

## **Service Retirement Policy**

This service retirement policy is intended to provide members with guidance on filing for retirement and to ensure timely and accurate processing of benefits. This policy is intended for normal, age and service and deferred retirements.

- 1.** A member wishing to initiate the retirement process should contact the Retirement Office, 1-810-257-2626 or 1-800-949-2627, to schedule an appointment to make application for retirement **within 30 to 90 days** in advance of the desired retirement date. *The member should be aware that the Retirement Ordinance mandates a minimum 30 day signing requirement which means that a member cannot be retired until 30 days from the date he or she signs the application for retirement.*
- 2.** At the time of the appointment, the member will meet with the Retirement Office Supervisor and be provided educational information regarding the various pension options available to the member at retirement. An updated *Estimate of Pension Benefits* will also be provided during this meeting. The member is encouraged to invite his or her spouse, and/or other beneficiary(s) to participate in the meeting. The time to allot for this meeting is approximately 20-30 minutes and is contingent on the amount of time required to sufficiently provide information regarding the available pension options and answer any questions the member may have.
- 3.** The member will be required to execute the Retirement Application and Election of Retirement Allowance Option Form (Form RET.1), the IRS W-4P Withholding Certificate for Pension or Annuity Payments (Form RET.2), and the Retiree Checklist (Form RET.3). The Authorization Agreement for Automatic Deposit Form (Form RET.4) is optional but encouraged.
- 4.** The member will be required to provide his or her beneficiary(s) social security number. The beneficiary(s) will be required to provide a copy of his or her driver's license or birth certificate.
- 5.** Spousal signature is not required unless the member is electing the Section 59 Lump Sum Payment Option.
- 6.** Special Information For Members that Elect to Take the Section 59 Lump Sum Pension Option:

The Section 59 Lump Sum transfer is administered  
according to the Section 59 Lump Sum Transfer Policy

adopted by the Retirement Commission on December 13, 1999.

The member will be provided with a copy of the Section 59 Lump Sum Transfer Policy (Form RET.5) and List of Section 59 Lump Sum Option Considerations (Form RET.6) during the educational meeting.

The member will be provided with a copy of the notice that complies with Internal Revenue Code Section 402 explaining the tax/rollover rules during the educational meeting (RET.7).

Members electing the Section 59 Lump Sum option must obtain an enrollment packet from the Genesee County Human Resources Office and establish an account with the ICMA Retirement Corporation in sufficient time for the transfer.

Spousal signature is required for the Section 59 Lump Sum pension option.

**7.** Following proper execution of the retirement paperwork, a notice will be sent to the member's Department Head informing them of the member's retirement date and copies sent to the Human Resources Department and Payroll Department. The member's name will be placed on the agenda of the next regularly scheduled meeting of the Retirement Commission for approval.

**8.** If the member wishes to make any changes to his or her retirement (i.e. extend the last day worked, rescind the paperwork, etc.), those changes must be approved in writing by the member's Department Head or Director as applicable prior to the retirement date.

**9.** All permissive service credit purchases must be paid-in-full prior to the member's retirement date. No monies can be accepted for service credit purchases on or after the retirement date. If service credit purchases are unpaid on the member's retirement date, the retirement service date will be re-adjusted to take into consideration the actual amount of service credit based on the monies paid to date, which will reduce the member's estimated pension and may cause the member to be placed into a deferred status if he or she no longer meets retirement eligibility as a result of the forfeited permissive service credit.

**10.** The estimated pension benefit payment will commence on the first of the month following the member's retirement date and will be paid monthly thereafter. The member will be paid the pro rata portion of the month from the effective retirement date to the end of the month with the first pension benefit payment, if applicable.

**11.** After the member has physically separated from employment and final wage data is available from the payroll system of the employer, the Retirement Office Supervisor will forward to the Actuary the member's actual wage data for calculation and certification. This process will take approximately four to six weeks after separation from employment.

**12.** The Actuary will calculate and certify the member's final pension amount. The Retirement Office Supervisor will send a copy to the member of his or her final benefit computation as certified by the Actuary. If there is any difference between the estimated amount that the member has been paid to date and the final certified amount, then the appropriate adjustment will be made on the next pension benefit payment. The Retirement Office Supervisor will place the final actuarially certified benefit information on the agenda of the next regularly scheduled meeting of the Retirement Commission for approval.

**13.** The member's pension option and beneficiary designation becomes irrevocable on the member's retirement date. Changes may be made for actively employed members prior to the retirement date by executing a change to the Retirement Application and Election of Retirement Allowance Form (Form RET.1). Members should contact the Retirement Office to make a change to their election.

**Adopted by the Retirement Commission on September 19, 2005**