

ENROLL  
TODAY

# MERS Defined Contribution Plan



## About the Plan

The MERS Defined Contribution Plan provides you an invested retirement account that you manage, with contributions from you and your employer. Your future retirement benefit is determined by your account balance, which is affected by how much is contributed, the performance of your investments, and how many years you are invested.

This plan is a qualified retirement plan under Section 401(a) of the Internal Revenue Code (also known as a governmental money purchase plan). Unlike a private sector 401(k) plan, governmental plans **require** enrollment and there is not the flexibility to change employee contributions over time. In order to encourage retirement savings many governmental employers also offer a 457 program to employees.

Employer  
Contributions



Employee  
Contributions



Earnings or  
Losses in  
the Market



Fees

\$ Account Balance

## Contributions

Contributions are the amount of money that go into your account each pay period. These can be something your employer contributes toward your retirement as well as what you put in from your own pay check. The rules are generally determined by your employer.

**Employer Contributions** are typically a fixed amount, or a match of your contributions.

**Employee Contributions** can be either mandatory or voluntary. Mandatory contributions are generally taken out pre-tax, which reduces your current taxable income. Voluntary contributions are after-tax and can be changed any time.

Check with your employer for contribution rules that apply to you. IRS rules limit the total contributions made to your account, including both your employer's and your contributions. The 2015 total contribution limit is \$53,000.

## Vesting

Vesting is your eligibility to claim your employer contributions. 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 this employer's vesting requirement.



800+ municipalities  
enrolled in  
MERS programs



9 elected board  
members oversee  
the system



115,000+ participants

\$9 Billion+

in combined  
total assets

## Who is MERS?

MERS is an independent, professional retirement services company that serves municipal members 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

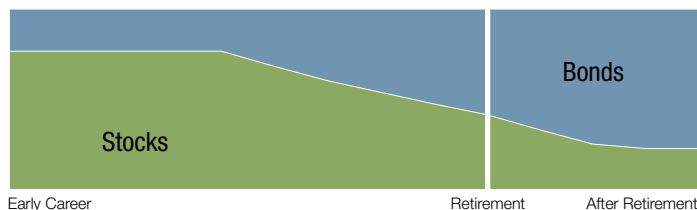
Once your enrollment has been processed you will be able to designate beneficiaries by downloading and filing out the Beneficiary Designation Form. This is an important step to ensure your funds are handled appropriately should something happen to you.

If married, your spouse is automatically your Primary Beneficiary and is entitled to all vested balance should you die. In your myMERS account, you will also be able to designate Contingent Beneficiary as a back-up, select beneficiaries other than your spouse, or choose multiple beneficiaries.

## Investments

Initially, you will be placed in an age-appropriate **Retirement Strategy** – a simple, effective, all-in-one investment choice to help you save for retirement. Retirement Strategies may come in a single package, but each fund is highly diversified to help you put your money to work more effectively toward your retirement goals.

Each fund is named for a “target date” – the approximate year you expect to retire and start withdrawing from your account. Funds furthest from their target dates emphasize growth potential by allocating most investments to stocks. As you move closer to—and into—retirement, the funds automatically adjust to a more conservative mix.



Once your enrollment process is complete (when your employer enters your information into our system), you can change your investment allocation online through your myMERS account. The MERS Investment Menu is simplified into three categories to help you find the investment mix that best meets your investment style. For more information on your investment options, please visit our website.

## Rollovers

A rollover allows you to move your money from a qualified retirement plan into your MERS Defined Contribution plan, consolidating accounts for easier oversight, compounded savings, and the benefit of MERS' low fees.

The MERS Defined Contribution Plan accepts rollovers from other qualified plans such as other 401(a) plans, supplemental 457(b) plans, other employer provided plans, and individual retirement accounts (IRAs). You do not have to pay any federal income tax on the amount you roll over. Your money will continue to grow tax-deferred until you start to make withdrawals.

- Take advantage of MERS' low fees to maximize savings
- Consolidate information in one easy location
- Visit [www.mersofmich.com](http://www.mersofmich.com) for more information

## 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 events by visiting the MERS website.

# What's Next?

1

## Complete the Quick Enrollment Form

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. Here you may review your **beneficiary information** and access your account details.



## Defined Contribution Enrollment Form

# 1 First Step to Start Saving

### Employer Information

|                  |                             |   |
|------------------|-----------------------------|---|
| Name of Employer | Division number (6 digits)* | Date of hire/participation (mm/dd/yyyy)*<br>Rehire? |
|------------------|-----------------------------|---|

### Personal Information

|                  |                               |   |
|------------------|-------------------------------|---|
| Last name*       | First name*                   | Full SSN*   |
| Mailing address* | City*                         | State* Zip code*  |
| Email address    | Phone number (with area code) | Date of birth (mm/dd/yyyy)*<br>Gender*<br><input type="checkbox"/> M <input type="checkbox"/> F |

### Contribution Information

I recognize my participation in the program is mandatory.

I authorize my employer to deduct the following contribution amount from my gross wages each pay period:

▶ **Mandatory contribution amount:** \_\_\_\_\_ % **OR** \$ \_\_\_\_\_ .00

This is my one-time election. Only my employer may change provisions moving forward.

▶ **Voluntary after-tax contribution amount:** \_\_\_\_\_ % **OR** \$ \_\_\_\_\_ .00

This amount can be changed at any time. You may not exceed the maximum contribution permitted by law.

### Signature

|            |                    |
|------------|--------------------|
| Signature* | Date (mm/dd/yyyy)* |
|------------|--------------------|

My signature acknowledges that I have received, read, understand, and agree to this Defined Contribution Enrollment Form and affirms that all information I have provided is true and correct. I understand that my rights under the plan shall be governed by the terms and conditions of the MERS Plan Document pursuant to all applicable state and federal laws, rules, and regulations.

I understand that my contributions will be placed in an age-appropriate Retirement Strategies Fund. Once enrolled, I can make changes online or by phone.

▶ **Please submit your completed form to your Human Resources representative.**



To review other investment options, designate beneficiaries, or roll qualified funds into your Defined Contribution account, please visit [www.mersofmich.com](http://www.mersofmich.com).