

CAAERS NEWS

For Employees, Retirees & Beneficiaries of the
City of Ann Arbor Employees' Retirement System

Retirement System Updates

Welcome New Trustee

At the regular meetings on January 16, 2025 for the Retirement System & Retiree Health Care Benefit Plan & Trust, the Trustees welcomed Grant Toth, Police Member Trustee. Grant's term will end December 31, 2027. He replaces Dave Monroe, who has been a trustee since January 2010. We thank Dave for his service!

Social Security Fairness Act

On January 5, 2025, the Social Security Fairness Act was signed into law. This legislation repeals both the Windfall Elimination Provision ("WEP") and the Government Pension Offset ("GPO"), which previously reduced Social Security benefits of workers if they received or were entitled to pensions based on earnings from employment **not covered** by Social Security.

While the adoption of this Act does not change the amount of an individual's governmental pension or require any administrative changes by a public retirement system, it is important to note that the Social Security Fairness Act does eliminate the reductions in Social Security benefits payable after January 2024.

For more information please visit the Social Security Administration's website at: <https://www.ssa.gov/benefits/retirement/social-security-fairness-act.html>



Voya Financial serves as the recordkeeper for the 401(a) and 457 plans. Mike Landolt is our Retirement Plan Specialist and is available to both active and retired employees. He is responsible for providing retirement and investment readiness education, and an overall review of your options during your working years and retirement.

For specific investment advice, please consult your personal financial advisor. If you have any questions regarding any of your Voya retirement plans, please continue to contact Investor Services directly.

Mike Landolt:
Phone: 419-534-4413 ext. 1
E-mail: mikelandolt@voyafa.com

Investor Services:
Phone: 800-584-6001
Website: VoyaRetirementPlans.com

Voya Financial Website:
VoyaRetirementPlans.com



City of Ann Arbor Employees' Retirement System

532 S. Maple Road
Ann Arbor, MI 48103
Phone: 734-794-6710
Fax: 734-994-9205
Email: Retirement@a2gov.org

OFFICE HOURS

Monday—Friday
8:00 a.m.—5:00 p.m.

IN-PERSON APPOINTMENT ONLY

Monday—Thursday
8:00 a.m.—5:00 p.m.

Retirement Staff

Wendy Orcutt, Executive Director
WOrcutt@a2gov.org
Daniel Gustafson, CEBS, GBA, RPA,
Pension Analyst
DGustafson@a2gov.org
Maria Buffone, Accountant
MBuffone@a2gov.org
Michael Lieder, Office Manager
MLieder@a2gov.org

BOARD OF TRUSTEES

Jeremy Flack, Chair, Fire Trustee
jflack@a2gov.org

Jennifer Grimes, Vice-Chair, General Trustee
jgrimes@a2gov.org

Jordan Schreier, Secretary, Citizen Trustee
jordan.schreier@gmail.com

Alexa Nerdrum, Citizen Trustee
alexanderdrum@gmail.com

Kim Buselmeier, Chief Financial Officer
kbuselmeier@a2gov.org

Tony DiGiovanni, Citizen Trustee
tonyd@wpinv.com

Mark Foster, Citizen Trustee
mark.foster@lpl.com

Julie Lynch, Citizen Trustee
julie.lynych@skf.com

Grant Toth, Police Trustee
gtoth@a2gov.org

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2025 Annual Retiree Luncheon

2025 Educational Luncheon For Retirees

Friday, May 16th, 2025
Weber's Ann Arbor
3050 Jackson Ave.
11:30 a.m.—2:30 p.m.
Spouses are welcome!

"Cybersecurity: Hackers, Viruses, and Darkweb OH MY"
Presented by James Giordani

Call or email to make reservations by Friday, May 2, 2025!

734.794.6710
Retirement@a2gov.org

New Retirees

Since our last newsletter, the following employees have retired or have filed their final paperwork:


Brian Slizewski, Public Services—1/5/2024
Dennis Johnson, City Admin.—1/10/2024
Rose-Marie Gale, Comm. Svs.—1/15/2024
Christopher Cheng, Comm. Svs.—1/17/2024
Jaime Crawford, Safety Services—1/27/2024
Karen Channey, Public Services—2/4/2024
Joseph Casabianca, Safety Svs.—2/24/2024
David Wilburn, City Admin.—3/1/2024
Katherine Bemish, Public Svs.—3/1/2024
Jason Corrado, Safety Services—4/1/2024
Matthew Francis, Safety Services—4/1/2024
*Nina Lunsford, Safety Services—4/1/2024
Joseph Peariso, Public Services—4/20/2024
Brian Steglitz, Public Services—4/27/2024
Glen Dempsey, Comm. Svs.—4/27/2024
Trudy Sahr, Safety Services—4/27/2024
Thomas Shewchuk, City Admin.—6/15/2024
James Tiernan, Safety Services—6/27/2024
Maria Spencer, Comm. Services—6/27/2024
Antoinette Wilcox, Public Svs.—7/1/2024
Shari Norris, Public Services—7/6/2024
Gerald Hancock, Public Services—7/10/2024
David Clemons, Public Services—7/11/2024
Trecia Zdybek, Safety Services—7/14/2024
Sharisse Sell, City Admin.—8/17/2024
David Fiegel, Public Services—9/13/2024
Rebecca Singer, Safety Services—9/13/2024
Scott Rathbun, Public Services—10/5/2024
James Bauer, 15th Dist. Ct.—10/25/2024
*Marc Howell, Comm. Services—11/1/2024
Kevin McDonald, City Att.—11/13/2024
Joseph Royal, 15th Dist. Ct.—12/7/2024
David Fish, Public Services—12/10/2024
Shellielynn Mathis, Safety Svs.—12/20/2024
Todd Schmidt, Public Services—12/21/2024
Clifford Blackford, Safety Svs.—12/31/2024
Bonnie Theil, Safety Services—1/19/2025
Sheila Stranyak, City Admin.—1/31/2025
Matthew Kulhanek, City Admin.—2/1/2025
Bradley Hootman, Public Svs.—2/8/2025

*Deferred Retirement

HEALTHCARE BENEFITS

Medical and prescription drug coverage is offered through Blue Cross Blue Shield of Michigan (BCBSM). Your benefit summary can be accessed online through www.bcbsm.com under the 'My Coverage' tab.

For additional questions regarding coverage please contact BCBSM directly.

BCBSM Contact Information:	
Smartphone App:	
Website:	www.bcbsm.com
Customer Service:	877-790-2583
Mail Order Pharmacy for Maintenance Rx: (OptumRx)	855-811-2223
Mail Order Pharmacy for Specialty Rx: (Walgreens)	866-515-1355

Should you need additional assistance after speaking with BCBSM, please contact the City of Ann Arbor benefit team members listed below.

For Retirees:

Kimberly Barry
kbarry@a2gov.org
Phone: 734.794.6125
Fax: 734.794.6136

For Active Employees:

Gwen Burrell
gburrell@a2gov.org
Phone: 734.794.6131
Fax: 734.794.6136

Shannon Stearns
sstearns@a2gov.org
Phone: 734.794.6127
Fax: 734.794.6136

RETIREMENT ACCOUNT UPDATES

Banking & Tax Updates:

Northern Trust
Phone: 312-557-9700

Contact & Address Updates:

Retirement System Office
Phone: 734-794-6710
Email: Retirement@a2gov.org

Summary Fact Sheet

Sources of Funds	June 30, 2024	June 30, 2023
Investment Income (Loss) (Net of Fees)	60,865,000	61,022,000
City Contributions	15,938,000	14,639,000
Member Contributions	<u>3,418,000</u>	<u>3,295,000</u>
Total	80,221,000	78,956,000

Key Figures (Actual-Last 2 Years)	City Contributions	Benefits Paid
FYE June 30, 2024	15,938,000	45,649,000
FYE June 30, 2023	14,639,000	44,201,000
Increase (Decrease)	1,299,000	1,448,000

Key Figures (Projected-Next 2 Years)	Projected City Contributions	Projected Benefits Payable
FYE June 30, 2026	18,986,000	48,117,000
FYE June 30, 2025	16,250,000	47,047,000
Increase (Decrease)	2,736,000	1,070,000

Demographics	June 30, 2024	June 30, 2023
Active Membership		
General Members	577	556
Police Members	91	91
Fire Members	<u>78</u>	<u>81</u>
Total	746	728
Retirees/Beneficiaries		
General Members	753	746
Police Members	256	252
Fire Members	<u>182</u>	<u>179</u>
Total	1191	1177

MI RETIREMENT TAX CHANGES

The Lowering MI Costs Plan (Public Act 4 of 2023), signed into Michigan law on March 7, 2023, took effect on February 13, 2024. These changes will be phased in over four years and begin with tax year 2023.

More information can be found on the State of Michigan website by visiting:

<https://www.michigan.gov/taxes/iit/retirement-and-pension-benefits>

Economic Factors, Investment Returns, and Other Important Matters

The Retirement System's funding objective is to meet the City's long-term benefit commitment to retirees through contributions that meet or exceed the Actuarial Determined Contribution (ADC). On a long-term investment basis, the Retirement System is funded at 90.5%. By comparison, the median Michigan public retirement system is funded at 71.4%. The long-term basis uses a "smoothed asset value" when calculating the funded status of the Plan. The Retirement System's financial experience during the fiscal year exceeded the target return. Investments returned 10.27% net of fees for the year increasing assets by 5.6% on a financial basis. As of June 30, 2024 assets were \$639.9 Million.

7.4% Annual Interest Rate for Members' Contributions

The Board of Trustees at its regular meeting on Thursday, December 19, 2024, approved an annual interest rate of 7.4% for members contributions for the 2025 calendar year. The equivalent quarterly return is 1.80%. The quarterly interest will be credited to members' accounts beginning the quarter ending March 31, 2025.

Note: Members in retirement do not receive interest on contribution accounts.

Assumed Rate of Investment Return (Discount Rate)

In 2020, the Board of Trustees approved a change to the assumed rate of investment return (i.e., the discount rate) from 7.0% to 6.5% over a 5-year period, via a reduction of 0.1% per year starting with the 2020 valuation analysis.

The Board will annually review the reduction in the assumed rate of return over this 5-year period to determine if additional modifications or time-line considerations should be addressed. Based on the vote of the Board, the fund assumed a 6.7% investment return for the fiscal year end 2024.

With Deepest Sympathy

We extend our condolences to the family and friends of those retirees of CAAERS who have passed away since our last publication.

Ralph Walton—6/18/2023

Katie Hall—7/17/2023

Paul Addington—9/27/2023

Carroll South—10/19/2023

Edward Young—10/26/2023

Barbara Price—1/10/2024

Kathleen Haywood—2/1/2024

Joe Buford—2/5/2024

Michael Killinger—2/7/2024

Betty Burns—2/19/2024

Douglas Sandall—3/11/2024

Gary Oxender—3/13/2024

John Devine—3/17/2024

Neal Berlin—3/19/2024

Mark Purcell—3/23/2024

John Newman—4/12/2024

Florence Billau—4/17/2024

Margaret Weisbaum—4/29/2024

Bernard Jubin—5/8/2024

Elizabeth Winkel—5/26/2024

Thurman Warford—6/8/2024

Anna Samples—6/12/2024

Douglas Miller—6/18/2024

John Rayburn—6/21/2024

Thomas Richardson—7/3/2024

Robert Flynn—7/6/2024

Lewis Stauch—7/26/2024

Robert Haas—8/8/2024

Odes Elden—8/23/2024

Colleen Foerster—9/11/2024

Rose Manning—9/27/2024

James Armstrong—12/2/2024

City of Ann Arbor Employees' Retirement System

532 S. Maple Road
Ann Arbor, MI 48103



2025 Board Meeting Schedule

Retirement Board Meetings are held on the Third Thursday of every month.

April 17, 2025

July 17, 2025

October 16, 2025

May 15, 2025

August 21, 2025

November 20, 2025

June 18, 2025

September 18, 2025

December 18, 2025

2025/26 Retiree Ex-Officio Meeting Schedule

March 27, 2025

September 25, 2025

January 29, 2026

April 24, 2025

October 30, 2025

February 26, 2026

All meetings are held
at the Retirement
System's Office
located at 532 South
Maple Road, Ann
Arbor, MI 48103,
unless otherwise
noted on our website.

This Committee represents and is comprised of City retirees and beneficiaries. All City retirees and beneficiaries are invited to attend the meetings, get involved, and provide any input that they wish to express to the Board of Trustees of the City of Ann Arbor Employees' Retirement System.