

ENROLL  
TODAY

# MERS Defined Benefit Plan



## About the Plan

The MERS Defined Benefit Plan is a retirement benefit that provides a fixed monthly source of income in retirement to vested employees. With this plan, your future benefit doesn't fluctuate due to investment gains or losses in the market. The amount of monthly income is based on three components:

Final Average  
Compensation

X

Service Credit

X

Benefit  
Multiplier

\$ Annual Benefit

### Final Average Compensation

**(FAC)** is the average of the highest consecutive wages over a period of time as determined by your employer. MERS will review your entire work history and pull the highest consecutive years of wages.

**Service Credit** is the total amount of all your qualified periods of work (this can include purchases of service credit). You earn service credit for each month of work that meets your employer's requirement.

**The Benefit Multiplier** is a percentage chosen by your employer and typically ranges from 1.0% to 2.5%.

## Contributions

You may be required to contribute to the MERS Defined Benefit Plan.

Your employer sets the mandatory contribution rate. Your contributions don't change your benefit formula, but they do help meet funding needs.

If you terminate employment, you can request a refund of your contributions, but will forfeit any accrued benefit and service time.

## Vesting

Vesting refers to your eligibility to receive a pension benefit when you meet retirement age. It is based on a required amount of time you must work (or other service credit) to qualify. Check with your employer to see what that requirement is for your position. Employee contributions; however, are always yours to keep and do not require vesting eligibility to claim after employment.

There are two other types of governmental service credit you may be eligible to use to help you meet your vesting requirements: **MERS to MERS** and the Reciprocal Retirement Act (also known as **Act 88**). If you have been enrolled in another Michigan governmental employer's retirement plan, you may be eligible to use it to help meet your employer's vesting requirement.

**900+** municipalities enrolled in MERS programs

**9** elected board members oversee the system

**100,000+** participants

**\$11 Billion+** in combined total assets

## Who is MERS?

MERS is an independent, professional retirement services company that serves local units of government across the state of Michigan. MERS listens and works in partnership with our members to deliver a superior value that meets our members' needs.

# Beneficiaries

One of the most important things you can do for yourself and your family is to name beneficiaries. Equally important is to make sure your information always remains up-to-date. You can update your beneficiary or contact information any time by visiting the MERS website.

There are three types of beneficiary designations: Primary Beneficiary, Contingent Beneficiary, and Survivor Beneficiary. Unless otherwise specified, your spouse is always your survivor and primary beneficiary. If your spouse chooses to waive their rights, it must be in writing.



A **Survivor Beneficiary** is one person who would receive a lifetime benefit if you are vested and die before you begin collecting your retirement benefits. If married, your spouse is automatically your Survivor Beneficiary unless waived in writing.



A **Primary Beneficiary** is a person(s) who receives a refund of your employee contributions (plus interest) if you die *before* you are vested. If married, your spouse is automatically your Primary Beneficiary unless waived in writing.



A **Contingent Beneficiary** is a person(s) who receives a refund of your contributions (plus interest) if you and your primary beneficiary die *before* you are vested.

## Retirement Eligibility

Employees are eligible for retirement benefits once they meet the age and service requirements of their municipality's plan provisions:

**If employees are vested, the standard retirement age is 60.**

**Other early retirement options are available if adopted:**

- At age 50 with either 25 or 30 years of service
- At age 55 with either 15, 20, 25, or 30 years of service
- At any age with a minimum of 20-30 years of service, in whole numbers

**Reduced retirement benefits:**

- Must meet the age 55 with 15 years of service or age 50 with 25 years of service requirements to qualify
- Benefit is permanently reduced by 0.5% per month the participant is under age 60

## MERS Helps You Become Retirement Ready

**myMERS Online Account** offers you a secure login that connects you to your account information, calculators, webinars, and other resources to help you stay on the right retirement track. Visit our website today at [www.mersofmich.com](http://www.mersofmich.com).

**MERS Service Center** is available to assist you with your questions. Representatives are available Monday – Friday from 8:30 – 5:00 at **800.767.MERS (6377)**.



**Free, Local Events**, called Pizza & Planning, are held throughout the state during the year. The topics of these events can provide important information on your MERS plans. You can sign up for the event by visiting the MERS website.

# What's Next?

- 1 Complete the Membership Application**  
 After completing the form, tear it off and return it to your employer.
- 2 Receive Welcome Email**  
 Once you're enrolled, MERS will send you a welcome email with more information about your plan.
- 3 Access myMERS (Your Online Account)**  
 Our website, [www.mersofmich.com](http://www.mersofmich.com), provides you access to your individual account. For your first time logging in, you should follow the prompts for self-registration and enter your social security number as your User ID.



## Defined Benefit Membership Application

**For employer use only** – Return completed copy of form to MERS

Name of employer*	Municipality number (4 digits)*	Division number (2 digits)*	Date of hire/participation (mm/dd/yyyy)* <input type="checkbox"/> Rehire?
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### 1. Information about you

Last name*	First name*	MI	Full SSN*
Mailing address*		Gender* <input type="checkbox"/> Male <input type="checkbox"/> Female	Date of birth (mm/dd/yyyy)*
City*	State*	Zip code*	
Email address		Daytime phone number (with area code)*	
Marital status* <input type="checkbox"/> Single <input type="checkbox"/> Married		Check here if you have children under age 21: <input type="checkbox"/>	

### 2. Survivor Beneficiary

You may name **one Survivor Beneficiary** or one person who is the beneficiary of an irrevocable trust (see Guide) to receive a lifetime monthly benefit if you die before retiring and are vested. If you are married, **your spouse is automatically your Survivor Beneficiary** and their information should be entered below. If you want to name someone other than your spouse, your spouse must sign the spousal consent in Section 5.

**Minor Children:** When you are vested, if you die before retiring, **and do not** have a remaining survivor beneficiary, a monthly benefit will be equally distributed to each surviving child who is unmarried and younger than 21 years of age.

Full name (spouse, if applicable)*	Gender* <input type="checkbox"/> Male <input type="checkbox"/> Female	Relationship*	Full SSN*	Date of birth (mm/dd/yyyy)*
Mailing address (if different from participant, Section 1)	City	State	Zip	

\* Required field

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## Defined Benefit Membership Application

Last name\* (please print clearly)

Last four digits of SSN\*

### 3. Primary Beneficiary

If you die before vesting and there is no monthly benefit, you can name **one or more persons to receive a refund** (equally distributed) of any participant contributions you may have. If you are married, your spouse is automatically your Primary Beneficiary and can be entered below. If you want to name someone other than, or in addition to, your spouse, your spouse must sign the spousal consent in Section 5.

Full name (spouse, if applicable)

Gender  Male  
 Female

Relationship

Full SSN

Date of birth (mm/dd/yyyy)

Mailing address (if different from participant, Section 1)

City

State

Zip

If you want to add more beneficiaries, please attach a separate list that you have signed and dated.

### 4. Contingent Beneficiary

In the event there is **no remaining Primary Beneficiary(ies)** at the time of your death, you may designate one or more person(s) as a Contingent Beneficiary(ies) to receive a refund (equally distributed) of any participant contributions you may have.

Designate name(s) of Contingent Beneficiary(ies) below.

Full name (spouse, if applicable)

Gender  Male  
 Female

Relationship

Full SSN

Date of birth (mm/dd/yyyy)

Mailing address (if different from participant, Section 1)

City

State

Zip

If you want to add more beneficiaries, please attach a separate list that you have signed and dated.

### 5. Required signature(s)

#### Spousal consent (if applicable):

I have read this form and fully understand and agree with my spouse's election. If another individual is named beneficiary in Section 2 or 3, in place of or in addition to me, I understand that I am relinquishing ("giving up") my automatic right as the member's spouse, to benefits.

Signature of spouse

Spouse full name (please print clearly)

Date (mm/dd/yyyy)

#### Participant signature:

I have completed, understand, and agree to all pages of this *Defined Benefit Membership Application* and guide.

Participant name (print)\*

Participant signature\*

Date (mm/dd/yyyy)\*

Form F-05 (version 2018-08-15)

\* Required field