

Income Stabilization Program

Frequently Asked Questions

1) How can I get an application?

- a. You should have received an application with your December 1, 2014 pension check. You may also obtain a copy of the application by visiting www.RSCD.org, or by calling 800-339-8344.

2) How can I submit my application?

- a. Your completed and signed application can be submitted in one of three ways:
 - i. *Mail to:* Michigan Department of Treasury, P.O. Box 30140, Lansing, MI 48909-7640
 - ii. *Fax to:* 517-636-0210
 - iii. *Scan and email to:* DetroitPensions@michigan.gov

3) Can I complete the application online?

- a. No, you should only submit the paper application that was sent in the mail. If you lost your application, you may obtain another copy online by visiting www.RSCD.org, or by calling 800-339-8344.

4) I want to complete the *FAST* Application, but I don't have a copy of my 2013 Michigan Income Tax Return (MI 1040 form). Do I need to have a copy to apply for the program?

- a. If you filed a Michigan 1040 Income Tax Return in 2013, and wish to check the “*FAST* Application” box, you do not need a copy of your return. Simply checking the box and signing the form will allow the Michigan Department of Treasury to provide the information to the retirement systems on your behalf.

However, *if you did not file a 2013 Michigan Income Tax Return*, the Department of Treasury will not have any information to provide to the Retirement Systems on your behalf. If this is the case, check the “*Alternative* Application” box, and supply the information requested on the application form.

5) How do I find out if I filed a Michigan 1040 Income Tax Return in 2013?

- a. Use the link to “Check My Tax Information” at www.michigan.gov/iit. You'll need the following: Social Security Number (SSN), Tax Year (2013), Filing Status, and Adjusted Gross Income (AGI). If you do not have this information, or

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if you are unsure whether or not you filed a 2013 Michigan Income Tax Return, please file the “*Alternative Application*.”

6) If I check that “*Alternative Application*” box, how do I find a 2013 U.S. Individual Income Tax Return, form 1040?

- a. You can obtain one online at www.irs.gov, or at www.RSCD.org.

7) Does my adjusted gross income include my Detroit pension?

- a. This will depend on a number of variables. For the purposes of this application, the Adjusted Gross Income stated in your 2013 state or federal individual income tax return will be the figure used to determine eligibility.

8) I don’t access to a computer or printer. How can I complete the “*Alternative Application*”?

- a. You can call the IRS at 800-908-9946 and follow the prompts to request your 2013 Account Transcript.

You may also visit www.RSCD.org for a video guiding you through the application process. If you still have questions, you may call RSCD at 800-339-8344.

If you need additional assistance with completing the application, call the Detroit Income Stabilization Application Assistance Hotline, courtesy Michigan Association of CPAs and the Accounting Aid Society at 313-879-4771.

9) Is there a website where I can learn more about the Income Stabilization Program?

- a. Visit www.RSCD.org, for more information about the program.

10) What is the effective date of the city’s Plan of Adjustment? What does this mean?

- a. The effective date is basically the date on which the City of Detroit formally exits bankruptcy. The “Plan of Adjustment” is the plan approved by the bankruptcy judge that will allow the city to continue to move toward long-term fiscal stability.

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11) Where can I find the effective date of the city's Plan of Adjustment?

- a. Visit www.RSCD.org, for more information about the effective date of the city's Plan of Adjustment.

12) I pay tax on my Detroit pension now. How does that affect my eligibility?

- a. The taxes you pay do not affect your eligibility for the program.

13) I don't live in Michigan. Do I still qualify?

- a. Yes. However, if you did not file a 2013 Michigan Income Tax Return, the Department of Treasury will not have any income or tax return information to provide to the retirement systems on your behalf. If this is the case, check the "Alternative Application" box, and supply the information requested on the application form.

14) I didn't file any income tax returns in 2013, what should I do?

- a. You should still apply for the program. If you did not file a state or federal income tax return, please fill out a sample federal income tax return for use in this application process.

For assistance in completing this form, visit www.RSCD.org for a video guiding you through the process of completing the application. If you still have questions, you may call the Detroit Income Stabilization Application Assistance Hotline, courtesy Michigan Association of CPAs and the Accounting Aid Society at 313-879-4771.

15) I am a guardian for my [parent/child/relative/friend]. Do I file this form for them or for me?

- a. If you are the guardian for an individual who is receiving pension benefits from the Retirement Systems of the City of Detroit, you should receive an application with directions specific to guardians.

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The guardian of a minor child or children must fill out the form based on the guardian's 2013 state or federal income tax return, and must provide the name, social security number, and birth date of any minor children in their care.

If you are the conservator, but not the guardian of a minor child who may qualify, please transmit the form to the guardian to fill out and submit.

16) Do you need a guardian document or can I submit a power of attorney?

- a. No additional documentation is needed, aside from the completed and signed application form.

17) I am a conservator for my [parent/child/relative/friend]. Do I file this form?

- a. If you are the conservator but not the guardian for an individual who is receiving pension benefits from the Retirement Systems of the City of Detroit, please forward this form to the guardian to fill out and submit. Only guardians may apply for income stabilization benefits on behalf of pension recipients under this program.

18) My grandchildren live with me now. Are they considered dependents?

- a. Only if they were claimed on your 2013 tax return. See line 9a of your Michigan 1040 Individual Income Tax return, or on line 6d of your 2013 U.S. 1040 Individual Income Tax return.

19) My adjusted gross income in 2014 is now much lower than it was in 2013 because I have to pay my health insurance. Does that affect my eligibility?

- a. No, eligibility is based solely on your 2013 adjusted gross income, and age as of the effective date of the city's Plan of Adjustment. Expenses and/or any other changes to your 2014 adjusted gross income do not affect eligibility.

20) I was working in 2013 but am no longer working. Can I still qualify?

- a. Eligibility for the Income Stabilization Program is based solely on your 2013 adjusted gross income and age as of the effective date of the city's Plan of

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Adjustment. Subsequent changes to your adjusted gross income do not affect eligibility.

21) My spouse was alive in 2013, but has since died and I no longer receive pension benefits from the City of Detroit. My adjusted gross income has severely declined since then. What should I do? Can I still apply to the program?

- a. If you do not currently receive Detroit pension income, you are not eligible for this program.

22) I was married in 2013, but I divorced earlier this year. My spouse got half of my pension, and my income has severely declined. The bankruptcy ballot I received doesn't show this change. What should I do? Can I still apply to the Program?

- a. Your eligibility is determined using your 2013 income and the number of people in your household in 2013. If you are not eligible for the program because your adjusted gross income in 2013 exceeded the program limitations or based upon the number of people in your household in 2013, subsequent reductions in your adjusted gross income or changes in the number of people in the household due to a divorce (or for any other reason), will not be considered in the determination of your eligibility. However, if you think you may qualify for this program, you are strongly encouraged to apply.

23) I am on disability. Does my disability benefit count towards my adjusted gross income?

- a. It depends on many factors. Eligibility is based solely on your 2013 adjusted gross income, and age as of the effective date of the city's Plan of Adjustment.

24) What if I turn 60 at the end of November? Do I apply then?

- a. If you think you may qualify, you are strongly encouraged to apply. Your eligibility for the program is based on your 2013 adjusted gross income, *and* on your age as of the effective date of the city's Plan of Adjustment. The effective date of the Plan can be found at www.RSCD.org. You must be 60 years of age or older on the effective date, or be a minor beneficiary who is under 18 years of age on that date.

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If you turn 60 after the effective date, you will not qualify for the program and need not apply.

25) Does the chart on the application show adjusted gross adjusted gross income, or the 140% level?

- a. The chart on the application is intended to help you determine whether or not you may qualify for supplemental benefits under this program. The chart shows 140% of the federal poverty level, which, coupled with the number of people in your household and your age, will determine your eligibility for this program.

26) I don't want my confidential information shared between the Michigan Treasury Department, the Michigan Settlement Administration Authority, or the Detroit Retirement Systems. What do I do now? Can I still apply?

- a. Sharing the information requested on the application form is necessary to determine your eligibility. If you choose not to supply this information, you will not be eligible for a supplemental benefit under this program. It should be noted that the Michigan Department of Treasury has entered in to data sharing agreements with the Michigan Settlement Administration Authority, and with the Retirement Systems of the City of Detroit to ensure that your confidential information is strictly protected.

27) What is the Michigan Settlement Administration Authority?

- a. The Michigan Settlement Administration Authority is a state body that was created as part of the "grand bargain" legislative package in the summer of 2014. The Authority must ensure that the supplemental benefit program for Detroit retirees is being handled in accordance with all agreements that were entered in to as part of the city's bankruptcy proceedings.

28) Where is the money for this program coming from?

- a. As part of the Detroit bankruptcy settlement, certain bondholders have agreed to fund this program. The program is being administered by the State of Michigan and the Retirement Systems. If you qualify for Income Stabilization benefits under the program, they will be included in your monthly retirement benefit check payable from the Retirement System.

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29) How much is the increase in my pension benefit likely to be?

- a. The pension benefit will vary by individual, and may change from year to year as well. The benefit is intended to prevent a pensioners' adjusted gross income from dropping below the federal poverty line as a result of the pension cuts. The increase, however, will not be greater than the amount of your Detroit Pension benefit prior to the reductions made as part of the city's bankruptcy.

30) Is applying for this benefit worth my time and effort? How will I know if it is worth my time?

- a. Yes, the possibility of receiving a supplemental benefit is worth your effort. We strongly encourage you to apply if you think you may qualify. The streamlined application is designed to be quick and easy, and you only have to apply once to receive benefits on an ongoing basis. If you qualify but do not apply NOW, you will not be able to apply or receive benefits at any time in the future.

This is a one-time only application, and if you do not apply now you will never have another opportunity to qualify for or receive supplemental benefits. This is not an annual application.

31) When will I be notified about whether I qualify?

- a. Regardless of whether or not you qualify for the Income Stabilization Program, all City of Detroit retiree checks will be reduced on March 1, 2015 in accordance with the bankruptcy cuts. If you qualify for the Income Stabilization Program, your March 1, 2015 check will also be adjusted to reflect the income stabilization benefit, and your pension will not be reduced as much as it otherwise would have been if you didn't qualify for the program.

Even if you qualify for the program, it is important to understand that your March 1, 2015 check will not be larger than what you currently receive. The Income Stabilization Program is intended to keep pension cuts from pushing pensioners below 140% of the federal poverty limit.

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The Retirement Systems of the City of Detroit will send a communication to you to let you know whether or not you qualify for the program.

32) When will I be notified about what my benefit will be, if any, under the Income Stabilization Program?

- a. The Retirement Systems of the City of Detroit will send a communication to you to let you know whether or not you qualify for the program. If you do qualify, you will see the adjusted benefit in your March 1, 2015 pension check.

33) I am under 18. If I qualify for a program benefit, what happens to my program benefit when I turn 18?

- a. Just as you will no longer be eligible to receive pension benefits from RSCD, you will no longer be eligible to receive any Income Stabilization Program payments at that time.

34) Tomorrow is the deadline. If I mail the application today, does it count?

- a. As long as your application is faxed, emailed, or postmarked by the December 31, 2014 deadline, it will be evaluated for eligibility. Applications received via fax or email, or postmarked after December 31, 2014, will not be evaluated, and the applicant will not qualify for supplemental benefits.

Applications may be mailed to:
Michigan Department of Treasury
P.O. Box 30140
Lansing, MI 48909-7640

Applications may be faxed to: 517-636-0210

Applications may be scanned and emailed to: DetroitPensions@michigan.gov

35) Can I email you the application?

- a. Yes. You may scan your completed and signed application form and send it to DetroitPensions@michigan.gov. However, since this application requires your signature, you will have to scan your signed form and attach it to your email.

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If you simply enter your tax information in to the email and send that without attaching your signed application form, your eligibility will not be evaluated.

36) Can I email you the information for the “Alternative Application?”

- a. Yes. You may scan your completed and signed application form and send it to DetroitPensions@michigan.gov. However, since this application requires your signature, you will have to scan your signed form before emailing.

If you simply enter your tax information in to the email and send that without attaching your signed application form, your eligibility will not be evaluated.

37) Does the Treasury Department have an office in Detroit where I can drop the application off?

- a. No.

38) Can I fax the application?

- a. Yes, you may fax your completed, signed application to 517-636-0210 from December 1, 2014 through December 31, 2014. Applications faxed after December 31, 2014 will not be evaluated for eligibility.

39) Can I complete and send you the “Alternative application,” and provide the additional information separately?

- a. Yes, if both are postmarked by the deadline and you include clear personal information (i.e. name, address, phone number) for Treasury to match your supplemental information to your application.

Both your application and supplemental information must be submitted on or before December 31, 2014 in order for you to be eligible. If you submit a partially complete application on or before December 31, 2014, but submit supplemental information after December 31, 2014, your information will not be evaluated for eligibility.