

Frequently Asked Questions About the MPSERS “Small Steps” Campaign

Q: I’m hearing people at work talking about something called an “auto-escalate,” having to do with retirement. Does this apply to me?

A: Possibly. It depends on which MPSERS plan you are under. See the chart below:

Auto-escalate applies to all...	Auto-escalate does NOT apply to...
MIP or Basic Members who switched in 2012 to the Defined Contribution (DC) Plan instead of continuing to earn pension credit.	MIP or Basic Members who did NOT switch to the Defined Contribution (DC) plan in 2012.
MIP or Basic Members who switched in 2012 to the Personal Healthcare Fund (PHF) instead of paying the extra money to guarantee their insurance premium subsidy.	MIP or Basic Member who did NOT give up health insurance in exchange for the Personal Healthcare Fund (PHF)
Pension Plus Plan members	
Defined Contribution Plan members	

Q: I don’t know which MPSERS plan I’m under. Can you tell me?

A: MEA can’t tell you what you decided in 2012, but if you first hired into a Michigan public school (not including charter schools) AFTER June 30, 2010, you are in either the Pension Plus Plan or the Defined Contribution (DC) Plan, and this new policy applies to you. Individuals who hired in before June 30, 2010, are only impacted if they made the switches in the chart above.

Q: What if I can’t remember what I decided in 2012, or when I was hired?

A: Your best bet is to check your profile information on your [miAccount](#)

[<https://ssprd.state.mi.us/wss/security/login.do?method=showLogin&retirementSystemId=1030>]

– or contact ORS directly at 1-800-381-5111.

Q: I’m a DC member, wondering how the ORS or Voya can decide to take more of my money. Is this legal?

A: The changes to the Retirement Act that took place in 2012 allow for this practice (called “auto-escalate” in financial circles). MEA’s legal department confirms that this is not illegal.

Q: Will Voya benefit financially from this decision?

A: Voya is a financial institution. All financial institutions collect fees from investors. Fees are usually based on the amount of money being managed. Consequently, it is very likely that some of this additional money collected from our members is going to Voya in the form of management fees.

Q: Why is the ORS doing this?

A: The ORS is charged with the difficult task of trying to provide for retirement security within the shifting confines of the law. They take this responsibility very seriously and have indicated concern that the member contribution default of 2 percent for MIP with Personal Healthcare Fund, 4 percent for Pension Plus (2% Personal Healthcare Fund + 2% Savings), or 8 percent for DC (2% for Personal Healthcare Fund + 6% Savings) will not be sufficient to allow members to retire with adequate retirement security.

Q: I can see why investing more money is a good thing, but I'm already at my default contribution (4% for Pension Plus, 8% for DC), so any increases in my contributions will NOT be matched by my employer. Why shouldn't I say "no" to this and invest any extra money on my own? What are my options?

A: Saving enough for retirement is important. Your employer offers a 403(b) plan and, in some cases, a 457 plan as well. These are in addition to the Voya option. These are supplemental retirement plans that function in the same way as the Voya plan. You should focus on service, cost, and performance in making your decision. Your employer, contract, and/or UniServ Director can direct you to the local service providers.

Q: A brochure I received from the ORS [LINK TO PDF] says that I have from December 5 – 18, 2016 to opt out of this. Does that mean that if someone misses this window, they are stuck with the mandatory increase?

A: No. While it IS true that someone who misses the two-week window will see their contribution increase by 1 percent (which is different than seeing a 1 percent loss in your paycheck – the contribution is pre-tax), the member has the right and ability to reduce this contribution back down to where it was on the very next paycheck – or any other one—if they want to.

Q: And pay some kind of penalty or fee, right?

A: No penalties will be incurred for opting out after the fact.

Q: How do I reduce my contribution?

A: Log into the website and follow the directions. Just be careful that you don't reduce your contributions to the point where you accidentally miss out on your employer match. [Click here to opt out](#) during the Dec. 5-18 window, [<https://smallstepstobiggersavings.com/>]. Or you can opt out in subsequent pay periods by visiting the [Voya section of the ORS website](#) [<https://stateofmi.voya.com/eportal/welcome.do>] or by calling 1-800-748-6128.

Q: One last question: how do I contact Voya or MEA Financial Services to compare plans and fee structures with my local financial advisor?

A: Voya can be reached at 1-800-748-6128. MEA Financial Services can be reached at 1-800-292-1950.