

RETIREE NEWS

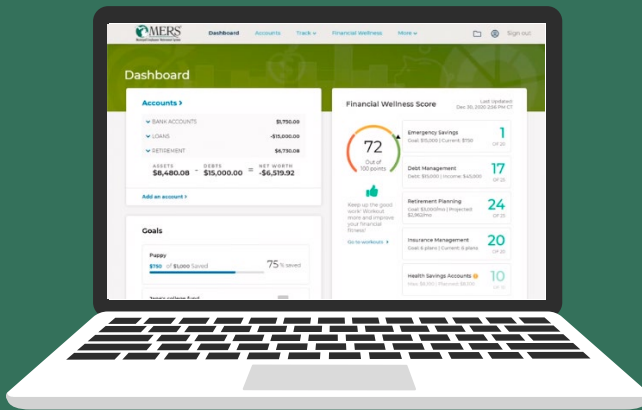
AUGUST 2021



myMERS Makes it Easy

Safe, secure and oh-so-easy to use, your myMERS account (www.mersofmich.com) is still the most efficient way to:

- Change your **mailing address**
- Change your **email** address
- Retrieve your quarterly **statement(s)**
- Update **beneficiaries** on your participant directed accounts
- Change your **investment allocation**
- Retrieve your **1099-R**



Your New Financial Fitness Dashboard

Notice anything different about your myMERS account?
It has a whole new look!

Use your new personal Financial Fitness dashboard to organize your finances. In addition to completing financial wellness “workouts” on emergency savings, debt management, insurance management and health care savings, you can use your dashboard to create your budget and track your spending.

You can still access your MERS plans in two simple steps. Simply select your plan in the accounts section and then click “View Plan Summary”.

Log into your myMERS account at www.mersofmich.com to check it out today!

RETIREMENT CONFERENCE

2021

MERS is excited to be hosting our Annual Retirement Conference live and in person at the Amway Grand Plaza in Grand Rapids on October 7-8. In addition to conducting our annual business meeting and board elections, this year’s event will provide attendees with valuable insights on current trends in the retirement industry, as well as opportunities to network with municipal employees. For more information, visit www.mersofmich.com/annualconference.

OCTOBER 7-8

GRAND RAPIDS, MI

Retiree Connections

You're invited to a virtual Retiree Connections meeting!

Due to the overwhelming popularity of our last meeting, we will again be hosting the Michigan Medicare Medicaid Assistance Program (MMAP) to answer questions about how and when to enroll in Medicare, as well as why you should reevaluate your current health care plan each year.

We'll also discuss some important updates from MERS and share how retirees can get help choosing the right health care plan from benefits counselors at Mercer Marketplace 365+SM Retiree.

Visit www.mersofmich.com to register for this event.

If you have trouble registering online or questions about your registration for this event, you can call the MERS Service Center at 800.767.6377 and we will be happy to assist you.

Date: Tuesday, September 21, 2020

Time: 10:00 a.m. – 11:30 a.m.

Where: Join us from the comfort of your own home via Zoom webinar

Cost: Free



Health Insurance Exchange

Medicare open enrollment is October 15 - December 7, 2021, and it's during this period that you can review and make changes to your 2022 health coverage.

Would you like help finding the right insurance plan?

MERS has partnered with Mercer Marketplace 365+SM Retiree to provide you with access to a private retiree health care exchange to support you in choosing a health plan that best meets your needs.

Mercer offers a comprehensive menu of individual insurance plans in Michigan and across the country, providing you with the comfort and familiarity of well-known national insurance carriers as well as strong local plans with a variety of options. You will have the opportunity to select from several individual health insurance plans to find the optimal coverage based on your personal needs. In addition, if you participate in the MERS Health Care Savings Program, you can use the funds in your account to cover the cost of insurance premiums.

A Mercer Benefits Counselor will assist you each step of the way to:

- Understand your options and decide on a health plan strategy.
- Consider the plans available based on your personal needs and budget.
- Make you aware of any tax credits for which you or your dependents may qualify.
- Choose and enroll in your plans, with ongoing support.

Call 855.694.5369 or visit retiree.mercermarketplace.com/mers to view and compare plans.

Medicare Open Enrollment

October 15 – December 7

You can get help choosing the right plan for you from a Mercer Benefits Counselor.

855.694.5369

Five Reasons to Consolidate Your Retirement Accounts

Do you have retirement plans from more than one employer? Or multiple IRAs? If so, it might be a good idea to consolidate your retirement accounts.

Here are five reasons consolidating your retirement accounts makes sense.

1. **You'll spend less on account fees.** One of the best ways to increase your investment returns is to reduce the investment fees you pay. Each of your retirement accounts charges you fees. Some charge an annual fee, some charge a fee for each transaction, some charge as a percent of your assets, and some charge a minimum balance fee. Consolidating your accounts reduces the number of fees you'll pay and makes it easier to track which fees you're paying.
2. **It's easier to manage your investments.** As a retiree, you want to structure your investments to meet both your short-term needs (providing a steady income stream) and long-term goals (generating investment gains). With multiple accounts, tracking investment performance and maintaining a targeted asset allocation between stocks, bonds, and other diversifiers can be challenging. Consolidating your retirement savings makes it easy to see exactly what you have and how it's invested.
3. **RMDs will be easier to track.** Once you reach age 72, the IRS generally requires that you withdraw a minimum amount from your pre-tax retirement accounts each year. These required minimum distributions (RMDs) must be calculated separately for each account. If you fail to take an RMD, you'll have to pay the IRS 50% of the amount you should have withdrawn as a penalty. Consolidating your accounts minimizes the chances that you'll overlook one of them and incur that penalty.
4. **It'll save you time.** Consolidating your accounts means you'll spend less time trying to familiarize yourself with multiple providers' websites and have fewer passwords to remember. You'll receive fewer statements and 1099-R tax forms, which will make recordkeeping and filing your taxes easier. All that adds up to more time to spend doing what you want to do.
5. **Your loved ones will thank you.** Dealing with the loss of a friend or family member is painful enough. Spare your loved ones the headache of dealing with multiple account types with different providers after your death by consolidating your accounts today.

The best way to consolidate retirement accounts is by "rolling over" your assets. With a rollover, assets are transferred directly from one account into another. Because the money was never in your hands, you won't pay any penalties for early withdrawals or income tax on the amounts you roll over.

You can learn more about rollovers and which accounts you can roll to MERS at www.mersofmich.com/mers/rollover.

MERS Roth and Traditional IRAs

As a former employee of a Michigan municipality, you and your spouse are eligible to open a MERS IRA.

What makes a MERS IRA right for retirees like you?

- You can **simplify your finances** by rolling your outside retirement accounts into a MERS IRA.
- There's **no age limit** on who can open an IRA.
- So long as you (or spouse if you file jointly) have **earned income**, you can still contribute to your IRA.
- A Roth IRA has **no required minimum distributions** during your lifetime, making it a good way to invest money you plan to leave to your heirs.

Find out more at www.mersofmich.com/retiree/programs/mers-ira

Required Minimum Distributions

If you will be age 72 or older this year, the IRS may require that you withdraw a minimum amount from your tax-deferred retirement accounts every year, called a Required Minimum Distribution (RMD). If you have a MERS Defined Contribution Plan, 457 Program and/or Traditional IRA and have not already withdrawn enough to satisfy your RMD, MERS will send you a letter in October with instructions on how to withdraw from your RMD and pay ordinary income taxes.



1134 Municipal Way
Lansing, MI 48917

Contact us



MERS Service Center is available 8:30 am - 5:00 pm, Monday - Friday to answer your questions.

800.767.6377



You can also send us a question anytime on Facebook Messenger.

A Grandparent's Guide to 529 Plans

What better gift could you give your grandchild than an education?

One tax-advantaged way to pay for your grandchild's (or other loved one's) education is through a 529 plan. Here's what you need to know.



- **Anyone can open a 529 plan.** Accounts are typically established on behalf of a child or grandchild. You can set up a separate 529 plan for as many beneficiaries as you wish and can contribute regardless of your annual income or age.
- **You can choose which plan you use.** Most 529 plans are state sponsored. The Michigan Education Savings Program is offered by the state of Michigan. If you prefer another state's plan, you can use them instead. It doesn't matter where you or your grandchild live.
- **Tax advantages.** A 529 plan grows tax-deferred, and distributions for qualified educational expenses are free of federal income tax.
- **It might impact financial aid, but not much.** Assets in a 529 plan owned by someone other than the student or parent are not disclosed in the Free Application for Federal Student Aid (FAFSA). However, be aware that up to 50% of any distribution made from that 529 plan may count as income on a student's future financial aid applications. You might avoid this situation by delaying distributions until the final two years of your grandchild's college.

Opening a 529 plan while your grandchild is still very young will give your contributions the most opportunity to grow. Since anyone can contribute to the account, you can invite friends and family members to help grow your grandchild's account by contributing gifts of money for holidays, birthdays and special occasions.

Join the conversation

Follow *MERS of Michigan* to keep up with the latest updates from MERS, learn from the experts about topics like health care and social security, and share retirement tips with peers.



www.mersofmich.com



2021 Pension Payments

- August 18
- September 17
- October 18
- November 18
- December 17

This publication contains a summary description of MERS benefits, policies or procedures. MERS has made every effort to ensure that the information provided is accurate and up to date. Where the publication conflicts with the relevant Plan Document, the Plan Document controls.

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