

**COMPENSATION CHANGES FOR FY 2006**

Base pay increases for the fiscal year beginning October 1, 2005, have been determined for all employee groups, with the exception of the State Police Enlisted unit. At its meeting on December 15, 2004, the Civil Service Commission (CSC) approved the compensation provisions included in the collective bargaining agreements for nine bargaining units. The Michigan State Police Troopers Association (MSPTA) has no new agreement at this time. The CSC also approved the Coordinated Compensation Plan for nonexclusively represented employees (NEREs).

The following chart provides details on the approved pay increases by employee group:

<b>Employee Group</b>	<b>Unit</b>	<b>10/1/05 Base Pay Increase</b>	<b>4/9/06 Base Pay Increase</b>
MSEA	Labor and Trades Safety and Regulatory	1%	1%
MCO	Security	1%	1%
MPE	Scientific and Engineering Human Services Support Technical	1%	1%
MSPTA	State Police Enlisted	TBD	TBD
UAW	Human Services Administrative Support	1%	1%
AFSCME	Institutional	1%	1%
NEREs	Business & Administrative Managerial Supervisory Confidential	1%	1%



Chairperson  
Susan Grimes Munsell



Commissioner  
F. Thomas Lewand



Commissioner  
Sherry L. McMillan



Commissioner  
James P. Pitz



## COMPENSATION CHANGES FOR FISCAL YEARS 2007 AND 2008

The recently approved collective bargaining agreements also covered general wage increases for FY 2007 and FY 2008. [Continued . . .](#)

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## ARE YOUR DEPENDENTS FOR INSURANCE COVERAGE AND BENEFICIARY DESIGNATIONS IN ORDER?

We want to be sure that you are aware of the processes in place for changing your dependent coverage and beneficiary designations. We hope the following information will be helpful. [Continued . . .](#)

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## CHANGE IN RULE ON SCHOOL PARTICIPATION LEAVE

In our November 2004 issue, we informed you about use of School Participation Leave. At its meeting on December 15, 2004, the Civil Service Commission amended its rule governing School Participation Leave (Rule 5-10, Paid Holidays and Leave) for NEREs to incorporate use of community leave. [Continued . . .](#)

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## **INVEST FOR YOUR FUTURE TODAY!**

We are pleased to share with you the following information prepared by the Office of Retirement Services, Department of Management and Budget. [\*\*Continued . . .\*\*](#)

## COMPENSATION CHANGES FOR FISCAL YEARS 2007 AND 2008

The recently approved collective bargaining agreements also covered general wage increases for FY 2007 and FY 2008. The increases for all units, except MSPTA, are:

<b>FY 2007</b>	
October 1, 2006	2% base wage increase
First full pay period in April 2007	2% base wage increase
<b>FY 2008</b>	
October 1, 2007	2% base wage increase
First full pay period in April 2008	2% base wage increase

Changes in compensation and fringe benefits for NEREs must be determined annually during the Coordinated Compensation Plan process. Increases beyond FY 2006 have therefore not yet been determined.

### BANKED LEAVE TIME PROGRAM

The CSC also approved provisions regarding continuation of the Banked Leave Time (BLT) program for FY 2005 and FY 2006. Specific starting and ending dates vary by bargaining unit. Please review your bargaining unit agreement for specific information. The BLT of 4 hours per pay period was also resumed for NEREs, starting with the pay period beginning January 2, 2005, and ending the pay period beginning October 9, 2005.

## ARE YOUR DEPENDENTS FOR INSURANCE COVERAGE AND BENEFICIARY DESIGNATIONS IN ORDER?

We want to be sure that you are aware of the processes in place for changing your dependent coverage and beneficiary designations. We hope the following information will be helpful.

### Insurance Coverage For New Dependents

In the event of marriage, birth of a child, adoption, return to school, or other life event, you must add eligible dependents to your insurance coverage within 31 days of the event. Failure to add the dependent(s) within the required 31 day time period will result in your having to wait until the next open enrollment period to initiate coverage. Appropriate documentation (i.e., marriage certificate, birth certificate, adoption papers, proof of enrollment in school) must be provided to the MI HR Service Center whenever a dependent is added. (Secretary of State and Attorney General Employees should submit documentation to their respective HR Office.) If appropriate documentation is not provided, coverage will be revoked.

If you experience a family status change such as a divorce or spouse's loss of employment (if they previously carried insurance benefits for your family), you may be eligible to elect or change insurance coverage outside of the open enrollment period provided that such election is made within 31 days of the event that caused the status change.

### Beneficiary Designations

**Defined Benefit Retirement Plan** (This plan is limited to all vested employees hired prior to March 31, 1997, unless the employee elected to transfer to the Defined Contribution Plan.)

1. You may designate a spouse, child, parent, brother, sister, or grandchild to receive your retirement benefit in the event of your death prior to retirement. If you are married and no designation is on file, the monthly retirement benefit will automatically go to your spouse. However, it is recommended that you file a beneficiary designation form with the Office of Retirement Services even if you are naming your spouse as the beneficiary.
2. If you are **unmarried** and **do not** have a beneficiary designation form on file, upon your death your monthly retirement benefit will be paid to your dependent children but will stop when your youngest child reaches age 18. If you have no dependent children under age 18, no retirement benefit will be payable. In order for a child or other eligible family member to receive lifetime benefits, it is imperative that you file a Defined Benefit Beneficiary Designation form with the Office of Retirement Services.
3. When designating a defined benefit beneficiary, you may designate only one person to receive your retirement benefits (i.e., you cannot list several children, or more than one person.)
4. If you are married and wish to name someone other than your spouse as your beneficiary, your spouse must sign off on the beneficiary designation form.

If you are unsure of your current beneficiary designation, you may contact the Office of Retirement Services (ORS) at [ORSCustomerService@michigan.gov](mailto:ORSCustomerService@michigan.gov) or 800-381-5111 to learn that information or you may simply submit a new beneficiary designation form.

Defined Benefit Plan beneficiary designation forms are available through [MI HR Self-Service](#) under “Employee”, “Benefits”, “Beneficiary”, “Print Beneficiary Forms”, then click on form “R400G” (Defined Benefit form). Forms are also available from the ORS website at <http://www.michigan.gov/ors>. Mail the completed form to the Office of Retirement Services at the address at the top of the form.

### **Defined Contribution Retirement Plan/Deferred Compensation 401(k) & 457**

Forms to change beneficiary designations for the Defined Contribution Retirement Plan, 401(k) or 457 deferred compensation plans are available via [MI HR Self-Service](#) or you may contact CitiStreet at 800-748-6128. To obtain a form via [Self-Service](#), click on “Employee”, “Benefits”, “Beneficiary”, “Print Beneficiary Forms”, “CitiStreet 457”. Forms must be mailed directly to CitiStreet at the address on the form.

### **Final Compensation, Life Insurance, Accidental Duty Death Insurance**

Beneficiaries may be designated on-line in self-service, or by completing forms available from your office of human resources or the Civil Service website under MDCS Forms. To enter beneficiaries in [Self-Service](#), go to “Employee”, “Benefits”, “Beneficiaries.” Beneficiary designations entered online will replace those previously filed on paper. If you elect to file a paper form, it must be submitted to your office of human resources.

### **Accidental Death & Dismemberment Insurance**

Forms are available on the Department of Civil Service website at: <http://www.jcwalters.com/som.html>, user name = som, pswd = state. Then, click on the “Forms” button at the top of the page. Forms are also available from your Office of Human Resources. The completed form must be returned to your Office of Human Resources.

Please contact your human resources representative or the MI HR Service Center, if you have any questions.

#### **MI HR Service Center**

Phone: 877-766-6447

TDD 517-241-8046

7:00am to 6:00pm Monday - Friday, except holidays

FAX: 517-241-5892

P.O. Box 30002

Lansing MI 48909

## CHANGE IN RULE ON SCHOOL PARTICIPATION LEAVE

In our November 2004 issue, we informed you about use of School Participation Leave. At its meeting on December 15, 2004, the Civil Service Commission amended its rule governing School Participation Leave ([Rule 5-10, Paid Holidays and Leave](#)) for NEREs to incorporate use of community leave. [Regulation 5.09, Annual, Personal, and School Participation Leave](#), has also been revised to incorporate community leave. The revised regulation, now titled *Annual, Personal, and School and Community Participation Leave*, permits employees to use School and Community Participation Leave as described below:

**School And Community Participation Leave** -- A nonexclusively represented career employee in an indefinite appointment who has completed 1,040 hours of satisfactory service is credited annually with 8 hours of school and community participation leave to be used in accordance with the following provisions:

1. An employee may use the leave to participate in any school sponsored activity including, but not limited to, tutoring, field trips, classroom programs, school committees, assisting with athletic or music programs, theater and school clubs. The leave may also be used for active participation in any structured secular community activity sponsored by a governmental agency, or a non-profit community organization or agency, and not for mere attendance at school or community events.
2. School and community participation leave may be used only in increments of one hour, and only for qualifying events occurring during an employee's scheduled work time.
3. An employee must obtain prior approval to use school and community participation leave on a form provided by the appointing authority.
4. School and community participation leave is credited to employees on each October 1 and will not carry forward beyond the fiscal year.

Questions regarding use of School and Community Participation Leave should be addressed to your Office of Human Resources.

## INVESTMENT INFORMATION

We are pleased to share with you the following information prepared by the Office of Retirement Services, Department of Management and Budget.

### Investing With Your 401(k)/457 in 2005

Each year, the IRS reviews the amount it will allow you to invest on a pre-tax basis in your 401(k) and 457 accounts. This year, the annual contribution limits are \$14,000 (up from \$13,000 in 2004) for each plan. You can contribute up to \$14,000 in each of the two plans (total \$28,000). If you are over 50 or within 3 years of retirement and are interested in investing over the limit (the catch-up provisions), contact CitiStreet at 800-748-6128.

### New Investment Opportunities

Effective January 1, 2005, one of the Tier II investment funds was replaced with a new investment option. Western Asset Core Bond Portfolio replaced the Strong Corporate Bond Fund. These funds have similar investment styles and levels of risk. If you had a balance with the Strong Corporate Bond Fund, all assets were shifted to the new fund as of December 31, 2004. All other investments remained unchanged.

### Why Change Funds?

The State of Michigan oversees the Plan investment options and strives to offer a variety of funds that help you target your retirement goals. All investment options are reviewed regularly using an extensive evaluation process. Together with CitiStreet, the state monitors all funds' performances against their indices and their peer groups, and evaluates whether the fund consistently maintains its investment style. The most recent assessment of the Strong Corporate Bond Fund indicated it was time to make a change.

If you do not want to invest with Western Asset Core Bond Portfolio, you may contact CitiStreet at any time to redirect your assets. You can make changes on the Plan website at <http://stateofmi.csplans.com> or speak to a Plan representative at 800-748-6128.

### Western Asset Core Bond Portfolio

Classification: Bond Fund

Objective: Seeks to maximize total return, consistent with prudent investment management and liquidity needs, by investing to obtain an average duration of 3 to 6 years.

Strategy: The Fund invests primarily in US dollar-denominated fixed income securities and other debt instruments of domestic and foreign entities, including corporate bonds, securities issued or guaranteed by the US government, its agencies or instrumentalities, mortgage-backed securities and money market instruments.

If you would like more information about this new fund, including a fund fact sheet or prospectus, log on to the Plan Web Site at <http://stateofmi.csplans.com> and click on the "Investment Information" tab. Alternatively, you can call the Plan Information Line at 800-748-6128.

## EVENTS

- The dependent audit program is expected to begin in February. The Department of Civil Service will be the first department audited.
  
- Civil Service Commission Tentative Meeting Schedule for 2005:
  - March 22 - Cancelled
  - May 10
  - July 12
  - September 13
  - December 13
  
- 2005 State Employee Holiday Schedule:
  - Monday, January 17 (Martin Luther King, Jr. Day)
  - Monday, February 21 (President's Day)
  - Monday, May 30 (Memorial Day)
  - Monday, July 4 (Independence Day)
  - Monday, September 5 (Labor Day)
  - Friday, November 11 (Veteran's Day)
  - Thursday, November 24 (Thanksgiving)
  - Friday, November 25 (Thanksgiving)
  - Friday, December 23 (Christmas)
  - Monday, December 26 (Christmas)
  - Friday, December 30 (New Years)

## **DO YOU WANT TO KNOW MORE?**

Our goal is to keep you informed. The DCS Web site contains everything you need to know about employment in the classified state service.

Visit our web site at [www.michigan.gov/mdcs](http://www.michigan.gov/mdcs) to learn about Civil Service rules and regulations, HRMN self-serve, employee benefits, job opportunities, career planning, classification, selection, health and fitness, Civil Service Commission and Employment Relations Board decisions, upcoming activities, and much, much more!

## ***I want to know...***

Frequently, classified employees contact the Department of Civil Service with questions concerning state employment, where to find information, and about employment details. The following nine questions may seem ordinary to some long-term employees, but in many ways the answer links will be beneficial in directing all employees to resources which may be useful at a later time.

If you have a question, please contact us at [MDCS-CivilServiceNews@michigan.gov](mailto:MDCS-CivilServiceNews@michigan.gov).

[What is the name of my department?](#) *You will be entering MI HR Self-Service (best if viewed in Microsoft Internet Explorer), which requires your [user name](#) and [password](#). Select "Self-Service Account", "Employee", "Employment", then "Job Profile". The "Process Level" is your department.*

[What is my job classification title?](#) *You will be entering MI HR Self-Service (best if viewed in Microsoft Internet Explorer), which requires your [user name](#) and [password](#). Select "Self-Service Account", "Employee", "Employment", then "Job Profile". The "Position" is your job classification.*

[Where can I find job classification descriptions?](#) *Go to List of All State of Michigan Job Titles.*

[Where can I locate Civil Service Rules and Regulations?](#) *Go to MDCS Home Page.*

[Am I covered by a union contract?](#) *You will be entering MI HR Self-Service (best if viewed in Microsoft Internet Explorer), which requires your [user name](#) and [password](#). Select "Self-Service Account", "Employee", "Employment", then "Job Profile". "Union" indicates your bargaining unit, if any.*

[What are the time increments for annual leave accruals?](#) *Go to Civil Service Rule 5-10.2-Paid Leave.*

[What are the time increments for longevity pay?](#) *Go to Civil Service Rule 5-8-Longevity Pay.*

[How can I get assistance with career planning?](#) *Contact the Employment Information and Career Planning Services Office.*

[I'm going to get a second job. Do I need approval from my personnel office?](#) *See Civil Service Rule 2-8.3(b)(1)(A)-Disclosure.*