



Small amounts can make a big difference

Are you thinking you need to save more for your retirement? Or have you put your contributions to the Pension Plus plan on hold?

If you postpone saving until “tomorrow,” you could miss out on income for your retirement potentially worth thousands of dollars. Here’s why it can be important to continue to save regularly.

When you make pre-tax contributions to your account, your contributions and any earnings in your account are allowed to compound tax-deferred until distributed, typically at retirement. Compounding occurs when earnings from your investments are reinvested to produce more earnings. Each year’s gains can build on those of the past, increasing your account’s growth potential.

Either the **Small Steps** program or the **Rate Escalator** can help you automatically set aside more on a regular basis. With the Small Steps program, your savings rate goes up by 1 percent each January until your rate reaches 10 percent (not including the State’s contribution). With the Rate Escalator feature, you control the rate of increase and the schedule. If you use the Rate Escalator, your saving rate will not go up in January under the Small Steps program. Instead it will happen when it’s right for you. Go to stateofmi.voya.com and log into your account, then select **Account > Contributions > Rate Escalator**. Or call **800-748-6128**.

Only you know what you can afford to contribute to your account. You can restart or increase your contributions by logging into your account at stateofmi.voya.com or by calling **800-748-6128**. ●

How 1 percent increases add up

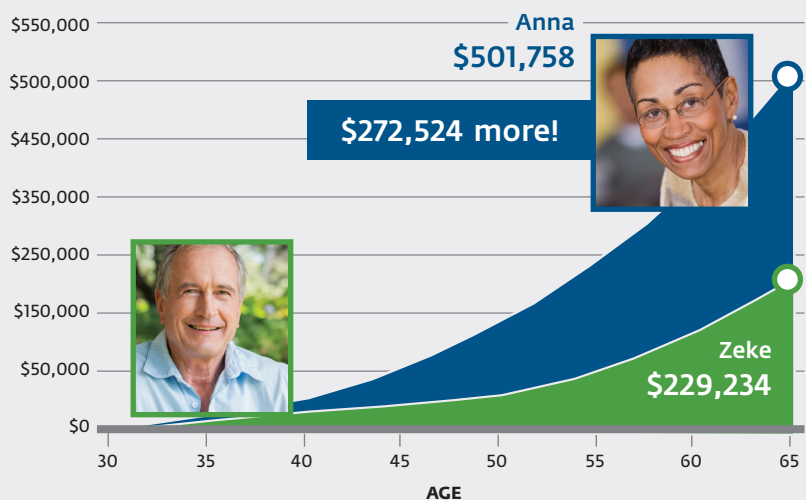
Here’s a hypothetical scenario to illustrate the value of increasing your contribution rate, even a little at a time.

Anna and Zeke earn \$50,000 a year. At age 30, they start participating in the Pension Plus plan and make pre-tax contributions of 4 percent from their paychecks every two weeks.

Anna bumps up her contribution rate by 1 percent every year until her rate reaches 10 percent and saves at that rate until she retires. Zeke doesn’t change his contribution rate.

With a 6 percent annual return over 35 years when they both retire at age 65, Zeke would have an account value of \$229,234 while Anna would have an account value of \$501,758 — a difference of \$272,524 more for her retirement.

And these amounts don’t include their employer’s matching contributions, if applicable, which would result in even higher account values at retirement.



This is a hypothetical example for illustrative purposes only and does not represent the performance of an actual investment. It assumes an annual salary of \$50,000, pre-tax contributions, 26 pay periods per year, a 6 percent annual rate of return and reinvestment of earnings. Investments are subject to investment risk including the possible loss of principal. The investment return and principal value of the security will fluctuate so that when redeemed, it may be worth more or less than the original investment. In addition, these figures do not reflect any adjustment for pay raises, inflation, taxes or any fees, expenses or charges of any investment product. Taxes are generally due upon withdrawal of tax-deferred assets.



Plan fund news

RidgeWorth Ceredex Small Cap Value Equity Fund will change its name to Virtus Ceredex Small-Cap Value Equity Fund effective July 31, 2017.

Fees for the target retirement date funds were reduced effective February 27, 2017. Lower fees for the State Street S&P 500 Index, State Street S&P Mid Cap Index, State Street Bond Market Index and State Street Global All Cap Equity ex-U.S. Index funds took effect May 1, 2017.

Moving three funds to BlackRock on July 31, 2017 will further reduce fees. BlackRock's Government Short-Term Investment Fund, S&P Small Cap 600 Equity Index Fund and Emerging Markets Index Fund will replace State Street Cash Series Treasury Fund, State Street Russell 2000 Index and Vanguard Emerging Markets Index Fund.

You can learn more by reading the fund fact sheets available at stateofmi.voya.com or by calling **800-748-6128** to request the fund fact sheets. You should carefully read and review all investment information prior to making an investment decision. ●

New policy keeps assets in Plan accounts longer

To better help you meet your retirement savings goal in the event you leave state employment for a brief period of time, a new plan policy took effect June 1, 2017. If you terminate service and return to employment within 180 days, you will not forfeit the unvested employer contributions in your retirement investment account. This change means employees who terminate employment will no longer immediately forfeit any unvested money in their accounts. Participants with temporary or seasonal employment are expected to benefit most from this change. ●

Choose a beneficiary

Review your beneficiary designations at least once a year and whenever your personal situation changes. Keep in mind that naming an entity other than an individual as your beneficiary may have implications on the IRS required minimum distribution payments to beneficiaries. To name beneficiaries for your retirement investment account, go to stateofmi.voya.com and log into your account, then select **Personal Information > Add/Edit Beneficiary**. Or call **800-748-6128**. To name beneficiaries for your pension component, go to miAccount. ●

Learn how to plan and invest

You're invited to attend educational retirement and investing seminars. Please review the schedule you received with your account statement and enroll today. ●

Go paperless, go green

Sign up for electronic delivery of your Pension Plus plan account statements and other documents. You'll save time, reduce clutter and help the environment. It's simple: change your mail preference when you log into your account at mipensionplus.org/publicschools. ●



quarterly calendar

Transactions made on this date when the New York Stock Exchange (NYSE) is closed will be processed the following business day that the NYSE is open:

- **Monday, September 4, 2017 Labor Day**



Online: mipensionplus.org/publicschools | Toll free: 800-748-6128 | TDD Line: 800-276-4106

For seminar information or to set up a personal meeting: 517-284-4422

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