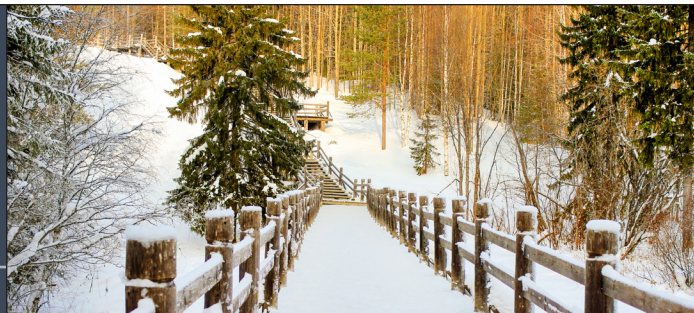


RETIREE NEWS

JANUARY 2020



Is Your Mailing Address Current?

Be sure to receive important notifications from MERS without delay by keeping your contact information current.

To change your mailing and email addresses online, log in to your myMERS account at www.mersofmich.com and select the “**Edit Profile**” link.

Changing your Defined Benefit Beneficiary

One question we’re frequently asked by retirees is, “Can I change my defined benefit beneficiary after I have retired?” The answer to that question will depend on which of the three forms of payment you chose when you retired.

- **Straight Life** – Under a Straight Life payment, your monthly benefit ends when you die. If you made employee contributions to your Defined Benefit Plan, your monthly pension payments are paid from these contributions first. If your death occurs before your contributions are depleted, any remaining contributions will be paid out in a lump sum to the refund beneficiary(ies) you named at the time of your retirement. *You can change your refund beneficiary(ies) at any time.*
- **Life with 100%, 75%, or 50% to Survivor** – If you selected this payment type, you agreed to take a reduced payment now, so that you could name one person to receive a percentage of your monthly benefit after your death. Because the amount of your current benefit was calculated based on both of your life expectancies, *you cannot change the monthly payment beneficiary.* Instead, if your named beneficiary pre-deceases you, your monthly benefit will revert to the higher Straight Life payment amount.
- **Life with 20, 15, 10, or 5 Years Period Certain** – With this payment type, you agreed to take a reduced payment for your lifetime in exchange for a guarantee that your benefit will be paid out for a minimum number of years. If you die before your chosen time period expires, your beneficiary(ies) will receive your monthly benefit for the remainder of the chosen period. *You can change your beneficiary(ies) at any time before this period ends.*

Now that you have retired, you will no longer be able to update your beneficiary information online. You can download a *Beneficiary Change Request* form at www.mersofmich.com.



Are You Getting Ready to Prepare Your Taxes?

As a defined benefit retiree, you will receive a 1099-R form issued by MERS. If you are receiving a benefit from multiple employers, you will receive a 1099-R form for each. This form will be mailed by January 31, 2020, according to IRS requirements. This form is not available online. However, if you have not yet received it and are ready to start preparing your taxes, you may be able to find most of the information you need on your fourth quarter statement in your myMERS account. You will then be able to finalize your tax filing preparation after you receive your 1099-R form from MERS.

How to read your 1099-R from MERS

PAYER'S name, street address, city, state, and ZIP code Municipal Employees' Retirement System 1134 Municipal Way Lansing, MI 48917 800.767.6377		1 Gross distribution \$ 15400.00 2a Taxable amount \$ 15100.00 2b Taxable amount not determined <input type="checkbox"/>	OMB No. 1545-0119 2019 Total distribution <input type="checkbox"/>	Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs Insurance Contracts, etc. Form 1099-R 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
PAYER'S Federal identification No. 381957940	RECIPIENT'S identification No. XXX-XX-XXXX	3 Capital gain (incl. in 2a) \$ 300.00 5 Employee contributions or insurance premiums \$ 300.00 7 Distribution code <input type="checkbox"/> IRA/SEP/SIMPLE 7 9a Your percentage of total distribution	4 Federal tax withheld \$ 3,206.00 6 Net unrealized appreciation in employer's securities 8 Other 9b Total employee contributions	
RECIPIENT'S Name and Address Sam Sample PO Box 123 Anywhere, MI 48910		12 State tax withheld \$ 240.00 13 State/Payer's state no. MI-381957940	14 State distribution	
Account number (see inst.) 1	10 Amt to IRR in 5 years 11 Year of Roth cont.	15 Local tax withheld 16 Name of locality	17 Local distribution	

Form **1099-R** This information is being furnished to the Internal Revenue Service.

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 tax withheld – The amount of federal income tax withheld from your benefit in 2019.

Box 5: Employee 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 2019. This is NOT insurance premiums.

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

Box 9b: Total employee contributions – If 2019 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 12: State tax withheld – The total of Michigan state tax withheld from your benefit in 2019. MERS only withholds state tax for the state of Michigan.

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

Working in Retirement Guidelines

If you are thinking about returning to work, you may be wondering if it will affect your retirement benefit. If you are hired anywhere other than the municipality you retired from, you can continue to receive your monthly pension payment without any restrictions on your employment.

However, if you retired under a MERS Defined Benefit or Hybrid Plan and are rehired by the same municipality you retired from, there are some rules.

If you return to a **regular** position:

- You must have 60 days of separation before returning to work.
- You may only work up to 1,000 hours in a calendar year.

If you return to a **voter-elected position** (by election or appointment):

- If you are elected/appointed into a *different* position, you must have *60 days* of separation.
- If you are re-elected/appointed into the *same* position, you must have *two years* of separation.
- There is no limit on the number of hours you can work.

Regardless of the position you are returning to, your period of separation must be a *bona fide separation*. This means you cannot pre-arrange or discuss returning to work either before you retire or during the required separation period.

If any of the above criteria are not met, your monthly benefit will be suspended until your employment is ended or age 70½, whichever comes first. You will also be required to repay any retirement payments you have received and may incur significant tax penalties. You and your employer must confirm your understanding of these rules by submitting a completed *Working in Retirement Certification* form.

You will not be eligible to re-enroll in the employer's pension plan offered through MERS.

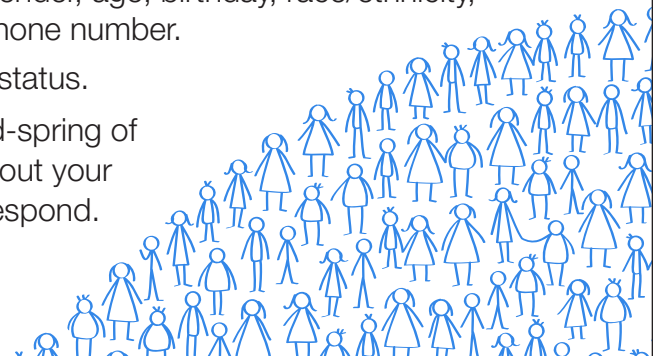


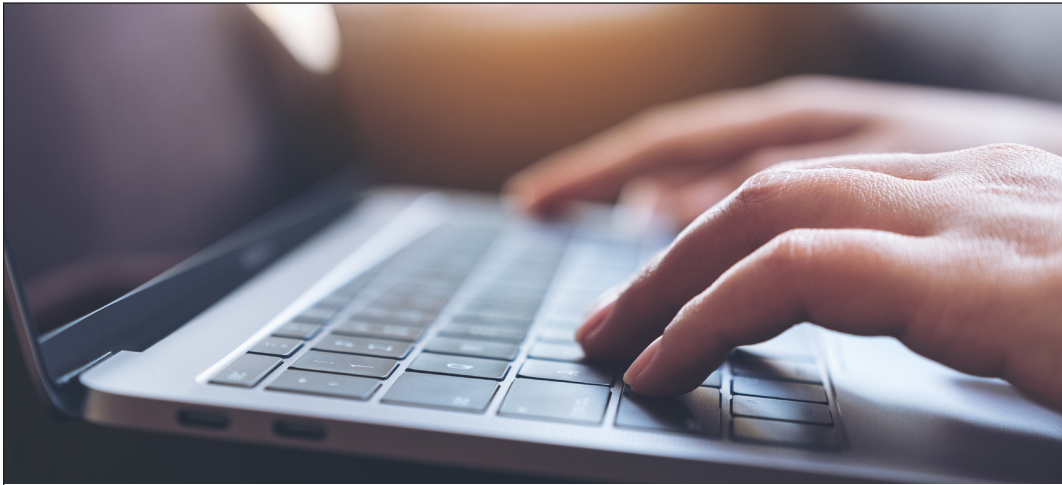
Census 2020: What to Expect

Every 10 years, the Census Bureau conducts a survey to determine the number of people living in the U.S. The next census will be conducted in 2020, with invitations to participate mailed to each household. Census results determine how many seats each state gets in Congress, how legislative and school districts are drawn, as well as how much federal funding each state receives. The greater the number of people counted in Michigan, the more our state will receive!

- Each household will receive a unique Census ID to use when responding.
- If you live in Michigan six months or more each year, use the code sent to your Michigan address.
- The Census will ask for information such as your name, gender, age, birthday, race/ethnicity, relationship to head-of-household, owner or renter and phone number.
- The Census will **not** ask about citizenship or immigration status.

Census invitations will be mailed in March, and in early to mid-spring of 2020 the Census Bureau will be sending out reminders to fill out your form and may follow up in person at households that don't respond. You can find out more about the 2020 Census at www.becountedmi2020.com.






Municipal Employees' Retirement System
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.

Accessing Your Account Securely Online

Your myMERS account is a one-stop resource for most of your account needs. You can view or change your contact information, download forms and publications, find your quarterly statements and more.

It's also the safest way to update important financial information. To prevent someone else from fraudulently accessing your benefit payment, effective January 1, 2020, MERS will no longer accept changes to your direct deposit account or tax withholding over the phone. Should you need to update this information, you must do it through your myMERS account.

Changes to your direct deposit information or tax withholdings must be completed through your myMERS account.

If you've never accessed your myMERS account online before, don't worry. Here's how to get started:

1. Visit www.mersofmich.com.
2. Click on the link that reads **"First time user or need help?"** located underneath the green "Login" button.
3. Follow the account access instructions for participants.

Still need help? You can call the MERS Service Center, and our customer service representatives will be happy to walk you through accessing and using your account.

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



2020 Pension Payments

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

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

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.

PUB 9544a 2019-11-19