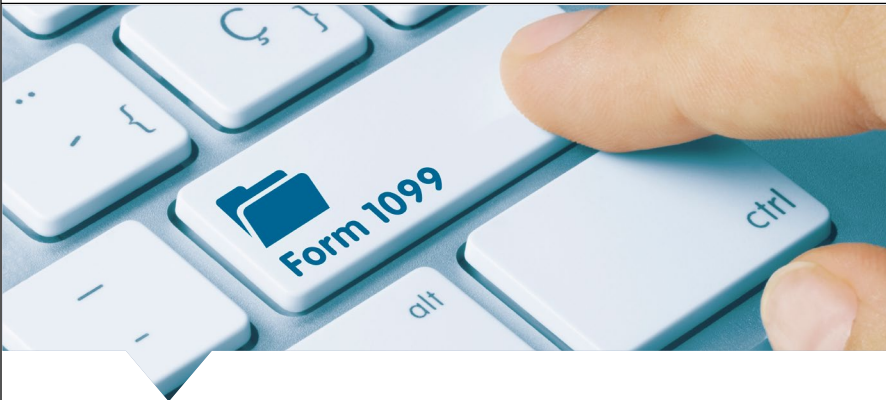




Keeping Your Contact Information Current

Was this newsletter mailed to your current address? If not, the contact information we have for you may be out of date! Be sure to receive important notifications from MERS without delay by keeping your mailing address current.

To change your mailing and email addresses online, log in to your myMERS account at mersofmich.com and select any of your MERS retirement plans under the “Accounts” section. Then under the “**Quick Links**” options on the right side, select the “**Edit My Profile**” link. If you need assistance, please contact the MERS Service Center.



New! – Your 1099-R Will Be Available Online

As a Defined Benefit retiree, you will receive a Form 1099-R issued by MERS. If you are receiving a benefit from multiple employers, you will receive a Form 1099-R for each. Also, if you reached age 59½ in 2021, you will receive one Form 1099-R for the benefits you received before that date and one for the benefits you received after that date, to comply with IRS’ coding requirements. This form will now be accessible online by January 31, 2022. To retrieve your 1099-R, log in to your myMERS account at mersofmich.com and select “**MERS DB Monthly Pension**” from the “**Accounts**” section. Then under the “**Quick Links**” options on the right side, select the “**View Plan Summary**” link and then “**1099 Records**”. A copy of your 1099-R form(s) will also be mailed by January 31, 2022, according to IRS requirements.

Need help finding your tax forms? Follow our step-by-step instructions at mersofmich.com/FindMy1099.

2022 Pension Payments



Payments go out on the 18th of the month or one business day before a weekend or holiday.

- January 18
- February 18
- March 18
- April 18
- May 18
- June 17
- July 18
- August 18
- September 16
- October 18
- November 18
- December 16

How to Read Your 1099-R From MERS

<input type="checkbox"/> CORRECTED (if checked)					
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Gross distribution		OMB No. 1545-0119	
		\$		2021 Form 1099-R	
		2a Taxable amount			
		\$			
		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>	
PAYER'S TIN	RECIPIENT'S TIN	3 Capital gain (included in box 2a)		4 Federal income tax withheld	
		\$		\$	
RECIPIENT'S name		5 Employee contributions/ Designated Roth contributions or insurance premiums		6 Net unrealized appreciation in employer's securities	
		\$		\$	
Street address (including apt. no.)		7 Distribution code(s)		8 Other	
		IRA/ SEP/ SIMPLE <input type="checkbox"/>		\$ %	
City or town, state or province, country, and ZIP or foreign postal code		9a Your percentage of total distribution %		9b Total employee contributions	
		\$		\$	
10 Amount allocable to IRR within 5 years	11 1st year of desig. Roth contrib.	12 FATCA filing requirement <input type="checkbox"/>	14 State tax withheld	15 State/Payer's state no.	16 State distribution
\$			\$		\$
Account number (see instructions)		13 Date of payment	17 Local tax withheld	18 Name of locality	19 Local distribution
			\$		\$

Form **1099-R** www.irs.gov/Form1099R Department of the Treasury - Internal Revenue Service

Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.

Copy B
Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return.

This information is being furnished to the IRS.

Box 1: Gross distribution – The total retirement benefit (both taxable and non-taxable) paid to you for the calendar year, before any deductions.

Box 2a: Taxable amount – The portion of your retirement benefit that is taxable. If you made personal after-tax contributions to your defined benefit plan, this amount should equal Box 1 minus Box 5.

Box 2b: Taxable amount not determined – This box is checked if we were unable to verify the taxable amount because you were already retired when your former employer joined MERS.

Box 4: Federal income tax withheld – Amount of federal income tax withheld from your benefit in 2021.

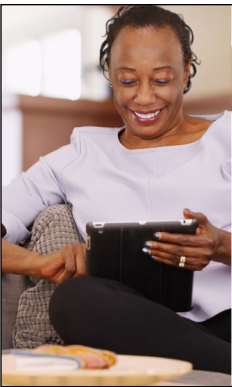
Box 5: Employee contributions/Designated Roth contributions or insurance premiums – If you made personal after-tax contributions to your defined benefit plan, this box shows the portion of those contributions you are allowed to claim for 2021. This is NOT Designated Roth contributions or insurance premiums.

Box 7: Distribution code(s) – The type of benefit you received. Code descriptions are found on the back of Form 1099-R.

Box 9b: Total employee contributions – If 2021 was the first calendar year that you received a retirement benefit payment, this box will show the total amount of personal after-tax contributions you made to your defined benefit plan.

Box 14: State tax withheld – The total of Michigan state tax withheld from your benefit in 2021. MERS only withholds state tax for the state of Michigan.

Account number: Unique number assigned by MERS to distinguish your account.



Need to Make a Change to Your Pension Payment?

For your protection, changes to your direct deposit information or tax withholdings cannot be made over the phone. Changes can be completed through your myMERS account. To make a change, look under “**Accounts**” and select “**MERS DB Monthly Pension**” then click on “**View Plan Summary**”. You will be directed to your Defined Benefit Account Detail Summary, where you should locate the Payment Method section and click “**Edit**”. You may also request a paper form by calling the MERS Service Center.

Estate Planning Options

An ideal estate plan will describe your wishes as clearly and completely as possible in the event you’re incapacitated or pass away. Depending on your circumstances, you may need several documents to cover all your bases.

- A **will** is the most widely recognized tool for expressing your final wishes.
- An **advance care directive** is the formal name for a living will. You can use one to specify the medical treatment you do and do not want in the event you can’t make choices for yourself.
- A **health care proxy** lets you designate someone to make choices about your medical care when you are unable to do so.
- **Statements of intent** allow you to express your preferences for the guardians and trustees who will be asked to carry out your wishes.

The effectiveness of your estate plan depends largely on the people you select to take over for you. Make sure you think carefully about the roles you’ll need to have filled. You’ve spent a lifetime building your estate, so you’ll want to take careful steps to ensure it’s taken care of in your absence.

- The **executor** is responsible for carrying out the provisions of your will.
- A **trustee** manages a trust you created and enforces the rules of that trust.
- A **guardian** is the person who assumes legal responsibility for your children and any other dependents in your absence.

Careful planning may be especially important to conserve your assets and lessen the effects of taxes. To do this, many people use trusts in their estate plans. A trust is a legal arrangement that allows a third party – the trustee – to hold and direct assets on behalf of a beneficiary. Some trusts can be altered or even abolished by you if your needs change (revocable trusts). Other trusts cannot be changed in any way once they are implemented (irrevocable trusts).

- A **living trust** allows you to remain both the trustee and the beneficiary of the trust while you’re alive.
- A **qualified personal residence trust** may allow you to remove a residence from your estate.
- A **generation-skipping trust** may be used to leave money in advance to grandchildren without giving them immediate access to it.
- A **special needs trust** may be used to finance long-term needs for a dependent who is unable to fully manage his or her own affairs.

You should work with qualified estate planning experts to advise you on the many details involved to make sure your wishes are clearly and legally expressed. You can learn more about wills and trusts by viewing the “*Estate Planning*” webinar in our video library on mersofmich.com.



RETIREMENT by the **AGES** Key dates and deadlines

Did you know the average age that a MERS participant applies for a retirement benefit is 59? Even if you're already collecting a retirement benefit, there are several key ages you will want to keep in mind as you plan your financial future.

Age 50 and above – Catch-Up Contributions: If you're still working and are enrolled in a tax-deferred plan such as a 457(b), 403(b) or 401(k), the IRS allows you to make "catch-up" contributions of \$6,500/year in addition to the regular contribution limit. You can also make a \$1,000 catch-up contribution to an IRA.

Age 59½ – Withdraw without Penalties: Most tax-deferred savings plans allow you to withdraw money without having to pay a 10% early withdrawal penalty. Ordinary income tax may still apply.

Age 62 – Minimum Age to Receive Social Security Benefits: You can start collecting Social Security benefits as early as age 62 and one month. However, just because you CAN doesn't necessarily mean you SHOULD. If you start collecting now, your benefit will be reduced for life.

Age 65 – Medicare Eligibility: Your initial enrollment period begins three months before the month of your 65th birthday and ends three months after that birthday month. Missing this initial enrollment period can mean higher costs for the rest of your life, unless you are covered by employer-provided insurance. Visit medicare.gov for details.

Age 66-67 – Social Security Full Retirement Age (FRA): FRA is the age you are eligible to receive full benefits from Social Security. When you reach your FRA depends on the year you were born. FRA is currently 66 years and two months for those born in 1955, and it will gradually increase (by two months each following birth year) until it reaches age 67 for those born in 1960 and after. If you delay taking your benefit beyond your FRA, your benefit amount will continue to increase until age 70. To verify your FRA, visit ssa.gov.

Age 70 – Deadline to Claim Social Security Benefits: At age 70, if you haven't started collecting Social Security yet, you should claim it now. This applies even if you're still working, since delaying beyond this age won't increase your monthly amount. If you forget to claim at 70, you can get up to six months of retroactive benefit checks.

Age 72 – Required Minimum Distributions (RMD): If you have a tax-deferred account(s), your RMD is the minimum amount the IRS says you must withdraw every year starting at age 72 (or 70½ if age 70½ by 12/31/2019). RMD rules can be complex and if you don't follow them, the penalty can be up to 50% of the amount you should have withdrawn. MERS will alert you to any RMDs on your MERS account(s).



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.

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

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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