

ENROLL  
TODAY

# MERS Hybrid Plan



## About the Plan

The MERS Hybrid Plan offers two parts in one — the stability and security of a Defined Benefit Plan, combined with the flexibility and investment choice of a Defined Contribution Plan.

### Part I – Defined Benefit



### Part II – Defined Contribution



\$ Total Retirement Benefit

## Part 1 - Defined Benefit

The Defined Benefit part of your plan provides a fixed monthly source of income after retirement to vested employees. The amount of monthly income is based on three components:

**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. 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 can range from 1.0% to 2.0%.

## 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. Vesting requirements will differ between your defined benefit and defined contribution portions of the plan. Check with your employer to see what those requirements are. 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.

## Part 2 - Defined Contribution

The defined contribution portion of your plan provides you an invested retirement account that you manage. Your future retirement benefit is determined by your account balance, which is made up of the amount contributed and the performance of your investments.

## 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, and will differ between Defined Benefit and Defined Contribution portions of your plan.

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



## 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

One of the most important things you can do for your family is to name beneficiaries. You can update this information any time by visiting the MERS website.

Because of the differing vesting and tax requirements of the Defined Benefit and Defined Contribution portions of your plan, you will need to designate beneficiaries separately for each. See below for descriptions:

A **Survivor Beneficiary** is one person who would receive a lifetime benefit from the Defined Benefit portion of your plan if you are vested and die before retiring. If married, your spouse is automatically your Survivor Beneficiary unless waived in writing.

If you die before vesting, there is no monthly benefit. However, your **Primary Beneficiary** would receive a refund of any employee contributions made to both your Defined Benefit portion (plus interest) as well as your Defined Contribution portion (plus/minus investment performance). If married, your spouse is automatically your Primary Beneficiary unless waived in writing.

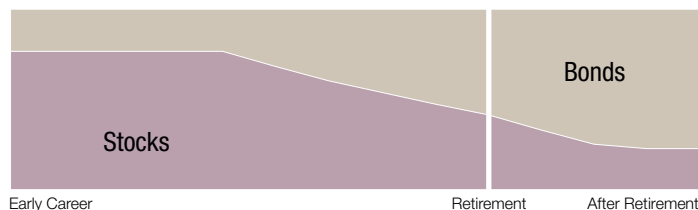
If you die and there is no remaining Primary Beneficiary(ies), you can name one or more **Contingent Beneficiary(ies)** to receive a refund of any employee contributions made to both portions of your plan.

## Investments

Initially your DC contributions will be placed in an age-appropriate **Retirement Strategy** – a simple, effective, all-in-one investment choice to help you save for retirement.

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. For more information on your investment options, please visit the MERS website.

Once your employer enters your information into our system, you can change your investment allocation online through your myMERS account.



## Rollovers

A rollover allows you to move your money from a qualified retirement plan into the defined contribution portion of your hybrid plan, consolidating accounts for easier oversight, compounded savings, and the benefit of MERS' low fees. Visit [www.mersofmich.com](http://www.mersofmich.com) for more information.

- Take advantage of MERS' low fees to maximize savings
- Consolidate information in one easy location

## 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.

*This publication contains a summary description of MERS benefits, policies or procedures. MERS has made every effort to ensure that the information provided is accurate and up to date (as of the date of publication 01/24/17). If this publication conflicts with the relevant provisions of the Plan Document, the Plan Document controls. MERS, as a governmental plan, is exempted by state and federal law from registration with the SEC. However, it employs registered investment advisors to manage the trust fund in compliance with Michigan Public Employee Retirement System Investment Act. Past performance is not a guarantee of future returns. Please make independent investment decisions carefully and seek the assistance of independent experts when appropriate.*

# What's Next?

1

## Complete the Membership Application

After completing the form, tear it off and return it to your employer.

## Receive Welcome Email

Once you're enrolled, MERS will send you a welcome email with more information about your plan.

## 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.

2

3



## Hybrid Enrollment Form

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

Name of employer*	Municipality number (4 digits)*	DB division (2 digits)*	DC division (6 digits)*	Date of hire/participation* <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	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. Contribution information

I recognize my participation in the program is mandatory. I understand that my contributions will be placed in an age-appropriate MERS Retirement Strategies fund. Once enrolled, I can make changes online or by phone.

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.

### 3. Defined Benefit – Survivor Beneficiary

You may name **one Survivor Beneficiary** or one person who is the beneficiary of an irrevocable trust 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 8.

**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

**Continue on Next Page**

# Hybrid Enrollment Form

## 4. Defined Benefit portion – 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 member contributions that 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 8.

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

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

## 5. Defined Benefit portion – 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 member contributions you may have.

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

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

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

## 6. Defined Contribution portion – Primary Beneficiary

If you are married, **your spouse is automatically your primary beneficiary (100%)** and can be listed below. If you want to name someone other than your spouse, include their information in the space provided, and your spouse must sign the spousal consent in Section 8.

I hereby designate the following person(s) as Primary Beneficiary(ies) of my account under the defined contribution portion of the plan if I should die prior to the payout of my account:

Full name (spouse, if applicable)	Relationship	Full SSN	Date of birth (mm/dd/yyyy)	Percentage
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If you want to add more beneficiaries, please attach a separate list that you have signed and dated.

Must equal 100%

## 7. Defined Contribution portion – Contingent Beneficiary

In the event there is no remaining primary beneficiary(ies) at my death, I hereby designate the following person(s) as Contingent Beneficiary(ies) of my account under the defined contribution portion of the Plan.

Full name (spouse, if applicable)	Relationship	Full SSN	Date of birth (mm/dd/yyyy)	Percentage
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If you want to add more beneficiaries, please attach a separate list that you have signed and dated.

Must equal 100%

## 8. 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 3, 4 or 6, 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)
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### Participant signature:

I have completed, understand, and agree to all pages of this *Hybrid Enrollment Form*.

Participant name (print)*	Last four digits of SSN*
Participant signature*	Date (mm/dd/yyyy)*