


Planning to Retire?

Use this formula to project your future MIP (Member Investment Plan) retirement benefits under the Michigan Public School Employees Retirement System (MPERS).

Option 1 Straight Life Allowance	Year	Wages	Credit
1. List your highest total wages earned for three years (36 consecutive calendar months)* and service credit earned in each of those years. Include regular wages and pay for extra work, e.g., bus driving, maintenance work, and/or overtime. Do not include unused vacation pay, unused sick leave pay, bonus payments or fringe benefits paid by your employer.	a.	\$	
	b.	\$	
	c.	\$	
2. Add the wages on lines a-c and write the total here.		\$	
3. Add the service credits on lines a-c and write the total here (may be less than three years).			
4. Divide the wage total on Line 2 by the service credit total on Line 3 and write the result here. This is your three-year average.		\$	
5. Percentage used to calculate allowance.		x .015	
6. Multiply the average on Line 4 by the percentage on Line 5 and write the result here.			
7. Write your total years of service credit to the nearest 1/10th.			
8. Multiply the amount on Line 6 by the total years of service credit on Line 7 and write the result here. This is your annual Option 1 allowance.		\$	
9. Divisor to convert from annual to monthly allowance.		÷ 12	
10. Divide the annual allowance on Line 8 by the divisor on Line 9. This is your Option 1 monthly allowance.		\$	
11. Percentage used to calculate increase.		x .03	
12. Multiply the amount on Line 10 by the percentage on Line 11 and write the result here. Each October your monthly allowance will be increased by this amount.		\$	

MPSERS Formula Worksheet

Example

		Year	Wages	Credit
1.	a.	'03-04	\$37,000	1.0
	b.	'04-05	\$39,000	1.0
	c.	'05-06	\$41,000	1.0
		2.	\$117,000	↙
		3.	3.0	
		4.	\$39,000	<p>Option 1 has no survivor benefit. There are three alternatives to provide for survivor benefits—either Option 2, Option 3 or Option 4—in which a retiree takes a smaller pension and in which a named survivor gets a monthly pension for life. The retirement system also offers a Social Security-equated plan that can be combined with any of the three regular pension options. Benefit calculations are available from the retirement system. Local associations have received a retirement handbook from the MEA explaining these choices in detail.</p> <p>Basic Plan Participants <i>*If you are in the basic retirement plan, use a five-year average and do not figure the three-percent annual increase.</i></p> <p>Michigan Public School Employees Retirement System 517-322-5103 or 800-381-5111</p> <p>MEA-Retired 800-292-1934</p>
		5.	x .015	
		6.	585	
		7.	30.0	
		8.	\$17,550	
		9.	÷ 12	
		10.	\$1,462.50	
		11.	x .03	
		12.	\$43.88	

This option pays you the largest allowance you can receive and stops with your death. **There are no continuing monthly benefits for the beneficiary**, only a lump-sum refund of any individual contributions not paid to you in benefits.

The Member Investment Plan (MIP) became available January 1, 1987. If you elected MIP, your allowance is computed using the following formula: 1.5 percent (.015) of the average of your highest total wages for three consecutive years (36 consecutive months) multiplied by your total years of credited service.

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Basic Plan Participants

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