



STATISTICAL SECTION

Strength — in Our Numbers

We are committed to providing quality employee benefit services to our members. Today, we proudly count nearly 800 municipal members and 100,000 participants, many of them your friends and family, your neighbors, coworkers or constituents.

STATISTICAL SECTION

Meet the Average MERS Member 97

 Changes in Plan Net Position 98

 Schedule of Changes in Reserves 102

 Schedule of Average Benefit Payments - Defined Benefit Plan 104

 Schedule of Retired Members by Type of Option Selected 104

 Schedule of Benefit Expenses by Type - Defined Benefit Plan 105

 Schedule of Retired Members by Type of Benefit 106

 Defined Contribution Plan Participants and Total MERS Participants 106

 Cost Controlling Solutions 107

 Retirement Plan Changes 108

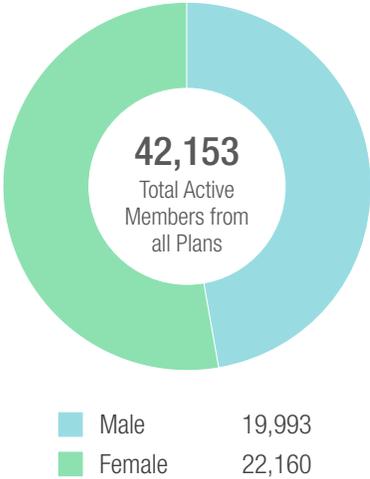
MEET THE AVERAGE MERS MEMBER

As we continually look for ways to improve our service to our members, it's important to have a clear understanding of the people behind the pension. Here's a closer look at our average active member, as of Nov. 11, 2012.

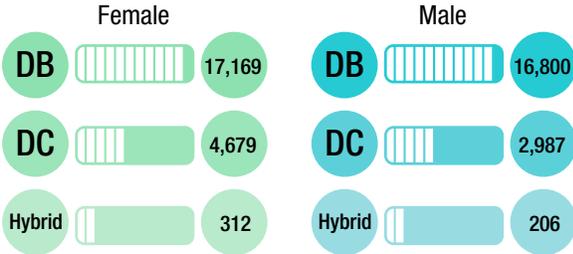


- Enrolled in the Defined Benefit Plan
- 45.5 Years Old
- From Southeast Michigan

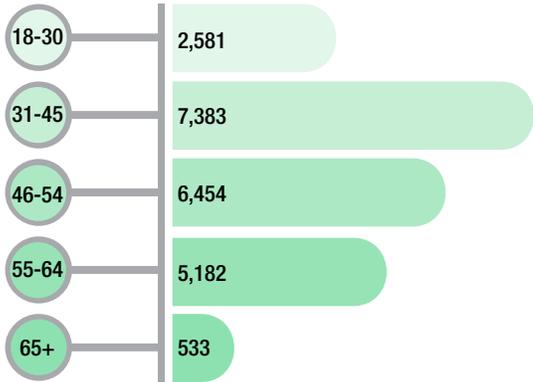
The Breakdown



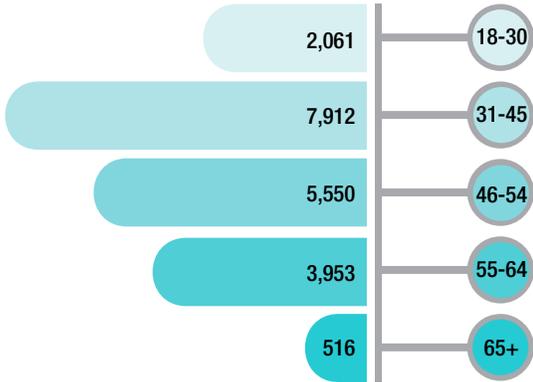
Total Active Members By Plan



Female Members by Age



Male Members by Age



Average Account Balance of an active DC Member

\$38,299.14

Changes in Plan Net Position – Last 10 Years Ended December 31, 2012 (Dollars in Thousands)

	2003	2004	2005	2006
Defined Benefit Plan				
Additions:				
Plan Member Contributions	\$62,421	\$55,409	\$71,325	\$84,124
Employer Contributions	161,029	167,943	207,124	286,228
Net Investment Gain (Loss)	800,189	587,519	299,780	634,950
Total Additions to Plan Net Position	1,023,639	810,871	578,229	1,005,302
Deductions:				
Benefits and Employee Refunds	228,520	253,028	278,327	309,635
Administrative Expenses	8,049	9,957	11,557	12,540
Special Expenses & Fees	378	387	399	526
Total Deductions from Plan Net Position	236,947	263,372	290,283	322,701
Net Increase (Decrease)	786,692	547,499	287,946	682,601
Net Position				
Balance Beginning of Fiscal Period	3,285,305	4,071,997	4,619,496	4,907,442
Balance End of Fiscal Period	\$4,071,997	\$4,619,496	\$4,907,442	\$5,590,043
Defined Contribution				
Additions:				
Plan Member Contributions	\$3,949	\$4,303	\$4,733	\$5,632
Employer Contributions	15,292	18,342	16,351	24,765
Net Investment Gain (Loss)	17,570	10,410	8,427	19,196
Total Additions to Plan Net Position	36,811	33,055	29,511	49,593
Deductions:				
Benefits	4,090	6,453	9,482	10,591
Administrative Expenses	-	-	-	-
Total Deductions from Plan Net Position	4,090	6,453	9,482	10,591
Net Increase (Decrease)	32,721	26,602	20,029	39,002
Net Position				
Balance Beginning of Fiscal Period	84,761	117,482	144,084	164,113
Balance End of Fiscal Period	\$117,482	\$144,084	\$164,113	\$203,115
Health Care Savings Program				
Additions:				
Employer Contributions	\$-	\$1,389	\$2,872	\$2,301
Net Investment Gain (Loss)	-	130	165	753
Miscellaneous Income	-	-	8	92
Total Additions to Plan Net Position	-	1,519	3,045	3,146
Deductions:				
Medical Disbursements Paid	-	12	52	145
Forfeitures and transfers	-	-	-	104
Administrative Expenses	-	184	250	197
Total Deductions from Plan Net Position	-	196	302	446
Net Increase (Decrease)	-	1,323	2,743	2,700
Net Position				
Balance Beginning of Fiscal Period	-	-	1,323	4,066
Balance End of Fiscal Period	\$-	\$1,323	\$4,066	\$6,766

2007	2008	2009	2010	2011	2012
\$61,772	\$64,871	\$62,677	\$83,573	\$64,790	\$73,133
320,204	310,717	350,737	341,354	298,328	783,292
456,280	(1,533,327)	789,800	754,011	130,115	668,303
838,256	(1,157,739)	1,203,214	1,178,938	493,233	1,524,728
347,470	379,401	419,576	461,204	505,854	565,695
13,904	16,365	18,793	20,951	22,070	24,412
588	571	461	389	444	71
361,962	396,337	438,830	482,544	528,368	590,178
476,294	(1,554,076)	764,384	696,394	(35,135)	934,550
5,590,043	6,066,337	4,512,261	5,276,645	5,973,039	5,937,904
\$6,066,337	\$4,512,261	\$5,276,645	\$5,973,039	\$5,937,904	\$6,872,454
\$6,995	\$6,978	\$8,086	\$8,694	\$10,376	\$17,169
19,816	20,147	21,994	26,374	22,079	24,931
13,411	(61,679)	39,951	28,971	1,862	38,552
40,222	(34,554)	70,031	64,039	34,317	80,652
12,764	12,406	8,868	10,902	19,901	18,532
				826	759
12,764	12,406	8,868	10,902	20,727	19,291
27,458	(46,960)	61,163	53,137	13,590	61,361
203,115	230,573	183,613	244,776	297,913	311,503
\$230,573	\$183,613	\$244,776	\$297,913	\$311,503	\$372,864
\$2,927	\$10,127	\$16,964	\$11,651	\$7,307	\$10,742
719	(4,604)	2,978	4,055	918	5,406
96	162	263	377	-	-
3,742	5,685	20,205	16,083	8,225	16,148
328	462	512	890	1,474	1,787
118	212	322	458	16	300
244	360	159	(439)	717	144
690	1,034	993	909	2,207	2,231
3,052	4,651	19,212	15,174	6,018	13,917
6,766	9,818	14,469	33,681	48,855	54,873
\$9,818	\$14,469	\$33,681	\$48,855	\$54,873	\$68,790

Changes in Plan Net Position – Last 10 Years Ended December 31, 2012 (Dollars in Thousands)

	2003	2004	2005	2006
Retiree Health Funding Vehicle				
Additions:				
Employer Contributions	\$-	\$1,313	\$11,948	\$29,365
Net Investment Gain (Loss)	-	109	448	4,463
Total Additions to Plan Net Position	-	1,422	12,396	33,828
Deductions:				
Disbursements Paid to Municipalities	-	-	96	1,109
Transfers and Special Expenses	-	-	-	89
Administrative Expenses	-	3	26	136
Total Deductions from Plan Net Position	-	3	122	1,334
Net Increase (Decrease)	-	1,419	12,274	32,494
Net Position				
Balance Beginning of Fiscal Period	-	-	1,419	13,693
Balance End of Fiscal Period	\$-	\$1,419	\$13,693	\$46,187
Investment Services Program				
Additions:				
Employer Contributions	\$-	\$-	\$-	\$15,527
Net Investment Gain (Loss)	-	-	-	726
Total Additions to Plan Net Position	-	-	-	16,253
Deductions:				
Disbursements Paid to Municipalities	-	-	-	-
Administrative Expenses	-	-	-	17
Total Deductions from Plan Net Position	-	-	-	17
Net Increase (Decrease)	-	-	-	16,236
Net Position				
Balance Beginning of Fiscal Period	-	-	-	-
Balance End of Fiscal Period	\$-	\$-	\$-	\$16,236
457 Program				
Additions:				
Employee Contributions	\$-	\$-	\$-	\$-
Net Investment Gain (Loss)	-	-	-	-
Total Additions to Plan Net Position	-	-	-	-
Deductions:				
Benefits	-	-	-	-
Administrative Expenses	-	-	-	-
Total Deductions from Plan Net Position	-	-	-	-
Net Increase (Decrease)	-	-	-	-
Net Position				
Balance Beginning of Fiscal Period	-	-	-	-
Balance End of Fiscal Period	\$-	\$-	\$-	\$-

The Changes in Plan Net Position over the last ten years shows contributions being received from municipalities, investment gains/losses and disbursements to retirees/municipalities. Some products have been in existence for less than 10 years.

Schedule of Changes in Reserves – Fiscal Year Ended December 31, 2012 (Dollars in Thousands)

	Reserve for Employee Contributions	Reserve for Employer Contributions and Benefit Payments	Reserve for Expenses and Undistributed Investment Income	Total Reserve for Defined Benefit Plan
Additions				
Member Contributions	\$73,133			\$73,133
Employer Contributions		\$783,292		783,292
Net Investment Income			\$668,792	668,792
Miscellaneous Income			95	95
Total Additions	73,133	783,292	668,887	1,525,312
Deductions				
Benefits and Refunds	7,884	557,351		565,235
Transfers and Forfeitures	168	292		460
Administrative Expense			24,412	24,412
Special Expenses and Fees		71		71
Total Deductions	8,052	557,714	24,412	590,178
Net Increase (Decrease)	65,081	225,578	644,475	935,134
Other Changes in Reserves				
Investment Income Allocations	864	632,158	(633,606)	(584)
Retirement and Division Transfers	(51,679)	51,679		
Total Other Changes in Reserves	(50,815)	683,837	(633,606)	(584)
Net Increase in Reserves After Other Changes	14,266	909,415	10,869	934,550
Reserve Balance Beginning of Year	669,545	5,268,359		5,937,904
Reserve Balance End of Year	\$683,811	\$6,177,774	\$10,869	\$6,872,454

The Schedule of Changes in Reserves shows the balance in each of the reserves and changes to those reserves' balances over the year. The Employee Contributions, Employer Contributions and Reserve for Expenses and Undistributed Investment income are components of the Defined Benefit Plan. A balance in the Reserve for Expenses and Undistributed Investment Income will be allocated at a future date.

Reserve for Defined Contribution Plan	Reserve for Health Care Savings Program	Reserve for Retiree Health Funding Vehicle	Reserve for Investment Services Program	Reserve for 457 Program	Total Reserve for Pension Trust Funds
\$17,169	\$10,742			\$8,170	\$109,214
24,931		\$78,809	\$700		887,732
38,552	5,406	36,770	791	163	750,474
					95
80,652	16,148	115,579	1,491	8,333	1,747,515
18,532	1,787	13,071	106	21	598,752
	300				760
759	144	521	11	6	25,853
					71
19,291	2,231	13,592	117	27	625,436
61,361	13,917	101,987	1,374	8,306	1,122,079
					(584)
					-
0	0	0	0	0	(584)
61,361	13,917	101,987	1,374	8,306	1,121,495
311,503	54,873	302,376	6,842		6,613,498
\$372,864	\$68,790	\$404,363	\$8,216	\$8,306	\$7,734,993

Schedule of Average Benefit Payments – Defined Benefit Plan

Valuation Date December 31	Number of Retirees and Beneficiaries	Average Yearly Benefit
2002	17,538	\$12,030
2003	18,443	12,828
2004	19,271	13,607
2005	20,155	14,292
2006	21,464	15,026
2007	22,600	15,643
2008	23,832	16,447
2009	24,930	16,991
2010	26,930	17,879
2011	28,202	18,474

The Schedule of Average Benefit Payments shows the historical record and trends of retirees and the benefits they are drawing.

Schedule of Retired Members by Type of Option Selected – Defined Benefit Plan

December 31, 2011, Tabulated by Optional Form of Benefit Being Paid

Type of Benefit	Number of Retirees	Number as a Percentage of Total	Total Monthly Benefit
Beneficiary Draws 100% of Retiree's Benefit	8,754	31.0%	\$13,968,823
Beneficiary Draws 75% of Retiree's Benefit	1,729	6.1	3,988,259
Beneficiary Draws 60% of Retiree's Benefit	118	0.4	302,315
Beneficiary Draws 50% of Retiree's Benefit	4,514	16.0	8,262,584
Equated Option (Changing at Social Security Age)	327	1.2	222,992
5 Year Certain and Life	277	1.0	404,130
10 Year Certain and Life	406	1.4	607,194
15 Year Certain and Life	165	0.6	231,805
20 Year Certain and Life	303	1.1	421,410
Straight Life Allowance	11,609	41.2	15,007,054
Totals	28,202	100.0%	\$43,416,566

Schedule of Benefit Expenses by Type – Defined Benefit Plan
(Dollars in Thousands)

Fiscal Year Ended	Regular Benefits	Disability Benefits	Employee Refunds	Total
Dec. 31, 2003	\$212,612	\$8,526	\$3,542	\$224,680
Dec. 31, 2004	237,916	9,538	3,525	250,979
Dec. 31, 2005	263,839	10,308	4,158	278,305
Dec. 31, 2006	293,138	11,035	4,711	308,884
Dec. 31, 2007	326,666	12,791	5,058	344,515
Dec. 31, 2008	355,626	16,729	5,580	377,935
Dec. 31, 2009	391,613	18,254	9,510	419,377
Dec. 31, 2010	433,778	19,415	7,006	460,199
Dec. 31, 2011	476,993	20,812	7,915	505,720
Dec. 31, 2012	536,068	21,284	7,884	565,236

The Schedule of Benefit Expenses by Type shows the benefits paid as regular pension benefits, disability benefits and refunds for employees who have been terminated and requested refunds of their employee contributions.

Schedule of Retired Members by Type of Benefit – Defined Benefit Plan
December 31, 2011, Tabulated by Optional Form of Benefit Being Paid

Type of Benefit	Number of Retirees	Number as a Percentage of Total	Total Monthly Benefit
Normal Retirement for Age and Service	22,721	80.5%	\$38,505,620
Non-Duty Disability ¹	947	3.4	1,027,026
Duty Disability ¹	395	1.4	431,307
Beneficiaries ²	3,347	11.9	2,712,031
Non-Duty Death	733	2.6	680,349
Duty Death	59	0.2	60,233
Totals	28,202	100.0%	\$43,416,566

¹At age 60, these benefit types are converted to normal retirement for age and service

²Includes EDRO alternate payees

Defined Contribution Plan Participants and Total MERS Participants

Fiscal Year	Number of Participants Total	Defined Benefit	% of Total	Defined Contribution	% of Total	Hybrid	% of Total
December 31, 2003	65,756	60,569	92.1%	5,187	7.9%	N/A	0.0%
December 31, 2004	67,140	61,841	92.1	5,299	7.9	N/A	0.0
December 31, 2005	68,915	62,748	91.1	6,167	8.9	N/A	0.0
December 31, 2006	71,572	64,545	90.2	7,027	9.8	N/A	0.0
December 31, 2007	72,932	65,556	89.9	7,376	10.1	N/A	0.0
December 31, 2008	74,400	66,586	89.5	7,814	10.5	N/A	0.0
December 31, 2009	75,605	67,254	89.0	8,351	11.0	N/A	0.0
December 31, 2010	78,343	69,707	89.0	8,636	11.0	N/A	0.0
December 31, 2011	91,666	81,926	89.4	9,193	10.0	547	0.6
December 31, 2012	93,462	82,331	88.1	10,210	10.9	921	1.0

Although MERS Defined Contribution Plan participants are not included in the annual actuarial valuation of the MERS Defined Benefit Plan, the trend in Defined Contribution participation is of interest. Numerous municipal divisions have established Defined Contribution Plan benefits for future new employees. Existing Defined Benefit Plan active members in those divisions were offered a choice of plans. The table above shows recent trends in Defined Contribution Plan participation and overall MERS participants.

MERS Member Benefit Changes

We continue to see an increase of requests from groups to reduce costs versus improve benefits. Groups are looking at merging divisions, exploring municipality consolidations and other MERS solutions. These charts show the number of divisions that have made changes in 2010, 2011, and 2012.

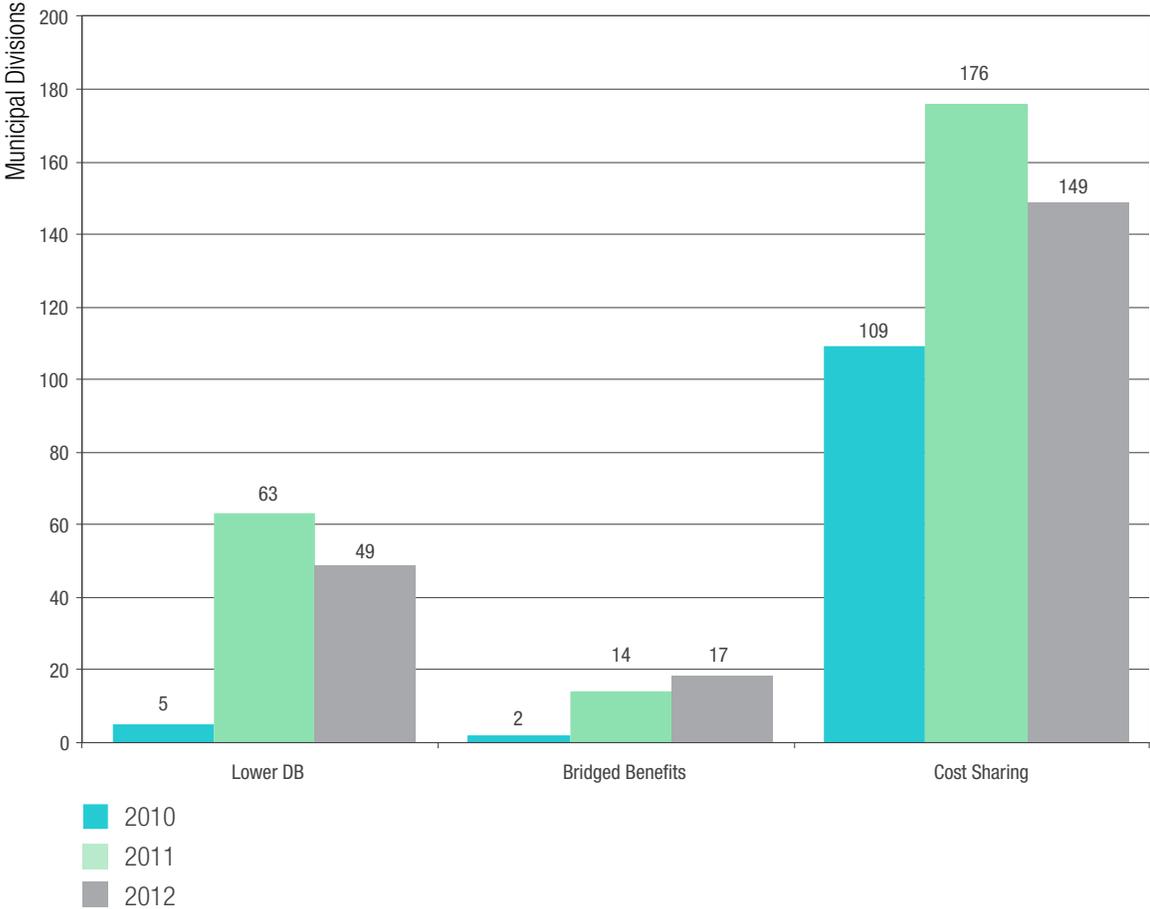
Cost-Reducing Solutions

Cost Sharing: Include changes to employee rate changes without any other benefit changes

Bridged Benefits: Allows groups to lower long-term liability on a going forward basis, leaving earned benefits unchanged

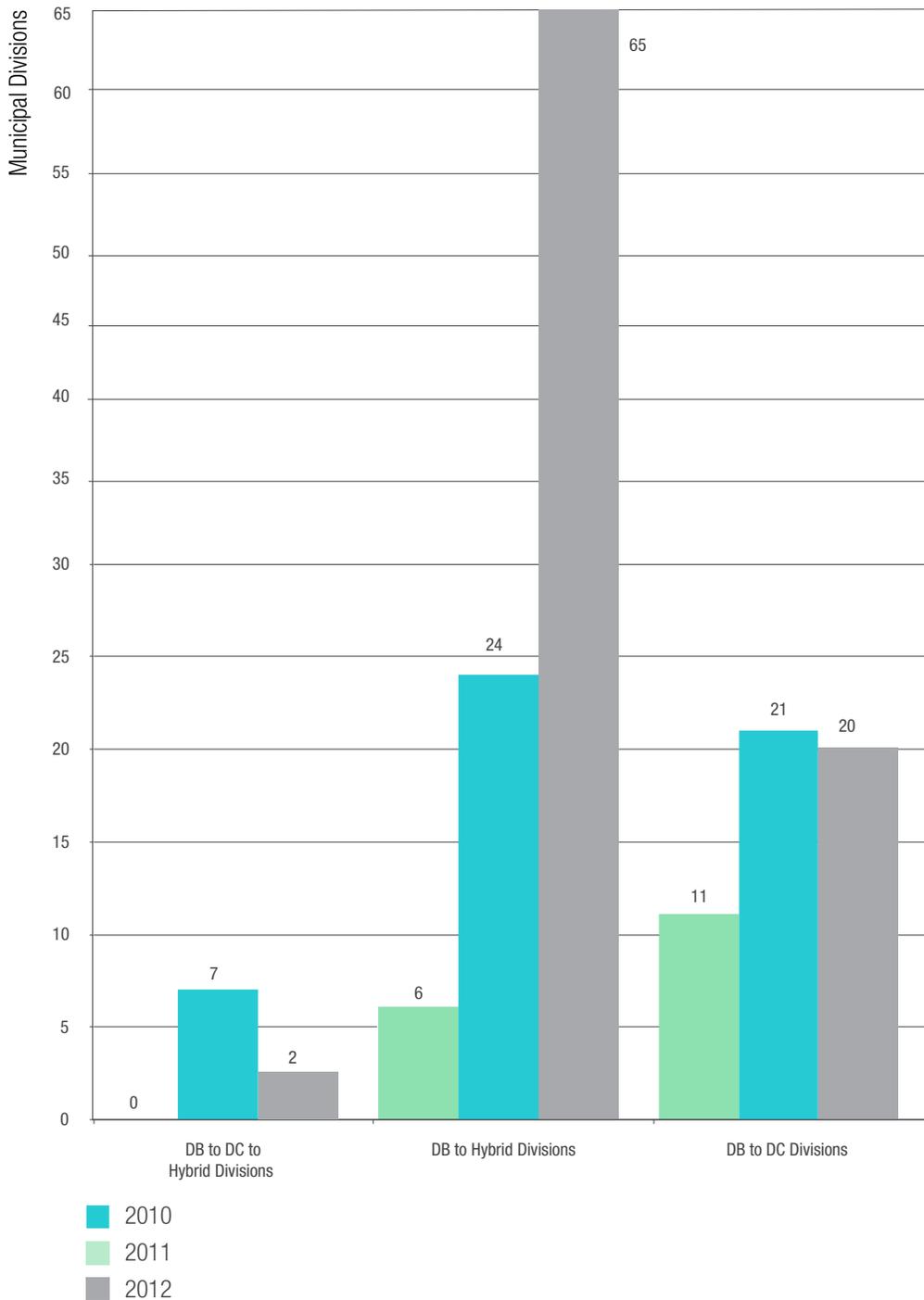
Lower Defined Benefit: New division with lower benefits is adopted for new hires

Cost-Reducing Solutions



The retirement plan changes show the number of municipal divisions which have shifted from Defined Benefit to Defined Contribution or Hybrid in their plan design. Many of these changes have been done to prospectively lower costs to the local government.

Retirement Plan Changes





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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 05/08/13). 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.

FORM 4688 20130508 20