

**RESOLUTION FOR ADOPTING MUNICIPAL EMPLOYEES'  
RETIREMENT SYSTEM OF MICHIGAN DEFINED BENEFIT PROGRAMS  
(OTHER THAN DB COMPONENT OF HYBRID PROGRAM)**

#5

The Board of Commissioners of the Shiawassee County,  
(Governing body) (Participating entity)  
whose fiscal year is (month and day) January 1 to Dec. 31, desires to make  
available to its eligible employees (as defined below) benefits provided by the Municipal  
Employees' Retirement System of Michigan (**MERS**), as authorized by 1996 PA 220. Benefits  
available are those provided under the Plan Document of 1996.

**IT IS RESOLVED** that pursuant to the Initial Actuarial Valuation dated  
March 1, 2012, 2012, by MERS' actuary, MERS benefits stated in Section 1 below  
are to be provided to the following employee division (e.g., general, police and fire, DPW, union,  
non-union): AFSCME-01-01-2009.  
(Separate resolutions are required for each division)

**Please note: If no Initial Valuation has been done by MERS' actuary on the specific benefit  
program (or combination of programs) selected below; or the Initial Valuation is more than  
one (1) year old at the time MERS' coverage becomes effective as provided under Section 4 of  
this Resolution; then, per Retirement Board requirements, this Resolution will not be  
implemented until a current actuarial valuation is done by MERS' actuary and necessary  
supporting contribution rates certified.**

1. Benefit programs/formulae (e.g., B-2 / DROP+ / F55 / V-8 / FAC 3 / E-2) selected  
are:  
B-2/V-10/FAC-3/F-55-20 years  
(If other than standard MERS' retirement benefits, supporting collective bargaining agreement to accompany this Resolution)
2. The required employee contribution is 5 %. (May be any percentage in  
hundredths of a percent, not to exceed ten [10] percent, unless higher rate is  
established by collective bargaining agreement accompanying this Resolution.)
- 3.1 Prior service credit with this municipality/court rendered previously by each covered  
employee in the division is subject to and shall be credited as provided under Section  
2C(3) of the MERS Plan Document and Restated Initial Actuarial Valuation and  
Supplemental Valuation Procedure<sup>(Form 06)</sup> (as approved by the Retirement Board),  
whose respective terms are incorporated by reference.

**Choose only one:**

- A.  All prior service from date of hire.
- B.  Portion of prior service (actual service up to \_\_\_\_\_ years); or \_\_\_\_\_ %.
- C.  Prior service proportional to assets transferred.
- D.  No prior service (if D selected, go to Section 4).

- 3.2 The Initial Valuation discloses the actuarial reduction in the employer's future contribution rate that will occur where assets of a preceding qualified plan (whether defined benefit or defined contribution plan) and/or other source are transferred to MERS.
- 3.3 In all asset transfers, the employer shall furnish MERS with all necessary and specific information required by MERS on the allocation of employer and employee contributions and investment earnings, along with taxable and nontaxable status on the employee contribution portion.
4. The effective date of this Resolution for making deductions for the employee contributions specified above, and for the payment of necessary employer contributions to MERS, as required in the Plan Document, shall be the same date that MERS' coverage begins, which is January 1, 2009.
5. For municipalities, Plan Section 41 requires adoption by affirmative vote of a majority of the governing body; for courts, see Plan Section 41A. A complete copy of the fully executed collective bargaining agreement (if applicable), and certified copy of the complete official minutes or other official authorizing action for the open meeting at which this resolution was adopted must be forwarded to MERS with this resolution.

Certified this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

By: \_\_\_\_\_ Title: \_\_\_\_\_

**MERS Initial Valuations**  
**Shiawasee County - AFSCME Unit-New Hires - Preliminary**  
**Computed Employer Contributions**  
**as of March 01, 2012**

dg  
2-8-12

<p>1. Benefits</p> <p>a) Benefit Formula</p> <p>b) Normal Retirement Age</p> <p>c) Vesting Provision</p> <p>d) F50 Ret Condition</p> <p>e) F55 Ret Condition</p> <p>f) F(N) Ret Condition</p> <p>g) Rule of X</p> <p>h) FAC Period</p> <p>i) RS50 Percent</p> <p>j) D-2</p> <p>k) Benefit E-1</p> <p>l) Benefit E-2</p> <p>m) Load for Sick Leave in FAC</p> <p>n) Member Contribution Rate</p> <p>o) Max Years Prior Service</p> <p>p) Apply Max Years to Vesting Service</p>	<p style="text-align: right;">B-2 - 2.0%</p> <p style="text-align: center;">60</p> <p style="text-align: center;">V-10</p> <p style="text-align: right;">F55(20)</p> <p style="text-align: center;">FAC-3</p> <p style="text-align: center;">SLIF (16 Days)</p> <p style="text-align: center;">5.00%</p> <p style="text-align: center;">All Yes</p>																									
<p>2. Member Information</p> <p>a) Active</p> <p>b) Retired</p> <p>c) Vested Former Members</p> <p>d) Total</p> <p>e) Accumulated Member Contributions for Actives</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Counts</th> <th style="text-align: left;">Age</th> <th style="text-align: center;">Average Benefit Service</th> <th style="text-align: center;">Average Vesting Service</th> <th style="text-align: right;">Salary/ Benefit *</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">45.8</td> <td style="text-align: center;">1.6</td> <td style="text-align: center;">1.6</td> <td style="text-align: right;">\$12,370</td> </tr> <tr> <td style="text-align: center;">-</td> </tr> <tr> <td style="text-align: center;">-</td> </tr> <tr> <td colspan="2" style="text-align: right;">e) Accumulated Member Contributions for Actives</td> <td colspan="3" style="text-align: center;">\$0</td> </tr> </tbody> </table> <p style="font-size: 0.8em;">* Salary for active members, annual benefit amount for others.</p>	Counts	Age	Average Benefit Service	Average Vesting Service	Salary/ Benefit *	1	45.8	1.6	1.6	\$12,370	-	-	-	-	-	-	-	-	-	-	e) Accumulated Member Contributions for Actives		\$0		
Counts	Age	Average Benefit Service	Average Vesting Service	Salary/ Benefit *																						
1	45.8	1.6	1.6	\$12,370																						
-	-	-	-	-																						
-	-	-	-	-																						
e) Accumulated Member Contributions for Actives		\$0																								
<p>3. Annual Payroll</p>	<p style="text-align: right;">\$ 12,370</p>																									
<p>4. Actuarial Value of Assets</p>	<p style="text-align: right;">\$ 0</p>																									
<p>5. Actuarial Accrued Liability</p> <p>a) Active</p> <p>b) Retired</p> <p>c) Vested Former Members</p> <p>d) Total</p>	<p style="text-align: right;">\$ 2,247</p> <p style="text-align: right;">0</p> <p style="text-align: right;">0</p> <p style="text-align: right;">\$ 2,247</p>																									
<p>6. Unfunded Accrued Liability (UAL) (5-4)</p>	<p style="text-align: right;">\$ 2,247</p>																									
<p>7. Annual Dollar Contribution</p> <p>a) Employer Normal Cost</p> <p>b) Amortization of UAL (over 28 years)</p> <p>c) Employer Contribution (a + b, not less than 0)</p>	<p style="text-align: right;">\$ 627</p> <p style="text-align: right;">126</p> <p style="text-align: right;">\$ 753</p>																									
<p>8. Cost as a Percentage of Payroll</p> <p>a) Employer Normal Cost</p> <p>b) Amortization of UAL (over 28 years)</p> <p>c) Employer Contribution (a + b, not less than 0)</p>	<p style="text-align: right;">5.07%</p> <p style="text-align: right;">1.02</p> <p style="text-align: right;">6.09%</p>																									

**Notes**

1. Social security numbers were provided for active and vested former members. Individual records were checked against data for other existing MERS municipalities for additional eligibility service.
2. The above computed employer contributions reflect the transfer of \$0 member and employer assets into MERS. For every additional \$50,000 of combined member and employer assets that are transferred, the computed amortization portion of the employer contribution is reduced by 22.590600% of payroll (\$2,794 first year dollar contribution reduction).
3. The employer contribution rates displayed above are based on member contribution rates of compensation of 5.00%. Each 1% increase in member contributions decreases the computed employer contribution rate by 0.76%.

This report may be provided to other interested parties only in its entirety and only with the prior permission of MERS and the municipality.

**RESOLUTION FOR ADOPTING MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN DEFINED BENEFIT PROGRAMS (OTHER THAN DB COMPONENT OF HYBRID PROGRAM)**

The Board of Commissioners of the Shiawassee County,  
(Governing body) (Participating entity)  
whose fiscal year is (month and day) January 1 to Dec 31, desires to make available to its eligible employees (as defined below) benefits provided by the Municipal Employees' Retirement System of Michigan (MERS), as authorized by 1996 PA 220. Benefits available are those provided under the Plan Document of 1996.

**IT IS RESOLVED** that pursuant to the Initial Actuarial Valuation dated July 1, 2012, by MERS' actuary, MERS benefits stated in Section 1 below are to be provided to the following employee division (e.g., general, police and fire, DPW, union, non-union): PROBATE COURT ASSOCIATION-01-01-2009.  
(Separate resolutions are required for each division)

**Please note: If no Initial Valuation has been done by MERS' actuary on the specific benefit program (or combination of programs) selected below; or the Initial Valuation is more than one (1) year old at the time MERS' coverage becomes effective as provided under Section 4 of this Resolution; then, per Retirement Board requirements, this Resolution will not be implemented until a current actuarial valuation is done by MERS' actuary and necessary supporting contribution rates certified.**

1. Benefit programs/formulae (e.g., B-2 / DROP+ / F55 / V-8 / FAC 3 / E-2) selected are:  
B-2/V-10/FAC-3/F55-20  
(If other than standard MERS' retirement benefits, supporting collective bargaining agreement to accompany this Resolution)
2. The required employee contribution is 5%. (May be any percentage in hundredths of a percent, not to exceed ten [10] percent, unless higher rate is established by collective bargaining agreement accompanying this Resolution.)
- 3.1 Prior service credit with this municipality/court rendered previously by each covered employee in the division is subject to and shall be credited as provided under Section 2C(3) of the MERS Plan Document and Restated Initial Actuarial Valuation and Supplemental Valuation Procedure<sup>(Form 06)</sup> (as approved by the Retirement Board), whose respective terms are incorporated by reference.

**Choose only one:**

- A.  All prior service from date of hire.
- B.  Portion of prior service (actual service up to \_\_\_\_\_ years); or \_\_\_\_\_%.
- C.  Prior service proportional to assets transferred.
- D.  No prior service (if D selected, go to Section 4).

- 3.2 The Initial Valuation discloses the actuarial reduction in the employer's future contribution rate that will occur where assets of a preceding qualified plan (whether defined benefit or defined contribution plan) and/or other source are transferred to MERS.
- 3.3 In all asset transfers, the employer shall furnish MERS with all necessary and specific information required by MERS on the allocation of employer and employee contributions and investment earnings, along with taxable and nontaxable status on the employee contribution portion.
4. The effective date of this Resolution for making deductions for the employee contributions specified above, and for the payment of necessary employer contributions to MERS, as required in the Plan Document, shall be the same date that MERS' coverage begins, which is January 1, 2009.
5. For municipalities, Plan Section 41 requires adoption by affirmative vote of a majority of the governing body; for courts, see Plan Section 41A. A complete copy of the fully executed collective bargaining agreement (if applicable), and certified copy of the complete official minutes or other official authorizing action for the open meeting at which this resolution was adopted must be forwarded to MERS with this resolution.

Certified this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

By: \_\_\_\_\_ Title: \_\_\_\_\_

dg  
6-25-12

**MERS Initial Valuations**  
**Shiawasee County - Probate Ct-New Hires - Preliminary**  
**Computed Employer Contributions**  
**as of July 01, 2012**

1. Benefits																					
a) Benefit Formula	B-2 - 2.0%																				
b) Normal Retirement Age	60																				
c) Vesting Provision	V-10																				
d) F50 Ret Condition																					
e) F55 Ret Condition	F55(20)																				
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m) Load for Sick Leave in FAC	SLIF (16 Days)																				
n) Member Contribution Rate	5.00%																				
o) Max Years Prior Service	All																				
p) Apply Max Years to Vesting Service	Yes																				
2. Member Information	Average																				
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Counts	Age	Benefit Service	Vesting Service	Salary/Benefit *																	
1	41.0	0.9	0.9	\$28,380																	
a) Active																					
b) Retired																					
c) Vested Former Members																					
d) Total																					
e) Accumulated Member Contributions for Actives	\$0																				
	* Salary for active members, annual benefit amount for others.																				
3. Annual Payroll	\$ 28,380																				
4. Actuarial Value of Assets	\$ 0																				
5. Actuarial Accrued Liability																					
a) Active	\$ 2,083																				
b) Retired	0																				
c) Vested Former Members	0																				
d) Total	\$ 2,083																				
6. Unfunded Accrued Liability (UAL) (5-4)	\$ 2,083																				
7. Annual Dollar Contribution																					
a) Employer Normal Cost	\$ 1,323																				
b) Amortization of UAL (over 28 years)	116																				
c) Employer Contribution (a + b, not less than 0)	\$ 1,439																				
8. Cost as a Percentage of Payroll																					
a) Employer Normal Cost	4.66%																				
b) Amortization of UAL (over 28 years)	0.41																				
c) Employer Contribution (a + b, not less than 0)	5.07%																				

**Notes**

1. Social security numbers were not provided for active and vested former members. Without social security numbers, individual records cannot be checked against data for other existing MERS municipalities for additional eligibility service.
2. The above computed employer contributions reflect the transfer of \$0 member and employer assets into MERS. For every additional \$50,000 of combined member and employer assets that are transferred, the computed amortization portion of the employer contribution is reduced by 9.846572% of payroll (\$2,794 first year dollar contribution reduction).
3. The employer contribution rates displayed above are based on member contribution rates of compensation of 5.00%. Each 1% increase in member contributions decreases the computed employer contribution rate by 0.74%.

This report may be provided to other interested parties only in its entirety and only with the prior permission of MERS and the municipality.

RESOLUTION FOR DEFINING A DAY OF WORK OR HOURS PER MONTH FOR MERS RETIREMENT PURPOSES



#7

Note: To adopt the part-time to full-time employee service credit program under Plan Document Section 4(6), the governing body must adopt the Uniform Resolution Defining Hours Per Month For Part-Time Employees and Service Credit Conversion Upon Promotion to Full-Time Status.

In accordance with Section 3(1) of the MERS Plan Document, as the Board of

Commissioners Shiawassee County (Governing Body) (Municipality)

does hereby certify that a day of work, or the number of hours of work in a month, for AFSCME - 01-01-2009 for retirement purposes, shall (Indicate all employees or division name and number)

consist of one of the following to be effective as of January 1, 2009 (Date)

(Please complete either A or B)

- A. X A day shall consist of 4 hours. (Ten (10) days a month of such work days equals one month of credited service.)
B. A month shall consist of hours. (Each month of such work hours equals one month of credited service.)

I hereby certify that the above is a true copy of a Resolution adopted at the meeting of the governing body held on (Date)

(Signature of Authorized Official) (Title)

RETURN TO: Municipal Employees' Retirement System of Michigan 1134 Municipal Way Lansing, MI 48917

RESOLUTION FOR DEFINING A DAY OF WORK OR HOURS PER MONTH FOR MERS RETIREMENT PURPOSES



# 8

Note: To adopt the part-time to full-time employee service credit program under Plan Document Section 4(6), the governing body must adopt the Uniform Resolution Defining Hours Per Month For Part-Time Employees and Service Credit Conversion Upon Promotion to Full-Time Status.

In accordance with Section 3(1) of the MERS Plan Document, as the Board of

Commissioners (Governing Body) Shiawassee County (Municipality)

does hereby certify that a day of work, or the number of hours of work in a month, for

Probate Court Associations for retirement purposes, shall (Indicate all employees or division name and number)

consist of one of the following to be effective as of January 1, 2009 (Date)

(Please complete either A or B)

A. X A day shall consist of 4 hours. (Ten (10) days a month of such work days equals one month of credited service.)

B. A month shall consist of hours. (Each month of such work hours equals one month of credited service.)

I hereby certify that the above is a true copy of a Resolution adopted at the meeting of the governing body held on (Date)

(Signature of Authorized Official)

(Title)

RETURN TO: Municipal Employees' Retirement System of Michigan 1134 Municipal Way Lansing, MI 48917

Resolution #12-08-11

EMPLOYER RESOLUTION ESTABLISHING UNIFORM TRANSFER PROVISION



#9

WHEREAS, the Shiawassee County is a participating municipality or court in the Municipal Employees' Retirement System of Michigan ("MERS"); and

WHEREAS, the Standard MERS Transfer Rules became effective in August 2007; and

WHEREAS, under the Standard Rules, all transferees to a new division are covered under the active employee plan in the new division; where the defined benefit plan in the new division is closed to entrants, the accrued defined benefit (based on benefits, service and wages as of transfer date) of transferees is frozen as of transfer date.

WHEREAS, pursuant to Retirement Board action on November 10, 2010, the employing municipality or court will be allowed, on a one-time irrevocable and uniform basis, to adopt for all its MERS divisions (present and future) an alternate policy which allows all transferred employees an individual choice at the time of transfer to either be placed in: (1) the division's open plan, or (2) the closed plan if it is the same plan type, provided there are active employees remaining in the plan type.

WHEREAS, this alternate transfer provision applies to transferred employees only; rehired employees will continue to be enrolled into the active plan; and

NOW THEREFORE BE IT RESOLVED, that effective August 16 1st, 2012, the Governing Body adopts this Resolution (or for a participating court, the Chief Judge by Administrative Order) for all present and future employee divisions requiring that all transferred employees (select only one):

- checkbox shall be covered under the active employee plan in the division they are transferred into.
checkbox X shall be given the individual choice to either be placed in the open plan or the closed division if it is the same plan type (in the division from which the employee is transferred from) provided there are active employees remaining in the closed plan type.

CERTIFICATION FOR PARTICIPATING MUNICIPALITY OR COURT

I hereby certify that this Resolution was adopted by (check one):

- checkbox The Governing Body of the ... at its meeting held on ..., 20...
checkbox Administrative Order No. ... adopted by the Chief Judge of the ... on ..., 20...

(Signature of Authorized Official)

(Title)

## Example Scenarios of the Uniform Transfer Rules

### Example 1

The City of Tree has two divisions: Division 01 has the MERS Defined Benefit Plan with a 2.0% multiplier. Division 99 converted from the MERS Defined Benefit Plan with a 2.25% multiplier to the MERS Defined Contribution Plan in 2000. Thus for division 99 the Defined Contribution Plan is the open plan, and the Defined Benefit Plan is the closed plan. However in this scenario the City of Tree still has active employees that are covered under the closed Defined Benefit Plan in division 99.

#### Under Standard Transfer Rules

John transfers from division 01 to division 99. Under the standard rules he would go into the active plan, which is the Defined Contribution Plan. John's accrued pension earned under the previous Defined Benefit Plan would be frozen and he would be enrolled in the Defined Contribution Plan moving forward.

#### Transfer Rules with Employee Choice

John transfers from division 01 to division 99. Under the alternative rules, he would receive the choice to either join the closed division with the same plan type (Defined Benefit) having active employees, or he could freeze his accrued pension and enroll in the open Defined Contribution Plan. If John chooses to enroll in the closed Defined Benefit Plan, then his entire accrued pension earned under the previous Defined Benefit Plan with the 2.0% multiplier would be transferred to the closed Defined Benefit Plan with the 2.25% multiplier (all defined benefit service applied to 2.25% multiplier).

### Example 2

The City of Tree has two divisions: Division 01 has the MERS Defined Benefit Plan with a 2.0% multiplier. Division 99 converted from the MERS Defined Benefit Plan with a 2.25% multiplier to the MERS Defined Contribution Plan in 2000. Thus for division 99 the Defined Contribution Plan is the open plan, and the Defined Benefit Plan is the closed plan. However in this scenario the City of Tree has NO active employees under the closed Defined Benefit Plan in division 99.

#### Under Standard Transfer Rules

John transfers from division 01 to division 99. Under the standard rules he would go into the active plan, which is the Defined Contribution Plan. John's accrued pension earned under the previous Defined Benefit Plan would be frozen and he would be enrolled in the Defined Contribution Plan moving forward.

#### Transfer Rules with Employee Choice

John transfers from division 01 to division 99. He does not receive the choice to enroll in the closed Defined Benefit Plan however, because there are NO active employees in the closed plan. John's accrued pension earned under the previous Defined Benefit Plan would be frozen and he would be enrolled in the open Defined Contribution Plan moving forward.