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SUMMER 2012

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Guessing isn't good enough: set your retirement goals

Athletes understand the importance of setting goals. It helps them stay focused as they train and plan for the next competition. You should do the same when making projections about your retirement future.

Many people continue to be unaware of how much annual income they will need during retirement. According to the 2012 *Retirement Confidence Survey* by the Employee Benefit Research Institute (EBRI), more than half of workers (56 percent) report they and/or their spouse have not tried to calculate whether they are saving and investing enough to generate the level of income needed for a secure retirement.

It's important to define your goals as specifically as possible. As a Pension Plus retirement plan member, you have access to services that take the guesswork out of planning.

Online calculators

Find out how you compare with other people like you when it comes to money matters. Go to www.mipensionplus.org for a link to **CompareMe** that will provide you with answers and a financial report you can download for planning purposes.

For another easy way to get started with setting your goals, go to www.mipensionplus.org for a link to **Find Your Number**.



For more information about the ING Advisor Service, please read the ING Investment Advisors Disclosure Statement. A Disclosure Statement may be viewed online by accessing the ING Advisor Service link through the Plan website at www.mipensionplus.org or may be requested from an ING Investment Advisor Representative by calling the Plan Information Line at (800) 748-6128. ING does not give tax or legal advice. If you need tax advice, consult your accountant or attorney; if you need legal advice, contact your attorney. ING does not guarantee future results. Advisory Services provided by ING Investment Advisors, LLC (ING). Plan administrative services provided by ING Institutional Plan Services, LLC. Both are members of the ING family of companies. Financial Engines Advisors, L.L.C. (FEA) acts as sub-advisor but is not a corporate affiliate of ING. Neither ING, FEA, nor their affiliates guarantee future results. Financial Engines[®] is a registered trademark of Financial Engines, Inc.

Personal help

If you want personalized, objective advice, you may choose from two levels of service from ING's Advisor Service[®] powered by Financial Engines[®].

#1. Personal Online Advisor

For the confident investor who wants quality research and professional tools, this easy-to-use web-based retirement planning service is available at no additional cost and gives you:

- A realistic forecast of your retirement savings account value
- Personalized, objective investment and savings recommendations you can implement on your own
- The ability to explore changes to your risk level, contributions, or retirement age, and to see the impact of changes on your financial outlook

Go to www.mipensionplus.org, log into your investment account, then click the **ING Advisor Service** link.

#2. Professional Account Manager

Professional Account Manager is designed for participants who would rather partner with an investment professional who can choose their investments and manage their Plan accounts for an additional fee. In addition to the services provided by Personal Online Advisor, this program offers one-on-one support and quarterly progress reports.

For an initial no-cost retirement assessment by an ING Investment Advisor Representative, call **(800) 748-6128**. After the initial no-cost assessment, the cost for using the advisor service is \$2.50 a month for each \$10,000 in your account. This service may be canceled at any time. Fees are listed on your account statements in the Account Activity Summary. ●

Understanding target retirement funds

Target retirement funds make investing for retirement simple.

By choosing one fund that matches the date you expect to retire, you get a diversified portfolio in one step. You don't need to decide how to diversify your investments. Your money is automatically spread across a mix of stocks, bonds, and cash equivalents for you. Each target retirement fund adjusts this mix annually, becoming more conservative as the fund nears its target retirement date.

Typically, target retirement funds with dates furthest in the future have a higher stock allocation with an objective to help build portfolio value in the early years. Funds with dates closer to the target date generally have a higher bond and cash allocation to help preserve your money and produce income for the many years you can expect to live in retirement.

While diversification, rebalancing, and shifting to a conservative investment mix over time do not ensure a profit or protect against loss in declining markets, these strategies may help manage risk.

Like all investments, there is the potential for a target retirement fund to lose value. The rate of return is not guaranteed, including on or after the target date. A fund's target date does not automatically assure you will have enough to retire at that time.

For fund fact sheets, log into your retirement savings account or call ING at **(800) 748-6128**. You should carefully read and review all investment information prior to making any investment decisions. ●

Is a target retirement fund right for you?

Your contributions to your retirement investment account are automatically invested in the target retirement fund for the year you are likely to retire.

You always have the choice to switch to other investment options in the Pension Plus retirement plan. However, consider a target retirement fund if you:

- don't have the time, experience, or interest in investing, or
- prefer to leave investing decisions to professionals



Password change enhances security

A security enhancement that went into effect June 20 involves a change to your password for accessing account information by telephone and online. You will be prompted to replace your four-digit password with a six-digit password. This change is intended to prevent someone else from accessing your Plan account information. ●

Mark your calendar

National Save for Retirement Week is October 21-27. Watch the Plan website for information about opportunities to give your retirement accounts extra attention. ●

What kind of pension can I expect?

The Pension Component of the Pension Plus retirement plan is a valuable benefit, providing a monthly pension at age 60 when you have at least 10 years of service.

Your pension amount depends on how long you work and how much money you earn. You earn service credit for each day worked. Generally, you earn 1,020 hours in a school fiscal year, but no more than 60 hours may be credited bi-weekly.

Your pension amount also depends on the pension payment option you choose when you retire: a straight life option or a survivor option. The straight life option pays you the maximum monthly pension payable throughout your lifetime, but no ongoing payments or insurances are provided to your survivors. The survivor option pays you a reduced pension throughout your lifetime, but upon your death, your pension and insurances continue for the lifetime of your survivor pension beneficiary.

Your annual pension is based on this formula:

- the average of your highest earnings five years in a row
- multiplied by a 1.5 percent pension factor
- multiplied by your years of service

EXAMPLE

\$35,000 x 0.015 x 35 years = \$18,375 yearly = \$1,531.25 monthly

In this example, your average annual salary from your highest five consecutive years is \$35,000 and you have 35 years of school service when you retire at age 60 or after. By choosing the straight life option, you would receive \$1,531.25 per month.

This example is for illustrative purposes only. Your actual benefit will be determined by many factors set forth in the Pension Plus plan document. Please make sure that you carefully review and confirm your benefit under the plan prior to making any retirement decision.

To check your up-to-date service credit and pension contribution totals, log into your pension account online using miAccount at **www.michigan.gov/orsmiaccount**, then click on Member Statement. ●



Quarterly calendar

Transactions made on this date when the New York Stock Exchange is closed will be processed the following business day.

- **Monday, September 3, 2012**