

Connections

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Judges Retirement System

Our Mission

Partners in achieving excellence.

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It's Tax Season – Relax!

Tax season usually has even the most organized of us scrambling at least a little bit. But, if you are a registered miAccount user, you can rest easier knowing you have access to your retirement information online. miAccount allows you to print your 1099-R form and update your tax withholding at your convenience. In January, more than 3,600 1099-R reports were viewed using miAccount.

Another area of the site you may find helpful is the Payment History section. You can view your pension payment amounts, dates, and banking institution. You can also change your address, change your direct deposit, change your federal tax withholding, and you have access to our customer service center representatives through our secure message board.

If you aren't a user, sign up! Type www.michigan.gov/orsmiaccount in your internet browser (Internet Explorer works best for our website). From there, select your retirement system and then click the Register Now button. If you need help, use the help link in the top toolbar.

Got a question? Ask us online!

miAccount offers secure, direct access to our customer service center representatives. Send us your question, then get a written, thoroughly researched response within 12 business hours. By comparison, written correspondence takes at least two days to reach us, then two days to get back to you through the postal system. Don't wait a week for an answer you can have tomorrow!

PURE MICHIGAN®

Are you dreaming of a travel destination that is filled with magic and wonder? Do your eyes get wide when a whitetail buck flits across your hiking trail? Do your innards hum with the sounds of the city as you anticipate a night at the theater or the ballpark?

Michigan has much to offer for both the seasoned adventurer and the day-tripper.

Travel Michigan, the state's official tourism promotion agency, launched the Pure Michigan advertising campaign in 2007. Featuring the

voice of Michigan native Tim Allen, radio and TV ads promoting Michigan as an inspiring travel destination ran in large Great Lakes markets such as Milwaukee, Cincinnati, Chicago, Indianapolis, Cleveland, and Ontario, Canada. From 2004 to 2007, Travel Michigan spent \$20 million. According to the research firm Longwoods International, for every \$1 spent on tourism advertising, the state received an additional \$2.82 in incremental tax revenue.

continued on page 2



From the Director



I know it's easy to feel unsure during the economic challenges we're facing. Over this past year, we've seen economic uncertainties few predicted. The news reports can be discouraging, and solutions do not seem simple or clear. However, during these difficult times it becomes more important to take into account the security and value of your pension.

It should be reassuring that your pension is guaranteed regardless of how the financial market performs. It should also be reassuring knowing that our investment strategy centers on diverse funds and steady performance over the long term, placing us in a better position to maintain stability during economic downturns. While our pension funds have not been immune to the market decline, they do remain financially sound and positioned to continue paying your benefits.

In addition to the personal financial security your pension provides, it also serves as a valuable source of economic activity. In 2008 alone, the Office of Retirement Services delivered over \$5 billion in pension payments and health care, which in turn supports the jobs, services, and institutions healthy communities depend on.

In short, your pension is secure. The pension assets are invested in well-diversified funds that maintain a stable foundation. Your pension not only provides retirement income for you, it also helps provide a strong foundation for Michigan's economy. While I'm sure this year will continue to be full of challenges and opportunities, I'm looking forward to it and I hope you are too.

Sincerely,

Phil Stoddard, Director

A few facts about your retirement system in Fiscal Year 2008

- ❖ Number of retirees and beneficiaries receiving monthly benefits: **540**.
- ❖ Number of active employees: **257**.
- ❖ Number of vested active employees: **256**.
- ❖ Investments resulted in a funding level of **123 percent** as of September 30, 2008.

For more information, view the financial summary for Fiscal Year 2008 on page 4.



Buy Michigan

If every Michigan family would buy just \$10 a week of local Michigan fruits and vegetables, it would keep \$37 million new dollars each week working for you right here at home.

Source: Michigan Department of Agriculture

Pure Michigan *continued from page 1*

Because of the campaign's positive affect on our economy, Michigan plans to spend twice as much in 2009 as in 2008 – nearly \$30 million – expanding the Pure Michigan campaign to promote winter tourism. This spring, for the first time ever, it will run ads nationally.

For the latest information and to plan your next Michigan vacation, visit www.michigan.org.

Pension Pay Dates

Pension payments are issued on the 25th of the month. If the 25th falls on a weekend or holiday, your pension will be paid the previous business day.

If your EFT is not credited within three days after that date, please contact ORS. If you do not receive your printed check, contact ORS after the seventh of the following month.

Holidays

ORS offices will be closed on the dates listed below.

May 25 – Memorial Day

July 3 – Independence Day

September 7 – Labor Day

Our website is available seven days a week, even when our office is closed: www.michigan.gov/ORSjudgesDB

Ask an Expert

ORS experts answer frequently asked questions



Q: *I signed up for direct deposit when I retired, but now I need to change my financial institution. Is there an easy way I can get this done?*

A: First of all, thank you for choosing to receive your pension using Electronic Funds Transfer (EFT). This option is much more secure, dependable, and convenient than receiving paper checks. And yes, you can easily update your EFT using miAccount at www.michigan.gov/orsmiaccount or by requesting or downloading an *Electronic Funds Transfer (Direct Deposit) Application (R0277X)* from the ORS website, www.michigan.gov/orsjudgesdb. If you are changing financial institutions, don't close your old account until your pension payment has been successfully deposited in your new account.

You can also sign up for EFT using miAccount or the *Electronic Funds Transfer (Direct Deposit) Application (R0277X)*.

Attn: Social Security Recipients

By early June 2009, Social Security and Supplemental Security Income beneficiaries will receive a one time payment of \$250 as part of the American Recovery and Reinvestment Act of 2009.

NO ACTION is required to receive this money. Recipients will automatically receive the payment from the Social Security Administration.

For more information, visit www.ssa.gov.

When to Contact ORS

Not sure what needs to be reported? Here we list the most common situations that would require you to update your information.

Address, Tax, or Direct Deposit Changes. It is critical that you update ORS with these kinds of changes and the fastest, easiest way to do this is through miAccount. miAccount allows you to make instant changes to your account at your own convenience rather than calling our offices during work hours. If you haven't created your user ID yet, create one today so you'll be ready to make any tax changes needed for next year.

Death. ORS should be notified immediately upon the death of a pension recipient, a pension beneficiary, or anyone enrolled in your health, dental, or vision insurances.

Divorce. Notify ORS immediately if your ex-spouse is enrolled in your insurances. And, if you elected a survivor option with your ex-spouse as beneficiary, it's best to contact us before your divorce is final because we can only change your pension if ordered by the court.

Marriage. Notify ORS within 30 days whenever an insurance dependent marries. Complete an *Insurance Enrollment/Change Request* form available on our website and send it with the required documents.

Medicare. Any person enrolled in the health insurances must sign up for Medicare Parts A and B when first eligible. If this happens before age 65, complete an *Insurance Enrollment/Change Request* form available on our website and send it to ORS with the required documents.

Details about reporting these and other life events, as well as forms you'll need, can be found online, using miAccount, or by contacting us.

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www.michigan.gov/ORSjudgesDB

Judges Retirement System

for Fiscal Year ending September 30, 2008

Assets & Liabilities

	FY 2008	FY 2007
Assets		
Cash	\$ 6,175,969	\$ 1,180,561
Receivables	93,594	87,103
Securities Lending Collateral	36,415,878	76,704,396
Investments	<u>274,660,308</u>	<u>334,517,387</u>
Total Assets	\$ 317,345,749	\$ 412,489,447
Liabilities		
Accounts Payable and Other Liabilities	\$ 204,679	\$ 65,146
Obligations Under Securities Lending	<u>47,518,751</u>	<u>76,704,396</u>
Total Liabilities	\$ 47,723,430	\$ 76,769,542
Net Assets	<u>\$ 269,622,319</u>	<u>\$ 335,719,905</u>

Revenues & Expenses

	FY 2008	FY 2007
Revenues		
Public Financed and Member	\$ 2,466,755	\$ 2,750,282
Net Investment Income (Loss)	<u>(48,516,565)</u>	<u>49,715,863</u>
Total Revenues	\$ (46,049,809)	\$ 52,466,145
Expenses		
Benefit Payments	\$ 19,180,381	\$ 18,919,433
Health, Dental, and Vision Benefits	789,975	611,246
Transfers and Refunds	—	247,941
Administrative Expenses	<u>186,166</u>	<u>181,848</u>
Total Expenses	\$ 20,156,522	\$ 19,960,468
Beginning of Year Net Assets	<u>\$ 335,828,650</u> ¹	<u>\$ 303,214,228</u>
End of Year Net Assets	<u>\$ 269,622,319</u>	<u>\$ 335,719,905</u>

¹ Restated

Investments & Earnings

	Market Value*	Percent of Total Market Value	Total Investment and Interest Income**
Fixed Income Pools	\$ 45,775,439	16.3%	\$ 2,626,011
Domestic Equity Pools	115,958,889	41.3%	(32,700,787)
Real Estate Pools	44,651,430	15.9%	2,743,147
Alternative Investment Pools	40,107,303	14.3%	2,109,368
International Equities Pools	24,484,470	8.7%	(11,936,998)
Short Term Investment Pools	9,858,746	3.5%	(23,499)
Securities Lending Income			2,311,871
Investment Expenses			<u>(2,542,804)</u>
Market Value and Net Investment Loss	<u>\$ 280,836,277</u>	<u>100.0%</u>	<u>\$ (37,413,691)</u>

* Market value excludes \$36,415,878 in securities lending collateral for fiscal year 2008.

** Total Investment and Interest Income excludes net security lending income of \$345,478 and unrealized loss of \$11,102,873 for securities lending collateral for fiscal year 2008.

Note: The complete 2008 Comprehensive Annual Financial Report from which this summary was derived is available on our website at www.michigan.gov/orsjudgesdb. If you are unable to download it from the internet, you can request a copy through the miAccount message board or call us at (800) 381-5111.