - Remember your MPERS retirement pension starts the first day of the month so you might think of retiring sometime later in the previous month.

6 Months Before Retirement

- Access your MPERS mi-account on-line at <http://www.michigan.gov/orsschools> and apply online for retirement
- If you have a supplement retirement contact with either TIAA-CREF/ Fidelity or another retirement vendor you might want to call to have them provide you with different retirement payment options.
- Begin thinking of how you want to receive your lump-sum RSVP payment – either fully taxed (state, federal, and Social Security taxes) or pre-tax (just Social Security tax).
 - You can pre-tax into a 457(b) account and/or a 403(b) SRA account. Check the Benefits office on what the new IRS maximum deferral amount is for the year.
 - Or you might want to change your W-4's. Check with your accountant or tax person.
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3 Months Before Retirement

- If you are age 62 plus begin your Social Security paperwork either on-line at <http://www.ssa.gov/> or by visiting the Social Security office in Houghton.

- If you are age 65 plus begin your Medicare application process at the same time you visit the Social Security office.
 - You must choose Medicare part A and B.

1 Month Before Retirement

- Call the Benefits office at 487-2517 to schedule an Exit Meeting - this process takes about 15 minutes.
 - Your RSVP payment options will be discussed.
 - Pre-tax
 - Cash
 - Update your W-4 forms
 - Receive paperwork for retiree life insurance.
 - Vacation accrual and final paycheck payments will be discussed.
 - Time to tie-up all loose ends.
- Remember MPSERS does not allow you to work for another MPSERS organization (Michigan Tech or public schools) for one month following your retirement.
- Begin to clean out your office area – bring lots of boxes!

1 Month After Retirement

- Return your life insurance application if enrolling.
- Make sure any employment after retirement will not impact your MPSERS monthly pension and/or Social Security benefits.

During Retirement

- If you do move please inform MPSERS, Social Security office and Michigan Tech's Benefits office (906-487-2517) of your new address. Also you might need to update your wills and medical directives.
- **Enjoy! You have worked hard to get here!**

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