



CITY OF GRAND RAPIDS
 GENERAL RETIREMENT SYSTEM
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The Retirement Register

Pension Benefit Escalator or 13th Check?

Pension Benefit Escalator

As many of you are aware, most bargaining units within the City have negotiated a pension benefit escalator that replaces the 13th Check program. An escalator is a guaranteed fixed amount by which your monthly pension will be increased annually, after the negotiated waiting period. The following chart illustrates each bargaining unit and which program it participates in:

<u>Group</u>	<u>Benefit</u>	<u>Terms</u>	<u>Retirement Date</u>
APAGR	Escalator	1% non-compounding after 4 years of retirement	On or after 10/22/08
61st D.C. APA	Escalator	1% non-compounding after 4 years of retirement	On or after 10/22/08
GREIU	Escalator	1% non-compounding after 4 years of retirement	On or after 03/24/09
61st D.C. GREIU	Escalator	1% non-compounding after 4 years of retirement	On or after 03/24/09
All Library GREIU	Escalator	1% non-compounding after 4 years of retirement	On or after 07/09/09
CST/Latent Print	Escalator	1% non-compounding after 6 years of retirement	On or after 05/12/09
ECO I, II & III	13th Check*	Must be retired at least 5 years to be eligible	All
EC Supervisors	13th Check*	Must be retired at least 5 years to be eligible	All
Non-Represented	13th Check*	Must be retired at least 5 years to be eligible	All

*See 13th Check explanation below for further details

Escalator increase dates will be either January or July of each year. For retirement dates of January 1 – June 30, the escalator date will be July 1. For retirement dates of July 1 – December 30, the escalator date will be January 1. If a “B” option is selected at the time of retirement to include a beneficiary, then any applicable beneficiary amounts or pop-up amounts would also be adjusted, based on the original retirement date and escalator eligibility date, when a death occurs.

13th Check Program

The 13th Check is calculated as follows:

- When the plan’s five-year rolling average book value rate of return is over 8%, one-half of the amount over 8% is multiplied by the balance in the Benefit Reserve Fund and is distributed to eligible retirees.
- The amount is calculated using a point system; number of years and months of credited service at the time of retirement, multiplied by the number of years retired (beginning at 5 years and capped at 15 years). The 13th Check will continue to be distributed beyond 15 years of retirement when available, but the number of total points will not increase.
- The dollar amount to be distributed is then divided by the number of total points assigned for all retirees/beneficiaries. This results in a “dollar per point” figure.

Eligibility requirements include that the member or the beneficiary will have been retired at least five (5) years during the year of the distribution and alive on the date of distribution, January 31, in order to collect the benefit. If the member elects the Straight Life Option, there will be no 13th Check after his/her death because there is no beneficiary.

New Retirees

The Trustees and staff of the General Retirement System are pleased to congratulate the following new retirees:

Diane VanderMolen	(61st District Court)	01/27/11	Evelyn Mitchell	(Water)	04/01/11
Sharron Besteman*	(Water)	02/01/11	Kayne Ferrier	(Library)	04/02/11
Diane Simkins*	(Income Tax)	02/01/11	Bruce Masters	(EP-WWTP)	04/28/11
Lois Crane	(Income Tax)	02/17/11	Ruth Jensen	(Treasurers)	05/14/11
Susan Klein	(Library)	02/19/11	Tamra Wygmans	(Parks & Recreation)	05/14/11
Charles Kennedy	(Engineering)	03/31/11	Willis Tovey, Jr.	(Water)	05/21/11
Mary Ann Peacock	(Library)	03/31/11	Douglas Sawyer	(EP-Storm Sewer Main.)	05/28/11

*Deferred Member

2011 Evening Presentations for Active Employees

The Retirement Systems Office will offer evening presentations for small groups of 5-6 active employees, and their beneficiaries, to discuss retirement issues. The presentations are geared for those employees who are contemplating retiring within the next couple of years. Information on the 457 deferred compensation plan will be distributed to participants, and there will also be a representative from Meritain Health to speak about retiree healthcare provisions.

The remaining presentations for 2011 are scheduled for the following Wednesday evenings: July 13 and November 2. The meetings will be held from 5:30 – 7:00 p.m. in the Retirement Systems Office, located at 233 E. Fulton Street, Suite 216. If you are interested in attending one of these sessions, please contact Lisa Balkema at 456-4300.

Do You Have a Mind to Retire?

According to a recent online survey by Harris Interactive on behalf of CareerBuilder.com, more workers are now willing to take the retirement plunge:

- As the economy gradually recovers, some mature workers are feeling more comfortable about retiring now compared to last year at this time;
- 65% of workers age 60 + said they are putting off retirement because they cannot afford to retire financially; down from 72% who said the same last year;
- More than one in four (28%) mature workers age 60 + plan to retire within the next two years, while 27% are planning to retire in three to four years and 18% in the next five to six years;
- 16% estimate it will be seven years or more before they can stop working, while 10% don't think they will ever be able to retire;
- The primary drivers for postponing retirement are financial restraints as indicated by 65% of respondents and the need for health insurance and other benefits as indicated by 58% of the respondents; and
- However, mature workers are staying on board at their companies for a variety of other reasons, including: enjoy their job (39%); enjoy where they work (36%); fear retirement may just be boring (26%); and enjoy feeling needed (14%).

Adapted from the article "Retiring Minds" in *PLANSPONSOR* magazine, March 2011

In Memory of Departed Friends

Warren Dekker	01/17/11	Harold Olsen	03/09/11
Barbara Wilson	01/23/11	Roosevelt Saffore	03/19/11
Robert Perkins*	01/24/11	Mary Hubbard	04/03/11
Anne Wisniewski*	01/28/11	Richard Smith	05/07/11
Keith Bilski	02/10/11	Robert Pelak	05/10/11
Roy Nordstrom	02/26/11		

*Denotes a beneficiary