Employer Resolution Establishing Uniform Transfer Provision

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

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

WHEREAS, under the Standard Transfer policy, all transferred employees (and rehired employees) are covered under the open employee plan associated with the defined employee group. Where the new plan is MERS Defined Contribution or Hybrid, the accrued defined benefit of transferring employee is frozen as of transfer date. Where the new plan is the MERS Defined Benefit, the transferring employee's service and wages will transfer to the new plan for purposes of calculating their retirement benefit.

WHEREAS, pursuant to Retirement Board action on November 10, 2010, the employing municipality or court may 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 closed division.

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

NOW THEREFORE BE IT RESOLVED, that effective _____ 1st, 20___, 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):

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

MERS' Standard Transfer policy is an administrative process. Changes to such policy may impact MERS' ability to administer alternate and standard transfers in the future.

SEE PAGE 2 FOR CHART OF TRANSFER GUIDELINES

CERTIFICATION FOR PARTICIPATING MUNICIPALITY OR COURT

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

☐ The Governing Body of the _____ (Name of Municipality) at its meeting held on _____ (dd/mm/yyyy).

☐ Administrative Order No. _____ (Order Number) adopted by the Chief Judge of the _____ (Name of Court), on _____ (dd/mm/yyyy).

Signature of Authorized Official: _____, Date: _____ (dd/mm/yyyy)

Printed name: _____ Title: _____

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In any transfer, employees' service is used toward vesting and eligibility in the new (active) plan. The employee takes on the benefit structure of the open plan on the first of the month that the plan is effective.

	Transfer to DB	Transfer to DC	Transfer to Hybrid
From DB	Where a DB is the new benefit • All accrued wages, service transfer to the new plan and retirement is calculated using new DB benefits	Where DC is the new benefit • DB is frozen	Where Hybrid is the new benefit • DB is frozen • DB of Hybrid begins accruing benefit service
From DC	Where DB is the new benefit • DC remains participant directed, no future contributions • Service earned helps meet vesting in both DB and DC plans	Where DC is the new benefit • Previous DC account balance and investment allocation are transferred into the new DC plan • New contributions are directed to default fund until investment allocation is elected • Future investment allocation / realignment is managed by the participant	Where Hybrid is the new benefit • Previous DC account balance and investment allocations are transferred into the new DC of Hybrid plan • DB of Hybrid begins accruing benefit service
From Hybrid	Where DB is the new benefit • DB of Hybrid is frozen • DC of Hybrid remains participant directed, no future contributions, same eligibility for distributions applies • DB benefit accrual begins with effective date of the plan	Where DC is the new benefit • DB of Hybrid is frozen • DC of Hybrid account balance and investment allocations are transferred to the new DC plan • New contributions are defaulted until participant changes investment allocation • Future investment allocation/ realignment is managed by the participant	Where Hybrid is the new benefit • For DB of Hybrid – all accrued wages, service are transferred to the new plan and retirement is calculated using DB of H benefits • For DC of Hybrid – previous DC of Hybrid account balance and investment allocations are transferred into the new DC of Hybrid plan