

DPSCD-ORS Retirement

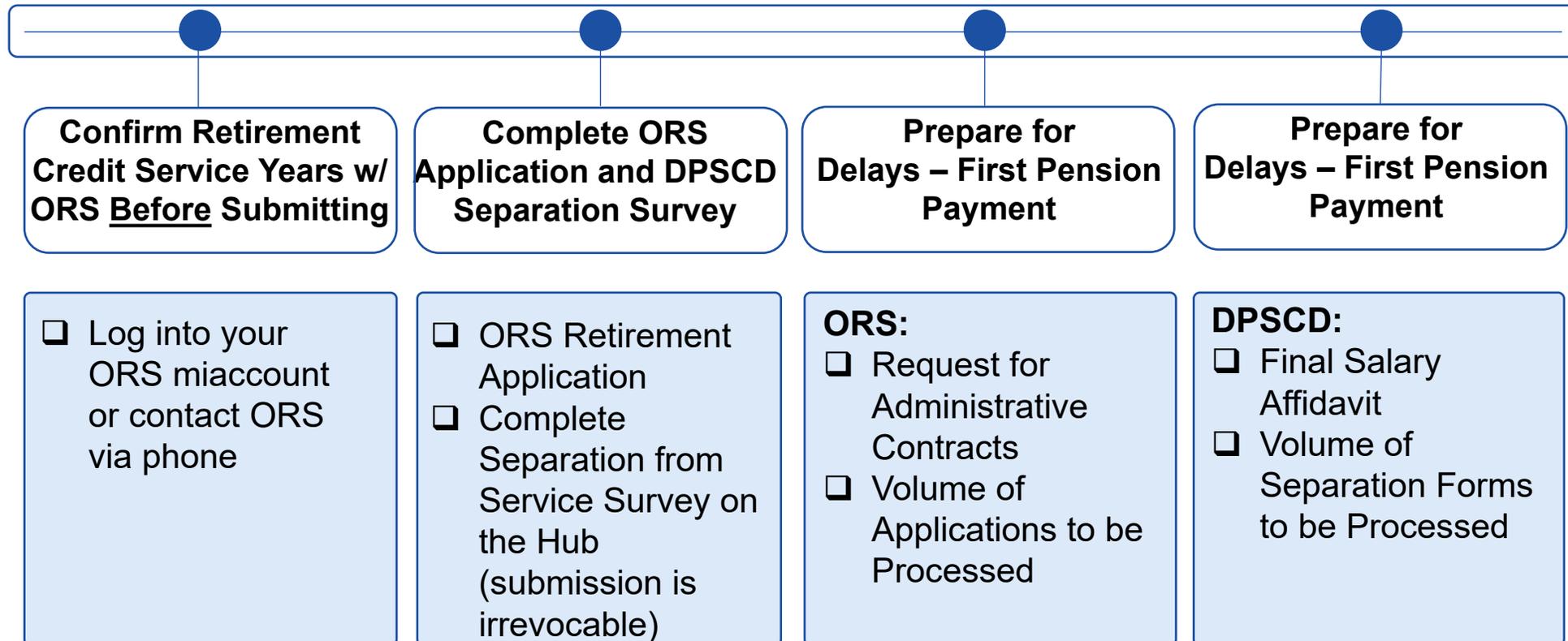
Process Overview



Purpose

- Provide an Overview of the DPSCD Retirement Process
- Provide a Brief Overview of the Office of Retirement Service (ORS) Process
- Retirement Checklist
- Key Timelines
- Mistakes to Avoid
- Retirement Contacts
- Q & A

Retirement Checklist



Important Employee Actions

Task	Timeline	Responsible Party	Submit Information To	Contact Information
Confirm retirement credit service years with ORS and obtain Application for Retirement	(Recommend) At least 6 months prior to retirement	Employee	State of Michigan Office of Retirement Services (ORS)	(800) 381-5111 http://michigan.gov/orsschools
Submit Application for Retirement	(Recommend) At least 6 months prior to retirement	Employee	State of Michigan Office of Retirement Services (ORS)	(800) 381-5111 http://michigan.gov/orsschools
Submit Separation of Service Form	See Union Contract for any language regarding timelines for payouts linked to retirement, et. Illness bank	Employee	Human Resources (HR)	(313) 873-6897 hr.records@detroitk12.org
Medicare-Enroll in Part A and Part B	(Recommend-if eligible) At least 3 months prior to retirement	Employee	Social Security Administration	Local Social Security Office

Important Employee Actions (cont'd)

Task	Timeline	Responsible Party	Submit Information To	Contact Information
Select Pension Payment Options	3 months Prior to Retirement	Employee	State of Michigan Office of Retirement Services (ORS)	(800) 381-5111 http://michigan.gov/miaccount
Select Retirement Insurance	3 months Prior to Retirement	Employee	State of Michigan Office of Retirement Services (ORS)	(800) 381-5111 http://michigan.gov/miaccount
Receive Final DPSCD Payment	30-60 Days after Separation	DPSCD Payroll	Employee	
Receive First Retirement Payment	25 th of the Month	ORS	Employee	

Important DPSCD & ORS Actions

Task	Responsible Party	Notes
Process Separation from Service Form	HR	
Notify the Benefits Administrator of your separation date	HR	<ul style="list-style-type: none"> District medical, dental and vision benefits terminate the last day of the month which includes the last day of your employment relationship with the school district. e.g., if your employment relationship ends at the end of the day on 6/11/24, your medical/dental/vision benefits terminate at 11:59 pm on 6/30/24 District Flexible Spending Accounts and Life Insurance will end at 11:59 pm on the day you separate employment
Turn off access to DPSCD single sign-on applications	Technology	<ul style="list-style-type: none"> Access to applications such as PeopleSoft, PowerSchool, Email, etc. end on the date of separation
Process regular bi-weekly pay through separation date	Payroll	<ul style="list-style-type: none"> If DPSCD separation date is 6/11/24, last regularly issued pay will be 6/25/24 If DPSCD separation date is 6/28/24, last regularly issued pay will be 7/9/2024
Process payout of accrued salary based on salary audit	Payroll	<ul style="list-style-type: none"> Only applicable for 26 pay Issued in most cases on the same date as the last regularly issued pay

Important DPSCD & ORS Actions

Task	Responsible Party	Notes
Notify ORS of your separation of employment	Payroll	
Provide ORS with “final salary affidavit”	Payroll	<ul style="list-style-type: none">Occurs after the last regularly scheduled pay date
Process your Retirement Application	ORS	
Process your retirement	ORS	<ul style="list-style-type: none">Effective the 1st of the month following the date you separate employment with the District
Advises date for retirement payment	ORS	
Receive and process retiree benefit enrollment elections	ORS	<ul style="list-style-type: none">MedicalDentalVision

Mistakes to Avoid

- Not Confirming Retirement Credit Service Years with ORS
 - Prior to Submitting your Retirement Application
 - Prior to Submitting your Separation From Service Form
- Waiting until the Last Day to Submit
 - Application for Retirement to ORS
 - Separation From Service Form to DPSCD Immediate Supervisor
- Not carefully Considering your Retirement Effective Date
- Not Preparing for Delays with your 1st Pension Payment
- Not Informing ORS and HR of Address Changes
- Not Informing ORS of Bank Account Changes

After Retirement - DPSCD

Access to DPSCD single sign on will be Terminated

- Employee Self-Service = 11:59 pm on Date Provided on Separation From Service Form
- District Issued Email = 11:59 pm on Date Provided on Separation From Service Form

District Medical, Dental and Vision Benefits Terminate at 11:59 pm on the Last Day of the Month in which you Separate Employment

Flexible Spending Accounts Terminate at 11:59 pm on the Last Day of Employment

Life Insurance Terminates at 11:59 pm on the Last Day of Employment

- Basic and Supplement Life Can be Converted to Individual Coverage

Benefit Solution Center (Kapnick) will send COBRA Election Notice via U.S. mail

After Retirement - ORS

- ORS will Send “After Retirement” (RO614C)
 - Includes your Award Letter
 - Provides Explanation of what Happens Next
 - Provides Details of what Should be Reported to ORS
- Pension Payment the 25th of each month
- Will Receive a Quarterly Newsletter - Connections



Employment After Retirement Public Schools

- Earnings limitation, impact on pension or insurance premium subsidy
 - Immediate – Must not work in the month of your MPSERS retirement effective date and not have an offer of employment from an ORS Reporting Unit - \$15,100 per calendar year earnings limit
 - 6 months - Must be consecutive months (excludes private sector employment) - \$0 per calendar year earnings limit
- Social Security Income
 - Full Retirement Age-Benefits **not** Impacted
 - Not Full Retirement Age – Benefits Impacted
- District Benefits
 - May be Eligible for Benefits under the Affordable Care Act

Employment After Retirement Private Sector

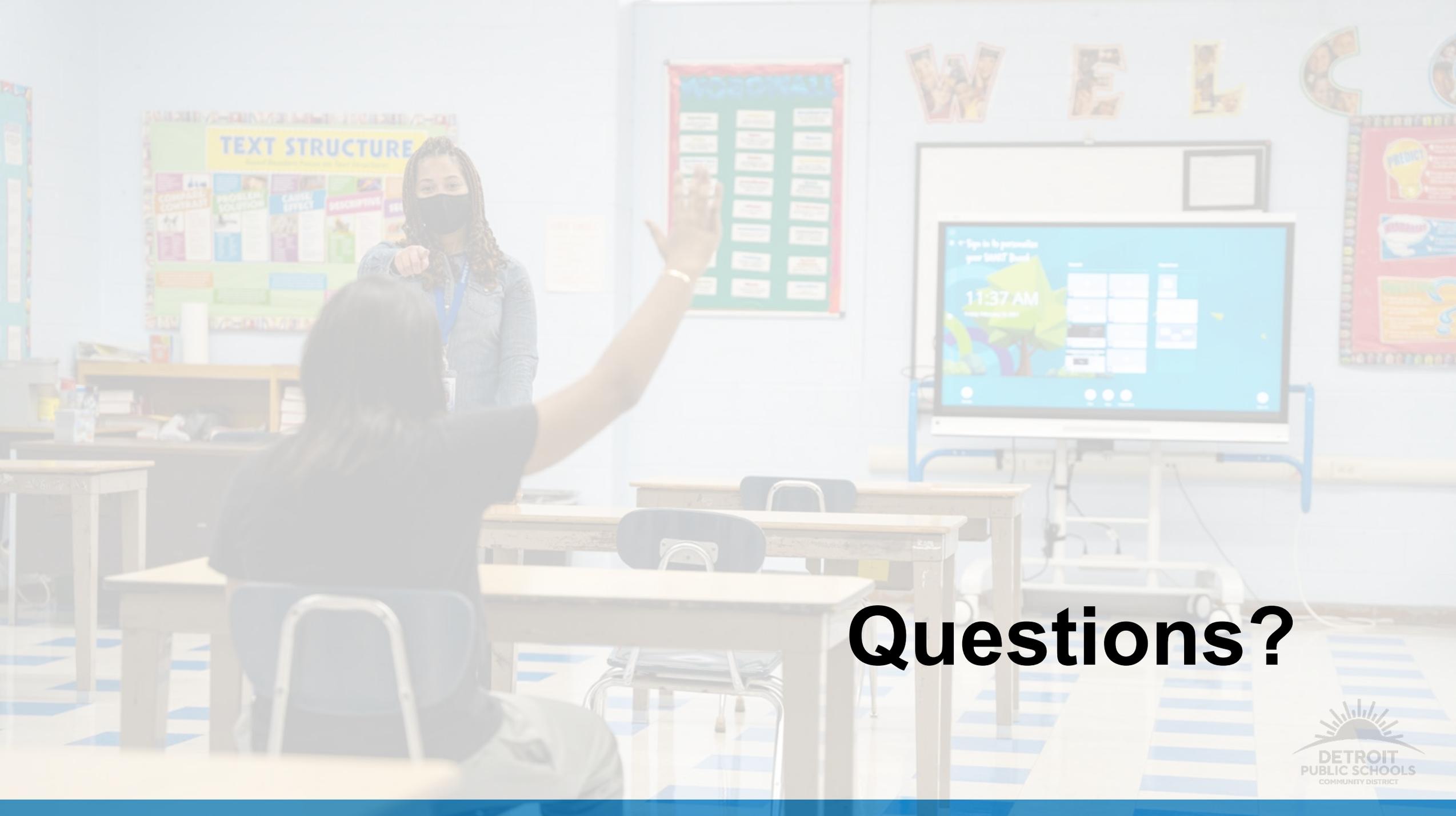
- No Earning Limitations when Returning to Private Sector Employment
- Social Security Income
 - Full Retirement Age-Benefits **not** Impacted
 - Not Full Retirement Age – Benefits Impacted
- Can Start Work Immediately upon Retirement

DPSCD Contacts

- **HR (313) 873-6897 / hr.records@detroitk12.org**
 - Processing Status of your Separation of Service Form
 - Updating your Address Prior to Receiving your Last W2
- **Payroll Help Desk/Service Credit Years (313) 873-4269 / payroll.audit@detroitk12.org**
 - Questions Regarding your Final Salary Affidavit or Issues with DPSCD/DPS Reporting of Service Time to ORS
 - Questions Regarding Notification of your Retirement to ORS/Voya
 - W2 for the Year you Retire

ORS Contacts

- **ORS (800) 381-5111 / <https://www.michigan.gov/orsschools>**
 - Confirmation of Receipt of your Retirement Application
 - Status of your Retirement Application
 - Retiree Benefit Issues
 - Updating Banking Information
 - Updating Contact Information



Questions?

Questions and Answers

Question	Answer
Are retirement wages taxed?	All retirement income is taxed at the federal level. The Michigan tax on pensions, put in place in 2012, was rolled back in 2023 but not eliminated. For all taxpayers, the Michigan income tax rate decreased from 4.25% in 2022 to 4.05% in 2023. 2023 was the first tax year under the new rules. Financial analysts say that the impact on an individual retiree will vary on a case-by-case basis.
If I am a 12-month employee and I separate service at the end of the day on 6/30/24, when can I anticipate getting my 1 st retirement pay?	If there are no delays, the 1 st pension would be issued by ORS on 7/25/24. There may be delay(s) or the 1st pension check might be an estimated amount because the last pay from DPSCD would be 7/9/24. DPSCD cannot send the final salary affidavit until after 7/9/24. If there is a delay with the 1 st payment, ORS will issue the payment retroactive to 7/25/24.
If I have already submitted for my Separation of Service with a 6/30/24 effective date, can I change my date to 6/11/24?	Human Resources will contact all persons who have already submitted a separation of service form (retirement) with an effective date of 6/30/24 to ask if a change to 6/11/24 is desired. Whether the DPSCD separation date is 6/11/24 or 6/30/24, the ORS retirement effective date remains 7/1/24.

Questions and Answers

Question	Answer
If an employee returns after retirement will the employee receive life insurance or sick days?	<p>If the retiree returns as a full-time employee who is scheduled to work 30 or more per week, he/she will be eligible to select all healthcare benefits and life insurance.</p> <p>DFT is the only collective bargaining unit currently with an Agreement restricting sick day eligibility. Effective fiscal year 23-24 all other unions will follow the ORS guidelines to allow sick days. DPSCD will propose DFT allow sick days during negotiations.</p>
Will DPSCD pay for my sick time if my Separation of Service Form is submitted after 5/1?	Employees/members of DFT must submit their forms on or before 5/1 to receive payment. No other bargaining units have date restrictions for submittal.
Will Flexible Spending Account contributions be refunded?	The FSA “use it or lose it” applies. Flexible Spending Account (FSA) utilization terminate at 11:59 pm on the date of your separation. Receipts for services which occurred prior to and on date of separation can be submitted for reimbursement up to 60 days afterwards.

Questions and Answers

Question	Answer
Is there a cap on the number of sick days to paid out at time of retirement?	<p>DFT - \$45/1-100 Days;\$65/101-200 Days AFSCME - 30 Days Maximum (1/2 of sick bank) DAEOE - 30 Days Maximum (1/2 of sick bank) DFP Food Services/NHA – Not Eligible OSAS - Not Eligible Paraeducators - 30 Days Maximum (1/2 of sick bank) Teamsters Police - 30 Days Maximum (1/2 of sick bank) Teamsters Lien -30 Days Maximum (1/2 of sick bank)</p> <p>Note: Notice Requirement for DFT Only – May 1 with a retirement effective date of July 1 or August 1</p>
What is the process if I was retiring in December and wanted to return in the Fall?	<p>The process is the same for all retirement and separation dates. However, payout of illness days applies only to retirement dates of July 1 or August 1. DFT members would not receive payment. All other bargaining unit members would receive payment as stated in applicable Agreements. ORS calculations for service credit and pension payments are based on school fiscal year not calendar year. The employee should contact ORS to determine the impact on the pension amount for retirement effective dates. Current ORS rules also require a waiting period of 6 months for any person to return to ORS in a school district without negative impact on a pension..</p>

Questions and Answers

Question	Answer
Who should be contacted about retirement healthcare (medical, dental and vision) benefits?	ORS
What is the difference between last day worked and date of separation?	Last day worked = the last day of your relationship with DPSCD E.g., 6/11/24 Date of separation: the day following the last day of employment relationship: E.g. 6/12/24 for the example above
If I decide I want to come back to work 6 months after retirement as a substitute special education teacher, can I select the school location?	You must wait 6 months prior to returning to public school employment. You can return as a full-time employee with full benefits as a special education teacher. You are not restricted to substitute employment. You can express a location preference, but placement is based upon need and availability. As a day-to-day substitute teacher, you can accept a school assignment based upon your location preference. Note: One (1) days per week commitment is required to be a substitute.
What impact does retirement payments have on Social Security?	Full Social Security Age – No impact. Not Full Social Security Age- Some impact. Must contact the local Social Security Office.

Questions and Answers

Question	Answer
How do you convert employee life insurance to individual coverage?	Basic and Supplemental Life Insurance can be converted to individual coverage. Securian Life Insurance must be contacted for more information. Securian Phone: 800-843-8358 Securian Website: www.lifebenefits.com
When a retiree returns to employment, at what pay rate is he/she rehired?	Compensation is governed by the Collective Bargaining Unit Agreement. Current agreements expire on 6/30/24 and prevailing language requirements at time of rehire would apply.
Is a separate application required to receive sick day payment?	No. The Separation From Service Form submitted to HR, activates the DPSCD retirement process. Once the Separation From Service is received, DFT forms receipt are verified for being received on or before 5/1 and all other collective bargaining unit forms are automatically reviewed for payment eligibility.
Are unused sick days paid in a separate check?	Yes, but will be after 6/25/24.
Are the sick days calculated with the regular service hours?	No.

Questions and Answers

Question	Answer
<p>What date, 6/11/24 or 6/30/24 should be put on the Separation From Service Form for teachers scheduled with 26 pays.</p>	<p>Recommend 6/11/24 because payment will be received in the same year the service is provided. Final Salary Affidavit will be issued after 6/25/24 - 2 weeks earlier than a 6/30/24 separation date. Accrued salary if applicable will be issued on 6/25/24 in a separate payment. Medical, dental and vision benefits will end on at 11:59pm on 6/30/24. Flexible Spending Accounts and Life Insurance benefits terminate at 11:59 pm on 6/11/24.</p> <p>A 6/30/24 separation date will result in 1 additional regular payroll issued on 7/9/24. Per payroll, accrued salary will be issued in a separate payment on 7/9/24. Final Salary Affidavit can not be issued until after 7/9/24. All benefits will end at 11:59 pm on 6/30/24.</p>