



Important notice Re: FOIA Requests

You may have received a FOIA (Freedom Of Information Act) request concerning your municipality's MERS records. A public body is required to respond to a FOIA request within 5 business days of receiving it — MERS cannot respond for you. You may not have the information requested in your possession, and believe MERS does. If so, you may state so in your response, and suggest that the requestor FOIA MERS directly as MERS may or may not have what they are seeking.

If you have legal questions concerning your municipality's response, please review with your municipal attorney. The Michigan Municipal League Web site link below has useful information on responding to FOIA requests:
http://www.mml.org/resources/publications/one_pagers/opp_foia_requests.pdf

Board Actions from May 12, 2010 - Retire-Rehire Rules Revised

Board changes requirements for elected or appointed officials

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The MERS Retirement Board approved several important changes to the Plan Document at its May meeting, including the section governing rehiring of some retirees.

The Board made changes to Section 31 of the Plan Document, requiring a 2-year gap between retirement as an elected or appointed office position and re-employment in any capacity at the same municipality. The amended section is on the MERS Web site at: http://www.mersofmich.com/images/stories/Forms/Member/sec_31.pdf

Why is MERS making changes?

As a tax-qualified plan under the Internal Revenue Service, MERS is required to follow the IRS expectation that, as a condition for paying benefits, there has been an actual "bona fide termination of employment in which the employer/employee relationship is completely severed." The changes are intended to more effectively enforce the federal rules.

Effective May 12, 2010, an elected or appointed (to elective office) official must have a 2-year gap between the day their pension commenced and any re-election or re-appointment or employment in any other capacity by the same MERS participating municipality. If there is no 2-year gap, the pension is suspended.

The Board's amendment addresses only elected or appointed officials at this time; for all other employees, the Board will be directly addressing this and related issues at its July meeting.

For more information, visit the MERS Web site at: http://www.mersofmich.com/images/stories/comment/qa_retire-rehire.pdf

Board Actions from May 12, 2010 - New Payment Rules on Service Credit Purchases

Must pay full estimated actuarial cost upfront

MERS “payment plan” option is no longer available for municipalities seeking Service Credit Purchases for their employees.

Municipalities previously could amortize the purchase amount, but as a result, some employers that did not meet the 80% funding threshold for benefit changes added large amounts of unfunded accrued liability.

To promote greater fiscal responsibility, the MERS Retirement Board amended Plan Document section 43C(1) at its May meeting. By requiring all service purchases to be immediately funded, regardless of funding level, there is no impact on the overall funded level.

For MERS members wanting to purchase additional service credit, the employee (or the municipality, or both, as determined by the governing body) must now pay the full amount upfront, based on the estimated actuarial cost of the service purchase.

For more about these new requirements in Section 43C(1)(b) of the Plan Document, visit:
http://www.mersofmich.com/images/stories/Forms/Member/sec_43c.pdf

To request a Service Credit Purchase estimate, visit:
<http://mersapps.mersofmich.com/MERSMemberForms/ServiceCreditPurchaseRequest.aspx>

Adding a Cost of Living Adjustment?

Don't miss the July 1 deadline to send your request

The MERS Board approved a new process for adding a one-time Cost of Living Adjustment, also known as “Benefit E.”

Contact your MERS Benefit Plan Coordinator to request a Supplemental Valuation by July 1 to ensure a smooth transition for Jan. 1, 2011 effective dates, or by visiting:

http://www.mersofmich.com/index.php?option=com_content&task=view&id=256

The MERS Board approved an amendment to the Plan Document at its May meeting, allowing any municipality to add the one-time COLA — regardless of funded level — as long as the actuarial cost is paid upfront. For more about these new requirements, please read Section 43C(1)(a) of the Plan Document, visit:

http://www.mersofmich.com/images/stories/Forms/Member/sec_43c.pdf



PLEASE REMEMBER: Transfer-Rehire Rules Reinforced

Reminders will be sent to every MERS municipality regarding rules

Many municipalities promote employees from within, taking their experience with them to a new division. MERS wants to remind our employers that these new opportunities often mean moving to a different type of retirement plan, too.

MERS Transfer-Rehire rules govern just such situations, which state the employee must enter the open plan in the new division. To read the complete transfer-rehire rules, visit:

http://www.mersofmich.com/images/stories/Forms/Member/form_35a.pdf

To download the certification form, visit: http://www.mersofmich.com/images/stories/Forms/Member/form_35.pdf

We'll be sending you a reminder in the mail soon. If you have questions, please call us at 800.767.6377.

Growth In Motion

Don't Miss The 2010 MERS Annual Meeting!

It's time to mark your calendars for the MERS Annual Meeting, Sept. 15-17, 2010, at the Radisson Plaza Hotel in beautiful downtown Kalamazoo, Michigan.

MERS wants to help you put your "Growth in Motion," and this year's event promises to put you on the right retirement track. From the ins-and-outs of "MERS Retirement Plan Solutions," to the big picture look of the "World Economic Outlook," the 2010 MERS Annual Meeting is a destination you won't want to miss.

Annual Meeting Program Booklets will be mailed in early June, with event and hotel registration opening on June 7.

Just visit www.mersofmich.com to get on board, and for more information.