

Retirement

Michigan Public School Employees Retirement System (MPSERS)

For Full-time and Part-time Employees (excluding Student Employees).

Michigan Public School Employees Retirement System (MPSERS) is a defined benefit plan, administered by the State of Michigan Office of Retirement Services, currently with health insurance at retirement. MPSERS is a default retirement plan for all College employees (excluding student employees).

Until 1974, both employers and employees contributed to the pension fund. By 1977, the system was funded entirely through employer contributions. It was known as the Basic Plan. The Member Investment Plan (MIP) was introduced in late 1986. This plan provided more generous pension benefit options. Those who were Basic Plan members at the time could choose the MIP, which took effect January 1, 1987. Basic Plan members again had the opportunity to select the MIP in the fall of 1991.

Employees who elected the MIP before January 1, 1990, OR were a Basic Plan participant who enrolled in the MIP by January 1, 1993, contribute 3.9% of their pretax salary.

In addition to your MIP contributions, employees might have other personal contributions – from earnings before July 1, 1977, or from purchased service credit – on account.

Employees first hired between January 1, 1990 and June 30, 2008, are entered into the Member Investment Plan (MIP) at the following graduated contribution rate:

- 3.0% of the first \$5,000 earned
- 3.6% of \$5,001 through \$15,000 earned
- 4.3% of all wages earned over \$15,000

An additional 3% is contributed toward retiree health care.

These contributions are required and will be pretax for the employee.

Employees first hired and are a new member of the plan between July 1, 2008, through June 30, 2010, are entered into the Member Investment Plan (MIP) at the following graduated contribution rate:

- 3.0% of the first \$5,000 earned
- 3.6% of \$5,001 through \$15,000
- 6.4% of all wages earned over \$15,000

An additional 3% is contributed toward retiree health care.

These contributions are required and will be pretax for the employee.

Employees first hired and are a new member of the plan after July 1, 2010, are in the Pension Plus plan.

It pairs a guaranteed retirement income with a flexible and transferable retirement savings account.

Pension Component – You are guaranteed a lifetime pension once you meet age and service requirements.

Your contribution is about 9.4 cents for every dollar earned.

Savings Component – You are enrolled in a tax-deferred savings account that will help you enhance your retirement savings.

You contribute 2 percent of your pay to your retirement savings account. Plus your employer will match 50 percent (up to 1 percent) of your contribution.

You will have the option to increase your personal contributions up to the annual IRS limit.

You are immediately 100 percent vested in your contributions to your retirement savings account. After 4 years of service, you are 100 percent vested in your employer contributions.

For more information, please visit the MPSERS website at <http://www.michigan.gov/ors>.

Optional Retirement Plan (ORS)

For Full-time Administrators and Full-time Faculty

Optional Retirement Plan (ORP) effective April 1, 1999, full-time administrators and full-time faculty are eligible to participate in an Optional Retirement Plan (ORP). ORP is a defined contribution plan, without health insurance at retirement. Employees are required to contribute, through payroll reduction, 4.3% of their compensation and the College contributes 12% of the employee's compensation to the plan. The vesting period is 2 years. These contributions are required and will be pretax for the employee. Employees may choose among several investment vehicles through TIAA-CREF annuities for the funds contributed in their accounts.

The ORP plan must be elected by the eligible employee within a 90-day election period and is an alternative to MPSERS. The decision to remain a MPSERS member or to participate in ORP is a one time irrevocable decision.

LCC is not responsible for the performance of the investment vehicle chosen by the employee. Employees are encouraged to consult their tax and/or financial advisors on making investment decisions.

For additional information, please visit the TIAA-CREF website at <http://www.tiaa-cref.org/>.

Supplemental Retirement Savings

For Full-time and Part-time Employees (excluding student employees).

Full-time and Part-time employees (excluding student employees) are eligible to participate in the 403(b) Tax Deferred Annuity Program and the 457(b) Deferred Compensation Plan. Both plans allow for tax free payroll deduction to the approved provider(s). There are IRS and Plan restrictions involving withdrawals, age, hardship, disability, annual contribution maximums, etc. Contact the Human Resources Department for information on IRS restrictions.

The College has three (3) plan providers in which the employee may choose to invest with. LCC is not responsible for the performance of the investment vehicle chosen by the employee. Employees are encouraged to consult their tax and/or financial advisors on making investment decisions.

An employee may enroll in the plan at any time during the year. To begin contributions, a provider enrollment application and LCC Salary Deferral Agreement must be completed. Contact the Human Resources Department or Payroll for enrollment materials. For more information on providers and investment options, visit our TSA website <http://www.lcc.edu/hr/tsa/>.

Social Security Administration

Information on retirement benefits from social security can be found at the Social Security Administration website <http://www.socialsecurity.gov/>.

The College's Medicare Part D Creditable/Non Creditable Coverage Letters are available at this website http://www.lcc.edu/hr/employee_benefits/.

What you need to do when you are ready to retire:

If you are in MPERS, contact the retirement office 3 to 6 months in advance to meet with a retirement counselor and complete the forms for retirement. Their local number is 517-322-5103. Outside of the area, call 1-800-381-5111.

If you are considering returning to work for a K-12 school or community college in Michigan which is a member of MPERS after retirement, there are earning limitations. Contact the Office of Retirement Services for additional information.

If you are in ORP, contact TIAA-CREF 3 to 6 months in advance to work out your retirement pay out options. Their local officer number is 517-203-3600. TIAA-CREF's toll free number is 1-800-842-2044.

Provide LCC's Human Resources Department with a letter of retirement as soon as your retirement date is determined.

Contact the Director of Compensation and Employment at 517-483-1875 to determine when benefits through the College will end and to discuss your final pay through the College.