

Release the Tension. Learn About Your Pension.

Maintenance, Grounds, & Services Staff

May 2015

This presentation is a summary of the major provisions of the Plans. This summary is intended to provide an accurate outline of the provisions of the Plans as amended to date. If, however, there are any discrepancies between this summary and the provisions of the Plan documents, the Plan documents will be controlling. All Plans referenced in this summary are subject to change. Copies of the Plan documents are available in the Human Resources Office.

A Kids View of Retirement

<http://www.youtube.com/watch?v=Q3dYEIgB0c4>

Today's Agenda

- ▶ Basics of Your Pension Plan
 - ▶ GVSU MGS Retirement Plan A (Pension)
- ▶ Let's Go Through John Doe's Estimate
- ▶ Supplemental Retirement Plan
- ▶ Resources

GVSU MGS Retirement Plan A

- ▶ Traditional Pension Plan – Monthly Benefit @ Retirement
- ▶ MGS staff hired before October 9, 2004
- ▶ Funded primarily by University contributions
 - ▶ Required participant pick-up contributions

GVSU MGS Retirement Plan A

► Investments/Withdrawals

- GVSU deposits contributions to a trust fund
- Managed and controlled by Fifth Third Bank, the Trustee
- Trustee pays monthly retirement benefits to eligible staff members

GVSU MGS Retirement Plan A

▶ Vesting

- ▶ One year of vesting service is earned for each plan year in which you are continuously employed.
- ▶ Fully vested in the plan with 10 years of service.

▶ Benefit Service

- ▶ Full-time staff: You will earn 1 year of benefit service for each plan year in which you are continuously employed.
- ▶ Part-time staff (20 hrs/week): You will earn $\frac{1}{2}$ a year of benefit service for each plan year in which you are continuously employed.

GVSU MGS Retirement Plan A

▶ Pension Calculation:

- ▶ Looks at your last 10 calendar years of service at GVSU
 - ▶ Uses the highest 5 calendar years to calculate your average compensation
- ▶ Income for Pension Calculation:
 - ▶ Includes pick-up contributions

GVSU MGS Retirement Plan A

Transferred Staff Members

- ▶ MGS Staff members who transferred to another staff group.
 - ▶ Pension becomes frozen at the point of the transfer.
 - ▶ Vested staff can start pension benefits upon retirement.
- ▶ For example: a MGS staff member moving to an AP position.

GVSU MGS Retirement Plan A

- ▶ Normal Retirement

- ▶ Age 65

Your normal retirement benefit is payable on the first day of each month after you satisfy the eligibility requirements and will continue for the balance of your life or ten (10) years, whichever period is longer.

GVSU MGS Retirement Plan A

► Distributable Events

- Normal retirement:
At age 65 and
Completion of 10 years of service
- Early Retirement:
As early as age 55 and
Completion of 10 years of service

GVSU MGS Retirement Plan A

► Normal Retirement

- EXAMPLE: Let's assume you retire at age 65 with 30 years of benefit service, and your average annual compensation is \$33,000. Your normal retirement benefit will be determined as follows:

Step 1: $\$33,000 / 12 = \$2,750.00$

Step 2: $\$2,750.00 \times .019 = \52.25

Step 3: $\$52.25 \times 30 \text{ (years of service)} = \$1,567.50$

- Your monthly benefit payable at age 65 would be \$1,567.50.

GVSU MGS Retirement Plan A

► Early Retirement Benefit

- Eligible - age 55 and completed ten (10) or more years of service
- Reduced monthly benefit prior to your normal retirement date
- Begin payments at any time
- The reduction in the monthly benefit is intended to reflect the fact that you probably will receive the early retirement benefit for a longer period of time
- Actuarially, the early retirement benefit and the normal retirement benefit are the same.

GVSU MGS Retirement Plan A

Early Retirement Benefit

Attained age 55 but have not yet attained age 61:

<u>Years of Service</u>	<u>Monthly Reduction</u>
35	0
34	0.02
33	0.03
32	0.04
31	0.05
30	0.06
29	0.07
28	0.08
27	0.09
26	0.1
25	0.11
24	0.12
23	0.13
22	0.14
21	0.15
20	0.16
19	0.17
18	0.18
17	0.19
16	0.2
15	0.21
14	0.22
13	0.23
12	0.24
11	0.25
10	0.25

AFSCME #2074 EMPLOYEES WHO ARE VESTED, AT LEAST 55 YEARS OF AGE AND NOT YET 61 YEARS OF AGE SHALL HAVE THEIR RETIREMENT CALCULATED WITH THE ABOVE RATES. Employees age 61 to 65 will still have .40% reduction factor before age 65.

GVSU MGS Retirement Plan A

- ▶ Early Retirement Benefit
- ▶ Attained age 61 but not yet attained age 65:
 - ▶ Your monthly payments will be reduced by 0.40% for each month that you receive payments prior to your normal retirement date.

GVSU MGS Retirement Plan A

► Early Retirement Benefit

- **EXAMPLE:** Assume your monthly accrued benefit payable at normal retirement is \$1,425. If you elect to commence benefit payments early at age 62, your reduced monthly benefit would be determined as follows:

- **Step 1: $0.4\% \times 36 \text{ months} = 0.004 \times 36 = 0.144$**

- **Step 2: $0.144 \times \$1,425 = \205.20**

- **Step 3: $\$1,425 - \$205.20 = \$1,219.80$**

- Your reduced monthly benefit payable at age 62 would be \$1,219.80.

GVSU MGS Retirement Plan A

- ▶ Benefit payment options
 - ▶ Life Benefit With Ten Years Certain
 - ▶ Single Life Annuity
 - ▶ Joint and 100% Survivor Annuity
 - ▶ Joint and 2/3 Survivor Annuity
 - ▶ Joint and 1/2 Survivor Annuity

GVSU MGS Retirement Plan A

Other Distributable Events

► Deferred Vested:

Any age and
Completion of 10 years of service
Payable after age 55

► Death Benefit:

The accrued present value of pension benefits are paid to the beneficiary of deceased participant.

- Designate a beneficiary
- Form provided by the University
- If you do not file the beneficiary form, the death benefit will be paid to your spouse if surviving and if not to your estate.

GVSU MGS Retirement Plan A

- ▶ Let's Look at John Doe's Pension Estimate!

GRAND VALLEY STATE UNIVERSITY - MGS
Estimated Retirement Plan Benefits as of July 1, 2014

Participant: **JOHN DOE**
Date of Birth: 01/01/1960
Current Average Salary: \$45,000.00

Social Security No.: XXX-XX-9999
Date of Hire: 01/01/1990
Credited Benefit Service: 24.50

Normal Retirement Date: 01/01/2025
Projected Average Salary: \$50,000.00
Projected Future Service: 10.50
Projected Benefit Service: 35.00

Early Retirement Date: 01/01/2022
Projected Average Salary: \$50,000.00
Projected Future Service: 7.50
Projected Benefit Service: 32.00

No salary increases are assumed beyond July 1, 2014.

Projected Normal Retirement Benefit payable at age 65 or current age, if later:

If you continue to work for the university until normal retirement, you will receive a monthly pension, based on your projected average salary and projected benefit service, of approximately:

\$ 2,770.83

Projected Early Retirement Benefit payable at age 62 or current age, if later:

If you continue to work for the university until early retirement, you will receive a monthly pension, based on your projected average salary, projected benefit service and a reduction factor, of approximately:

\$ 2,168.53

The Projected Normal and Early Retirement Benefits shown above are payable as a 10-Year Certain and Life Thereafter Annuity with the provision that if you die before 10 years of payments have been received, the remaining payments will continue to your designated beneficiary until the 10 years of payments have been made. Other monthly options are also available under the plan.

Accrued Benefit as of July 1, 2014:

Based on plan provisions, you have accrued (earned) benefits as of this date. This benefit is based on your current average salary and credited benefit service. The vested portion of the accrued benefit will be payable at your normal retirement date and is approximately:

\$ 1,745.63

Currently, you are **100%** vested (10 years of credited service are needed).

Vested Accrued Benefit as of July 1, 2014:

\$ 1,745.63

NOTE: While every attempt has been made to accurately calculate the benefit amounts shown above, this statement is for information purposes only and is subject to correction for errors and omissions. Your actual benefit will be determined at the time of your termination or retirement based on the facts at that time.

Want to save more for Retirement?

- Consider contributing to a Supplemental Retirement Plan



Supplemental Retirement Plan

► Pre-Tax Retirement Contributions

- 2015 Limit \$18,000
- Age 50 and over catch-up contribution \$6,000
- No Federal Income Tax
- \$1.00 contribution only cost approx. \$0.75

► Roth Post Tax Option

- Contributions taxed going in
- No tax when taking them out

Supplemental Retirement Plan

- ▶ Investment options
 - ▶ Fidelity
 - ▶ TIAA-CREF
- ▶ Target Date Investment Funds
- ▶ Contributions grow tax free

Resources

How to Retire Happy and Informed Workshop:

Workshop typically offered in the early spring

How to Retire Happy and Informed

Date: April 10, 2014

Time: 12:00 p.m.

Location: Bicycle Factory, Rm 340

As you think ahead to the years of retirement, the door closes on one stage of your life and a new door opens up to a sea of opportunities for you to consider. Plan your new beginning by being well informed. Please join us as we help you to explore your options with regard to social security, GVSU medical plan options and financial planning. All are welcome, including partners and family.

Resources

Retirement Roundtable

Human Resources » Health & Wellness - Work Life

"Retire from work, but not from life." M.K. Soni

Are you contemplating retirement within the next 5 years? Does the thought of starting a new chapter in your life scare you? Will you stay where you are and how will you age? In addition to the financial aspect of retirement, there are many other challenges. Join others who are searching for ways to make the transition from a career to retirement go smoothly. To register contact Sue Sloop at sloops@gvsu.edu.

Please note: For the month of March the seminar How to Retire Happy will be offered in place of a March roundtable.

Each month the roundtable will feature a different topic of discussion.

February's topic of discussion:

The roundtable discussions are an informal and relaxed atmosphere where people who are contemplating retirement within the next few years can talk about the challenges and opportunities that come with that new phase in life called retirement.

Would you like to pursue significant social purpose work in your retirement? Nonprofit agencies and public schools are expanding roles for volunteers in ways that can help you make a real difference. We'll discuss how to connect with a nonprofit or school with a mission that you are passionate about, and how to transfer your education and skills to a volunteer position in your pre-retirement and retirement years. Jane Royer Volunteer Center Director, Heart of West Michigan United Way, will facilitate this discussion around making retirement purposeful and rewarding!

Resources

Retirement Planning

[Fidelity Homepage](#) - 800.343.3548 - **Plan Number** 50094 (403b) 72992 (457b)

Through the Fidelity web site you can access fund information, IRA evaluators, daily fund prices, and online trading. If you need more information about your Fidelity account feel free to consult our [University Fidelity Representative](#). Please view the upcoming dates on our [Events Page](#).



[TIAA - CREF](#) - 800.842.2776 **Plan Number** 101021 (403b) 101022 (457b)

Through the TIAA CREF web site you can access product and account information, current performance reports, change your address, conduct transactions, read and order current prospectuses. If you need help figuring out your TIAA CREF account you can meet with our University TIAA CREF representative. To schedule an upcoming appointment you can call 1.866.842.2825; to view upcoming dates when the [representative](#) will be on campus please view our [Events Page](#).

If you are thinking of retiring soon and are looking for more information about what Grand Valley offers visit our [Retiree Benefits](#) page.



Resources

AARP Retirement Calculator x

www.aarp.org/work/retirement-planning/retirement_calculator/

Request a Free Quote
Or Call 888-489-8631

save an average of \$404*

AARP Home » Work & Retirement » Retirement Planning » AARP Retirement Calcul...

AARP Retirement Calculator: Are You Saving Enough?

Find out when — and how — to retire the way you want

AARP, October 20, 2014

Like 1.1k Tweet 217 +1 76 in Share +

Is Your Retirement On Track?

[En español |](#)

The AARP Retirement Calculator can provide you with a personalized snapshot of what your financial future might look like. Simply answer a few questions about your household status, salary and retirement savings, such as an IRA or 401(k). You can include information about supplemental retirement income (such as a pension or Social Security), consider how long you intend to work and think about your expected lifestyle as a retiree. The tool will help you determine the amount of money you'll need to retire when — and how — you want.

REWARDS FOR GOOD
EARN 300 PTS

Introduction

STEP 1
About You

STEP 2
Your Retirement Income

STEP 3
Your Options

Are you financially prepared for retirement?

Thinking about retirement can be overwhelming. You may ask:

- *Am I saving enough?*
- *When can I afford to stop working?*
- *How long will my money last?*

Use the AARP Retirement Calculator to help plan your financial future so you can retire when — and how — you want. You've got options. This calculator will help you discover what they are.

As you go through each step, look for the information icon (i), which will explain more about what we're asking and why.

Start Now ►

Resources

The screenshot shows the CFP Board website with the following elements:

- Browser Tabs:** "CFP Board" and "Find a CFP Professional".
- Address Bar:** "www.cfp.net".
- Header:** "CFP BOARD" logo on the left. On the right, a search bar and a navigation menu with links: "Find a CFP Professional", "Get Certified", "News", "Contact Us", and "Log in". The "Find a CFP Professional" link is circled in red.
- Navigation Bar:** A row of links: "ABOUT CFP BOARD", "BECOME A CFP PROFESSIONAL", "FOR CFP PROFESSIONALS", "FOR EDUCATION PARTNERS", "FOR EMPLOYERS OF CFP PROFESSIONALS", "PUBLIC POLICY", and "CAREER CENTER".
- Main Content Area:**
 - Left Section:** A video player showing two men. Below it, a yellow banner reads "INCREASING PUBLIC AWARENESS" with the text "When you're working with a CFP® professional you know you're working with the highest standard." and a link "» LEARN MORE ABOUT CFP BOARD'S PUBLIC AWARENESS CAMPAIGN". Below this, a grey box contains the mission statement: "The mission of Certified Financial Planner Board of Standards, Inc. is to benefit the public by granting the CFP® certification and upholding it as the recognized standard of excellence for competent and ethical personal financial planning." followed by a link "» LEARN MORE ABOUT CFP BOARD".
 - Right Section:** A sidebar titled "HELPFUL LINKS FOR..." with a dropdown menu "Financial Planning Advice". Below it are links: "» Find a CFP® Professional", "» Let's Make a Plan Website", "» Blog: Let's Talk Planning", "» Report Misconduct", and "» More Helpful Links". At the bottom of the sidebar is a section titled "FIND A CFP® PROFESSIONAL" with the text "Find CFP® professionals in your area ready to assist you with your financial planning needs." and a search box with the placeholder "City, State (abbr) or Zip". The search box and the "FIND A CFP® PROFESSIONAL" title are circled in red.

Resources

The screenshot shows the official Social Security Website. The browser address bar displays "www.ssa.gov". The page header includes the Social Security logo, the text "Social Security Official Social Security Website", and a search bar. A navigation menu contains links: Home, Numbers & Cards, Benefits, Information for..., Business & Government, and Our Agency. A secondary menu includes Accessibility, Contact Us, FAQs, Español, Other Languages, and Sign In. A large banner features a photo of a smiling woman hugging a young girl, with the text "Social Security Matters" and the URL "blog.socialsecurity.gov". Below the banner is a row of five circular indicators, with the second one highlighted in blue. At the bottom, four service tiles are visible: "my Social Security" (highlighted with a red circle), "Online Services" (highlighted with a red circle), "Retirement Estimator" (highlighted with a red circle), and "Disability Facts".

SSA The United States Social Security Administration

www.ssa.gov

Accessibility Contact Us FAQs Español Other Languages Sign In

80 Social Security Official Social Security Website

Search...

Home Numbers & Cards Benefits Information for... Business & Government Our Agency

Social Security Matters
blog.socialsecurity.gov

my Social Security
Log in
Create an Account

Check out your Social Security Statement, change your address & manage your benefits.

Online Services
Whether you are applying for receiving benefits, learn what you can do online.

Retirement Estimator
Calculate your benefits based on your actual Social Security earnings record & apply online.

Disability Facts
Learn more about the Facts and Facts of Disability.

Create A Plan

1. Where do you want to be?
2. How much time do you have to get there?
3. Where are you now?
4. What vehicles give you a chance to get there on time?

Where Can I Find More Information?

► About Pension Benefits:

- Summary Plan Description For the Grand Valley State University MGS Staff Retirement Plan A
- Can be found on Health & Wellness website
- www.gvsu.edu/healthandwellness

► About Official Retiree Health Benefits:

- Summary of Medical Benefits for Official Retirees
- Can be found on the Health & Wellness website
- www.gvsu.edu/healthandwellness

Questions?

