



Seamless Transitions: Meridian Township's Journey

Leah Behnke, Benefit Plan Advisor
Jamie LaFavor, Benefit Plan Coordinator



AGENDA

- Understanding Your Role in Offering a Retirement Plan
- Meridian Township's Journey
- Key Takeaways
- Ongoing Support

Understanding Your Role in Offering a Retirement Plan



Why Offer a Retirement Plan?

- Attract and retain top talent
- Valuable benefit for employees



Benchmarking

What is benchmarking?

- Process of reviewing and evaluating your plan by looking at similar plans

Why is it important?

- Can help identify best practices, enhance plan design, and improve participant outcomes
- Allows employers to assess the effectiveness of their retirement plans and make informed decisions to improve them, ensuring competitive offerings for their employees' financial well-being



Different Needs = Different Plans

Retirement

Defined Benefit

Defined Contribution
401(a)

Hybrid

457

IRA

Other Post Employment Benefits (OPEB)


Health Care Savings
Program (HCSP)

Health Care
Exchange

Retiree Health
Funding Vehicle

Defined Benefit Plan

You can now see the options you've selected for your **defined benefit** and **hybrid plans** in the Employer Portal



SUMMARY

▶ REPORTING

EPAYMENT

MANAGE EMPLOYEES

BENEFIT PROVISIONS

STATEMENTS

FILE UPLOAD

RESOURCE LIBRARY

Your Municipality (####)

Benefit Provisions in Effect as of 8/15/2023

Division 01 - Your division name (status) ^

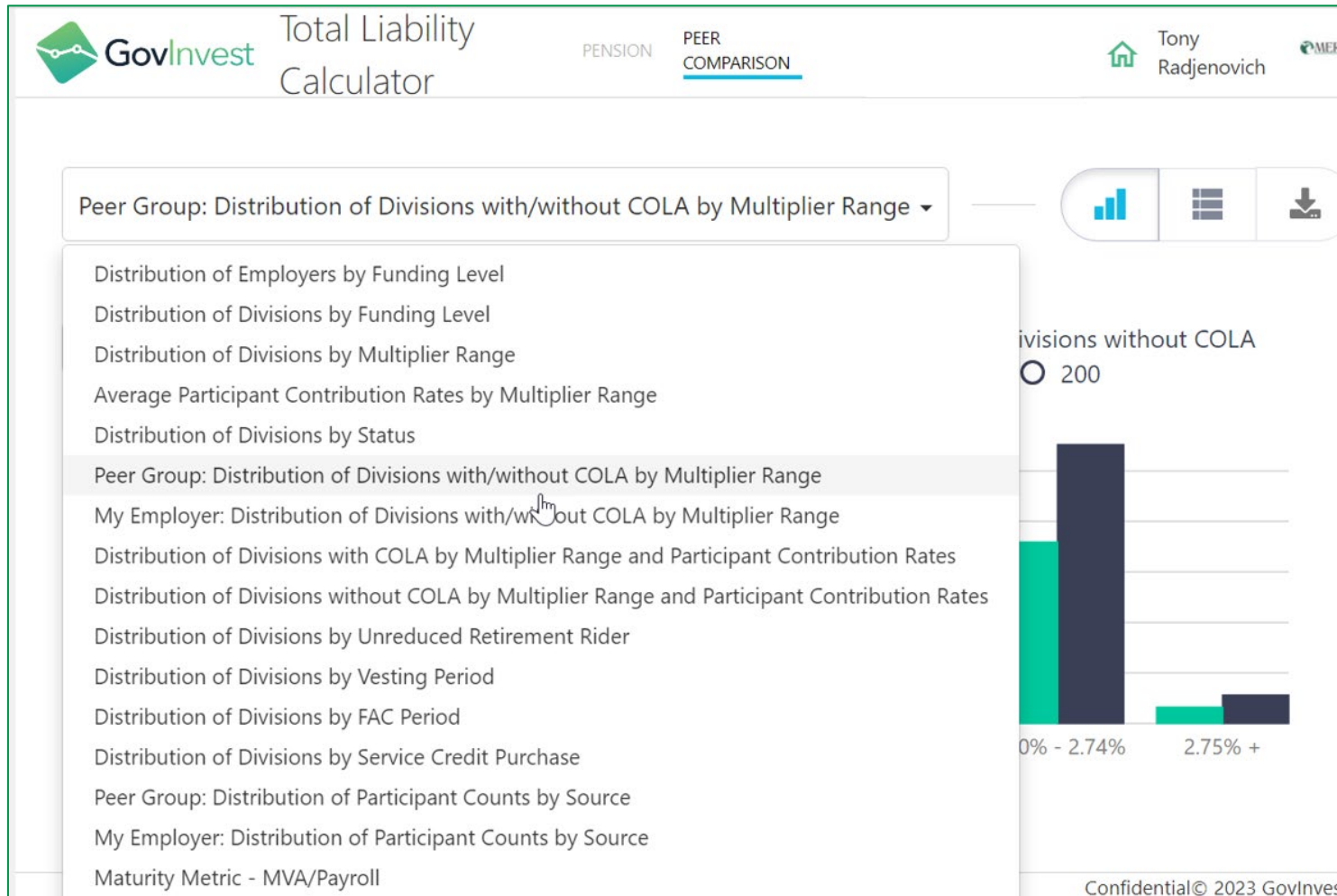
Provision Type	Provision Details	Effective Date
Act 88	Covered by Act 88	
Benefit Program	2.25% Multiplier (Capped at 80% of FAC)	
DB Employee Contributions	Member Contribution Rate 0.00%	
Definition of Compensation	Custom Wages	
Eligibility Conditions: Early Age/Service	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years	
Final Average Compensation	Benefit FAC-5 (5 Year Final Average Compensation)	
Leave Type: FMLA	FMLA - Service Granted	
Leave Type: Long-Term Disability	Long Term Disability - Service Granted	
Leave Type: Short-Term Disability	Short Term Disability - Service Granted	
Leave Type: Workers Compensation	Workers Compensation - Service Granted	
Normal Retirement Age (DB)	60	
Probationary Period	Probationary Period 3 Months	
Service Credit Purchase Estimates	Service Credit Purchase Estimates - No	
Service Credit Qualification	Service Credit Qualification - 140 hours	
Service Credit Qualification (Prior to 1/1/2021)	Day of work defined as 6 Hours a Day for All employees.	
Service Credit Qualification (Prior to 1/1/2021)	Day of work defined as 140 Hours a Month for All employees.	
Vesting Requirement (DB)	10 Year Vesting	

Self-Service Actuarial Tool

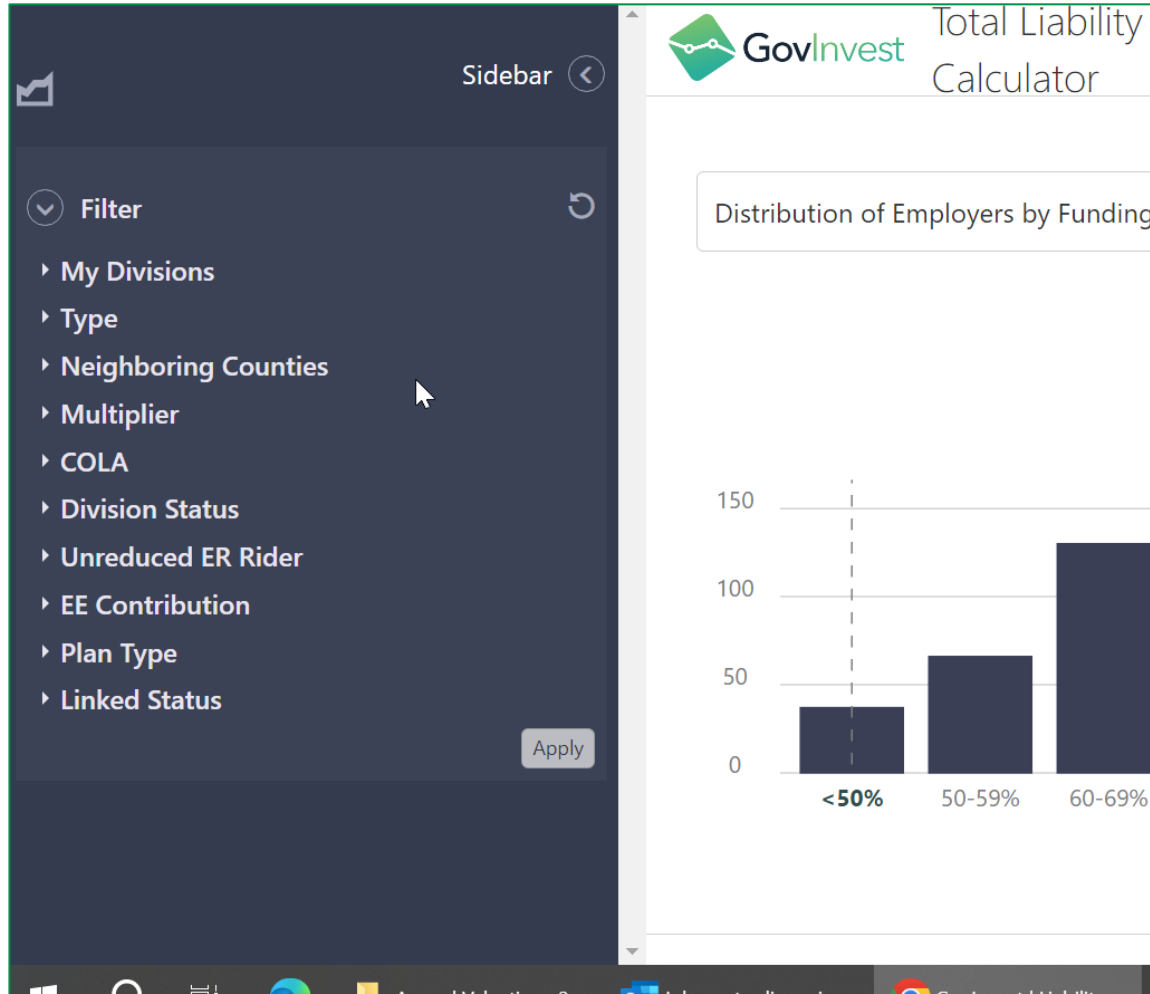
- As part of our fiduciary responsibility, MERS is committed to helping customers understand and manage their retirement plans
- We have partnered with **GovInvest**, a leading data visualization organization, to provide you with an actuarial self-service online tool **Total Liability Calculator (TLC) Basic**
- Our goal is to bring your data to life to assist with understanding, analyzing, and communicating with stakeholders about your plan



Perform Your Own Peer Comparisons



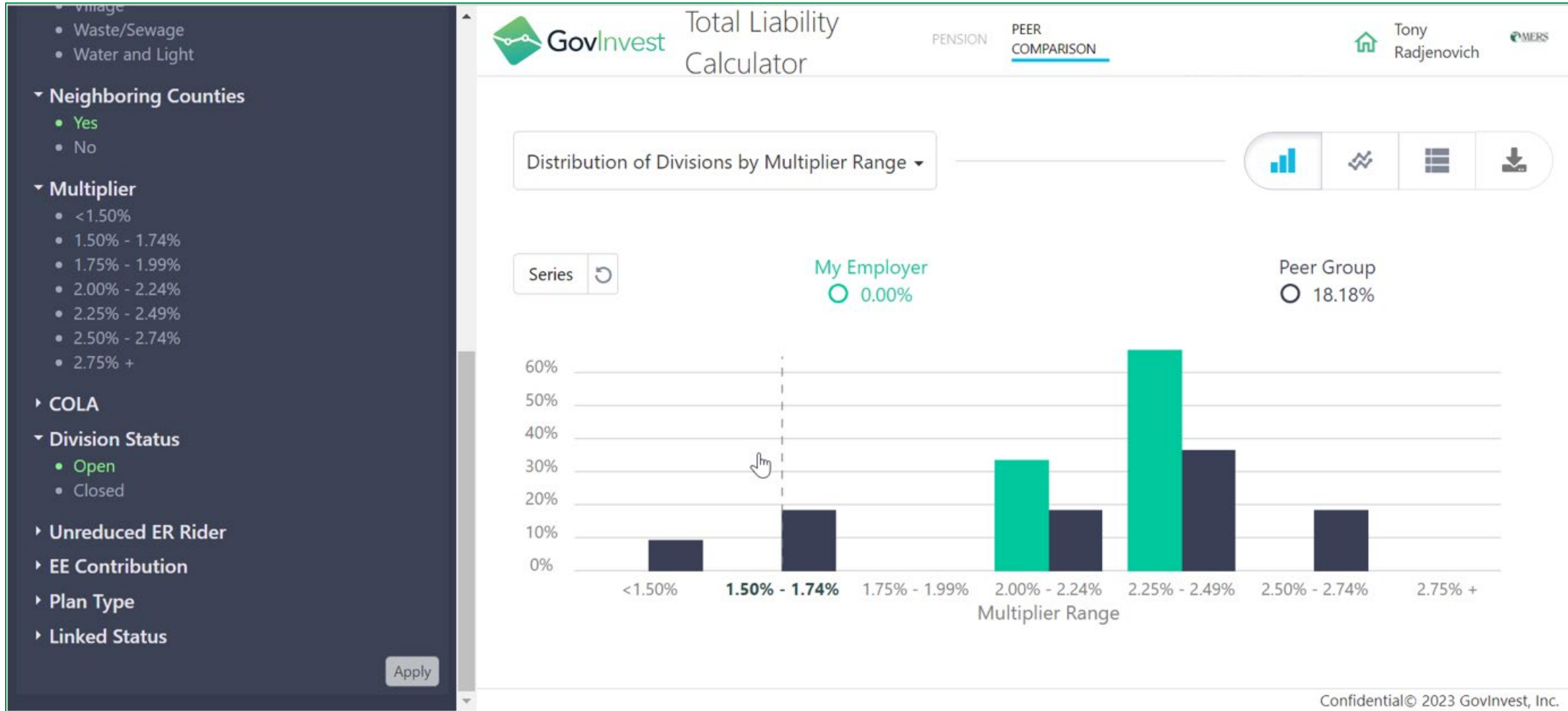
Filter Options



Select Your Filters




Apply Your Filters to See Comparison



Defined Contribution Plan

- Reference your adoption agreement
- Review union contracts (if applicable)
- Contact MERS

MERS Defined Contribution Plan Adoption Agreement

 **MERS**
Municipal Employees' Retirement System

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 | www.mersofmich.com

The Employer, a participating municipality or court within the state of Michigan that has adopted MERS coverage, hereby establishes the following Defined Contribution Plan provided by MERS of Michigan, as authorized by 1996 PA 220 in accordance with the MERS Plan Document.

I. Employer Name _____ **Municipality #:** _____

Division name _____

Note: This division should reflect how you currently define employees who are eligible to participate, for example, All full-time Employees, New hires after 1/1/2019, etc.

II. Effective Date

Check one:

A. ☐ If this is the **initial** Adoption Agreement for this group, the effective date shall be the first day of _____, 20____.

☐ This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible employee shall be credited as follows (choose one):

☐ Vesting credit from date of hire ☐ No vesting credit

☐ This division is for new hires, rehires, and transfers of current Defined Benefit* division # _____ and/or current Hybrid division # _____

For divisions that are closing or freezing with or without conversion, the Employer must complete the [Addendum for Plan Freeze, Closure and Conversions](#).

B. ☐ If this is an **amendment** of an existing Adoption Agreement (existing division number _____), the effective date shall be the first day of _____, 20____.

Note: You only need to mark **changes** to your plan throughout the remainder of this Agreement.

C. ☐ If this is to **separate employees from an existing Defined Contribution division** (existing division number(s) _____) into a new division, the effective date shall be the first day of _____, 20____.

D. ☐ If this is to **merge division(s)** _____ into division(s) _____, the effective date shall be the first of _____, 20____.

E. ☐ If this is an amendment to close Defined Benefit division(s) # _____ or Hybrid division(s) _____ with new hires, rehires, and transfers going into existing Defined Contribution division # _____, the effective date shall be _____ (month/year).

Note: Closing this Defined Benefit or Hybrid division(s) will change future invoices to a flat dollar amount instead of a percentage of payroll, as provided in your most recent annual actuarial valuation.

(The amount may be adjusted for any benefit modifications that may have taken place since then).

Form MD-070 (version 2023-02-08) Page 1 of 5

Sample Provider Comparison

Asset-Weighted Plan Averages	Sample Plans	MERS	Difference
<i>Expense</i>			
Asset-Weighted Average Expense	1.66%	0.35%	-1.31%
<i>Total Impact (Performance, Less Fund Fees)</i>			
1-Year Asset-Weighted Average Performance	26.67%	30.58%	3.91%
3-Year Asset-Weighted Average Performance	11.89%	11.88%	-0.01%
5-Year Asset-Weighted Average Performance	12.74%	12.83%	0.09%

Why Fund Costs Matter

Hypothetical Example

- Sara is 30 years old
- She currently makes \$45,000/year and anticipates a 2% annual salary increase
- Sara makes bi-weekly contributions of 5% to her retirement account
- She currently has a \$25,000 account balance
- Sara anticipates a 7% investment return before factoring in the investment expenses
- Sara plans to retire at age 62
 - She plans to receive her balance through equal monthly payments until age 90 (28 years of payments)
 - She anticipates a lower investment return of 5% during her retirement before factoring in the investment expenses

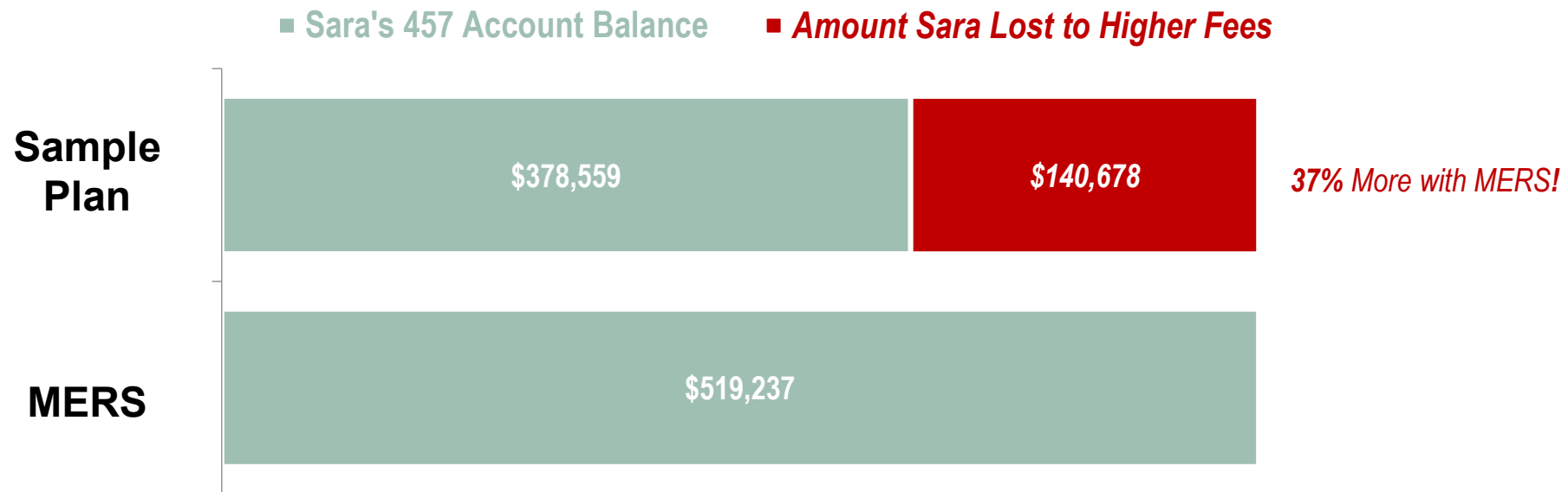
Meet Sara



Sara's Balance at Retirement

The below comparison shows the impact of higher costs during Sara's projected **accumulation phase**.

Investing with MERS would provide Sara with more at retirement!

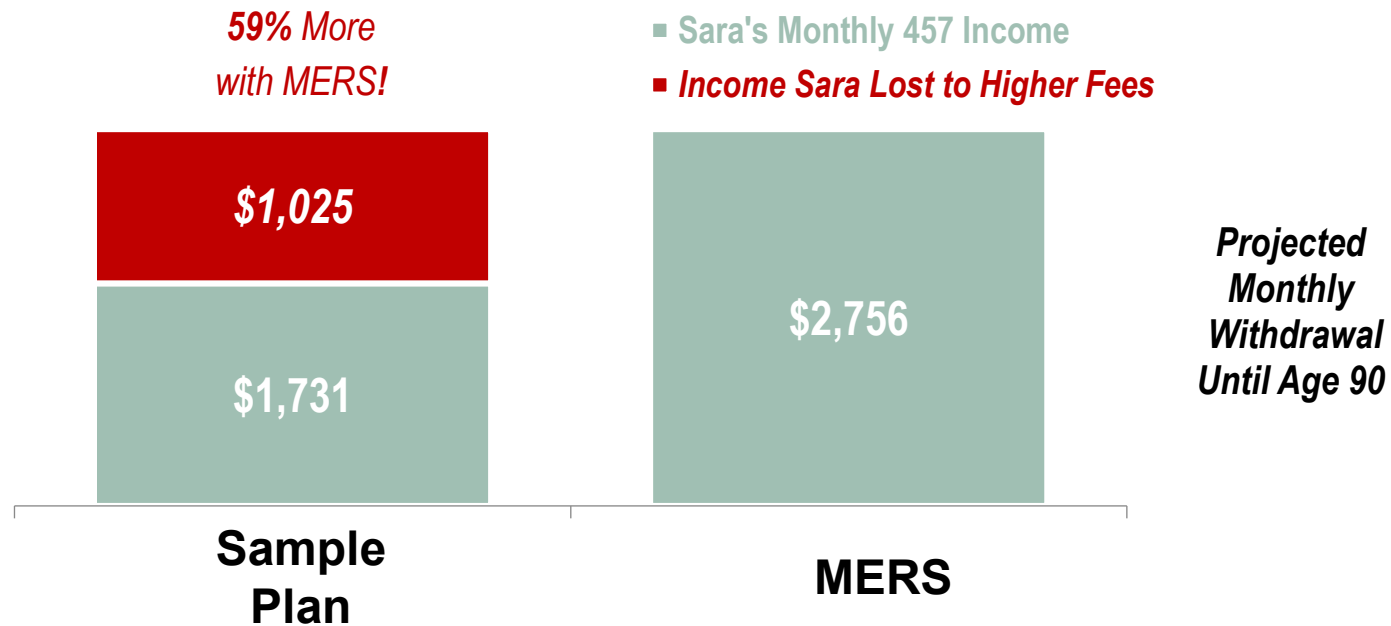


Provider Asset-Weighted Average Expenses: Sample Plan – 1.66% and MERS – 0.35%

Monthly Income in Retirement

The below comparison shows the impact of higher costs during Sara's projected ***distribution phase***.

Investing with MERS would provide Sara more monthly income in retirement!



Provider Asset-Weighted Average Expenses: Sample Plan – 1.66% and MERS – 0.35%

Fees and Performance

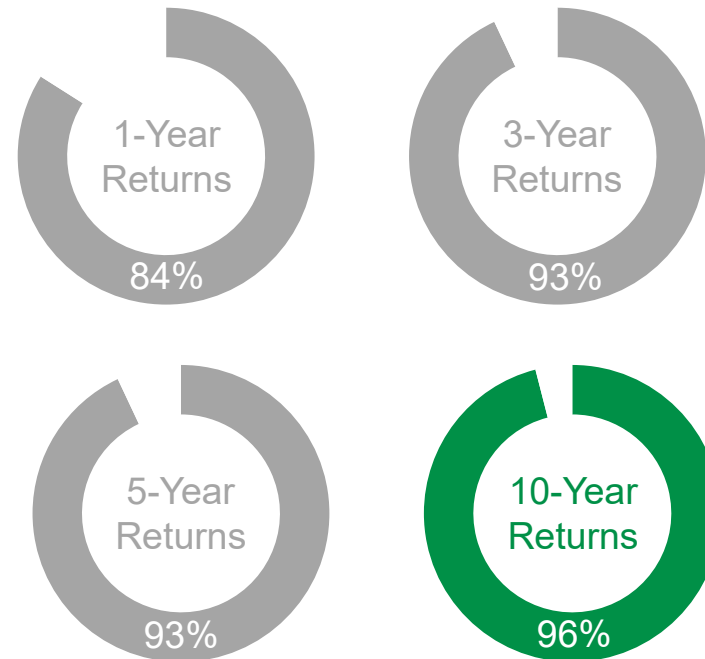
Of the 55 fee comparisons MERS completed in 2023 (totaling \$302M assets)...

*How often did MERS have **lower fees**?*

98%
of the time!

(The only time we didn't, we tied in cost.)

*How often did MERS **outperform** the competition?*



Lower fees + higher returns = more money for our customers

What is Fiduciary Responsibility

**Legal
Compliance**



**Investment
Oversight**

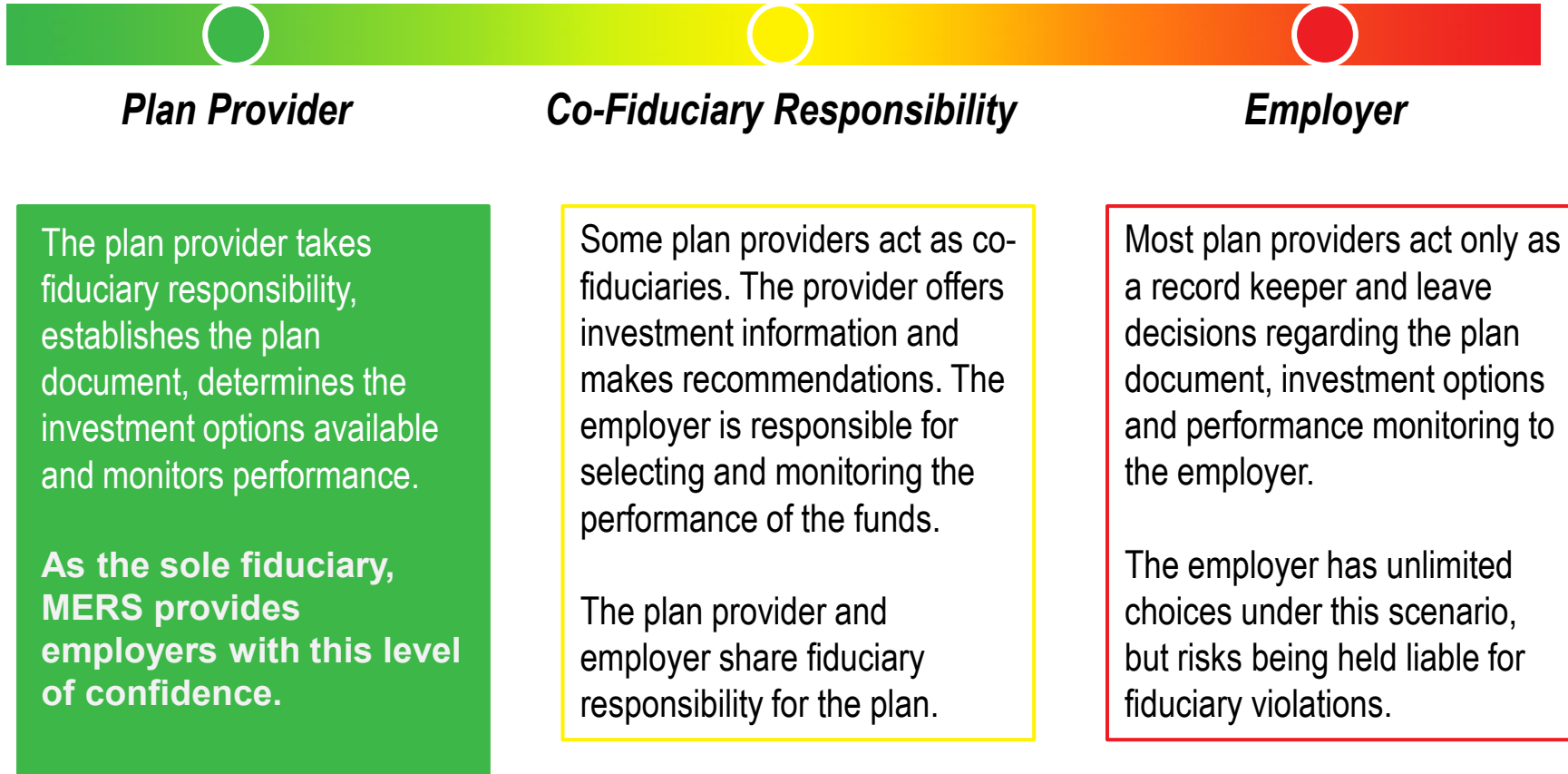


**Reasonable
Expenses**



Degrees of Fiduciary Responsibility

Not all plan providers assume the same degree of responsibility



Full-Service Plan Administration

No additional cost

Plan
Governance

On-Staff
Auditor

Legal Counsel

Legislative
Advocacy

Financial
Reporting

Administration
of Benefits

Actuarial
Services

GASB 68
Assistance

Portfolio
Management

Participant
Education and
Resources

What's Important

Employers

- 1 Ability to reach a customer service representative
- 2 Fiduciary responsibility
- 3 Ability to perform service dependably and accurately
- 4 Low cost
- 5 Participant education and resources

Participants

- 1 Retirement planning tools
- 2 Fiduciary responsibility
- 3 One-stop shop
- 4 Ability to perform service dependably and accurately
- 5 Ability to help and provide prompt service

Meridian Township's Journey





The Situation



The Township was having difficulty with some retirement accounts that we're being handled by another administrator. Their complaints were common among those looking to change providers and included:

- Poor Communication
- Unresponsive
- A Lack of Support
- Relatively High Fees and Expenses



Why Transition?

Fiduciary Oversight

Some providers will be co-fiduciaries for your plan. But as co-fiduciaries, plan providers and employers share fiduciary responsibility, which means shared liability.

Plan Administration and Costs

High fees and expenses can reduce the growth of employees' retirement accounts.

Employee Experience

Employees expect more value from their benefits, and how they feel about those benefits can impact their likelihood of staying with the municipality. They expect an easy to use, benefits experience.

Process Overview



MERS

- Prepare adoption paperwork for employer approval

1

- Complete plan setup
- Provide plan / division numbers and next steps

2

- Conduct employee education and enrollment meetings

3

- Send participant welcome e-mail
- Assist with rollovers

4

- Determine plan design, eligibility, reporting frequency and effective date

- Send signed adoption documents to MERS

- Obtain employee enrollment paperwork

- Participate in portal training and complete first report of contributions

Meridian Township

Plan Design



Early in the transition process, MERS helps municipalities understand the plans they offer and how those plans fit into each customer's employee benefits philosophy.

Meridian Township transferred to MERS:

- Defined Contribution Plan
- 457 Program
- Health Care Savings Program

Employee Communication and Education



Participant Outreach

- Welcome email
- Welcome kits for new participants
- Direct mail / email outreach

Face-to-Face Learning

- On-site education
- 1-on-1 Appointments

Results



Greater flexibility for plan participants



Better plan communication resulting in happier, more knowledgeable participants



Ongoing support

In Their Own Words



From the start, employees reported ... that they were very happy that we had moved to MERS. They appreciate the reliability, responsiveness, accuracy, and exceptional customer service that has been a constant in working with MERS. Employees are happy and looking forward to trainings, refreshers, and employee one-on-one reviews of their plans in the future.

*Abigail Tithof,
Meridian Township,
Human Resources Director*

Summary – The Path to Change



Situation

The Township felt their employee's questions and needs were not being met by the current provider.

Process

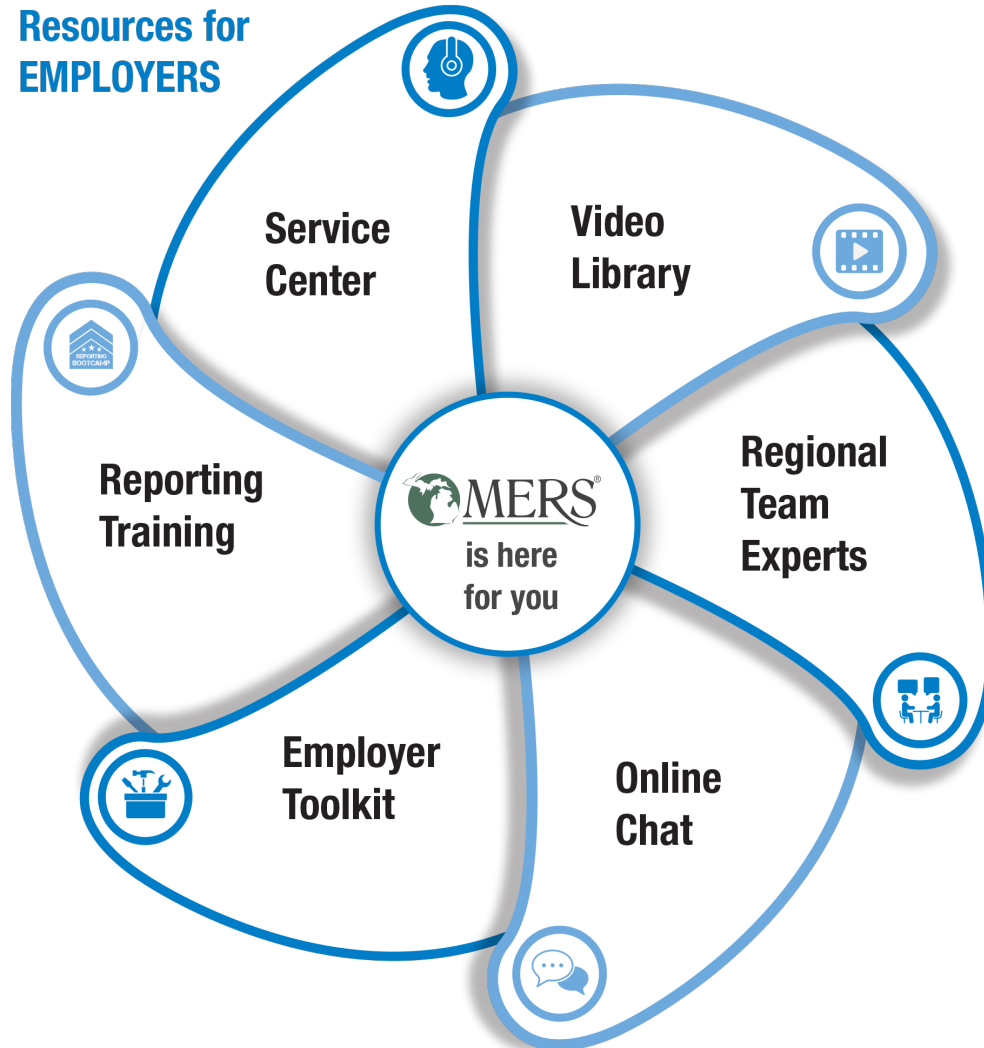
The township's HR department worked extensively with MERS to create a plan to migrate 401(a), 457, and HCSP plans. MERS provided training for HR and staff on what to expect and how accounts will be accessed. MERS also provided educational sessions about retirement plans.

Results

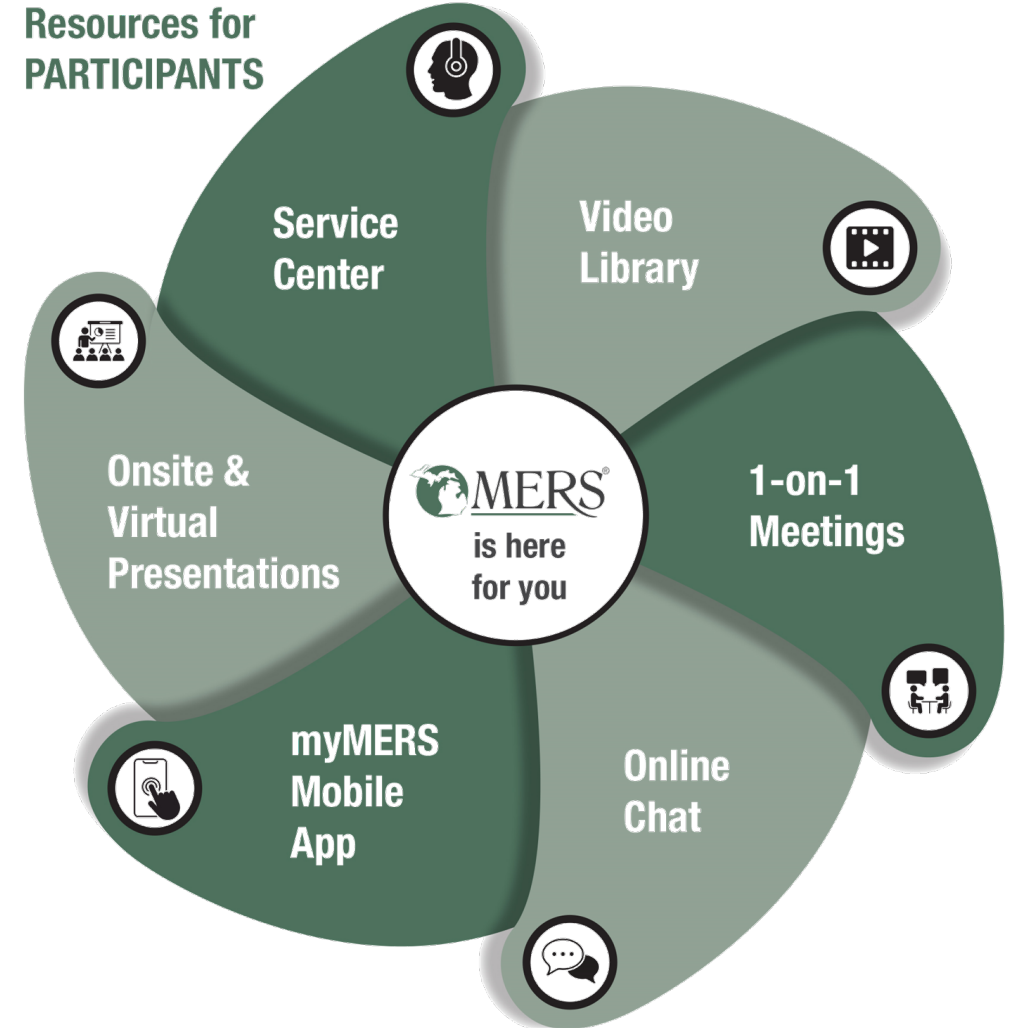
Employees reported that they were very happy with the move to MERS. Meridian Township feels better supported, particularly with regards to communication.

Resources

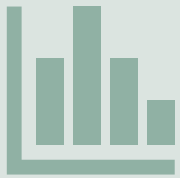
Resources for EMPLOYERS



Resources for PARTICIPANTS



Employer Support



Employer Reporting
Portal Training



On-site Education



Ongoing MERS
Employer Events

Customer Service

Located in Lansing, the **MERS Service Center** is available weekdays, 8:30 a.m. – 5:00 p.m. offering knowledgeable one-on-one assistance for a wide variety of topics including:

- Plan provisions
- Member data
- Wage and contribution reporting

95.25%

of callers said: My questions and requests were resolved.

Service Metrics

Top-performing brands typically have scores in the 80s

Customer Satisfaction Scores

Employer: **84**

Participant: **88**

Customer Effort Scores

Employer: **95**

Participant: **89**

Your Regional Manager



Region 1
Terra Langham
tlangham@mersofmich.com
517.703.9742



Region 4
Veronica LaBar
vlabar@mersofmich.com
517.703.1310



Region 6
Marne Daggett
mjdaggett@mersofmich.com
517.703.1213



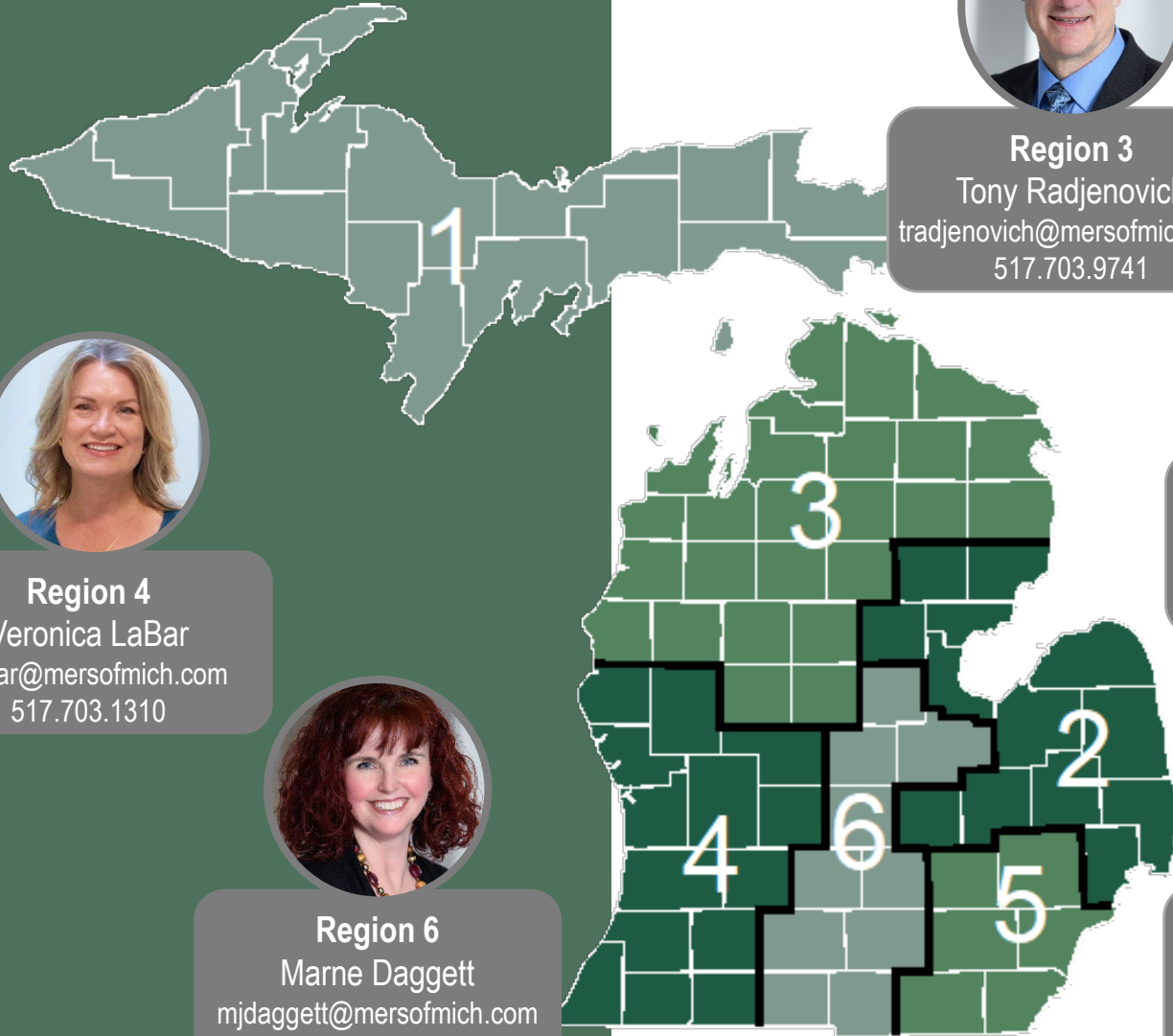
Region 3
Tony Radjenovich
tradjenovich@mersofmich.com
517.703.9741



Region 2
Matt Taylor
mtaylor@mersofmich.com
517.703.1216



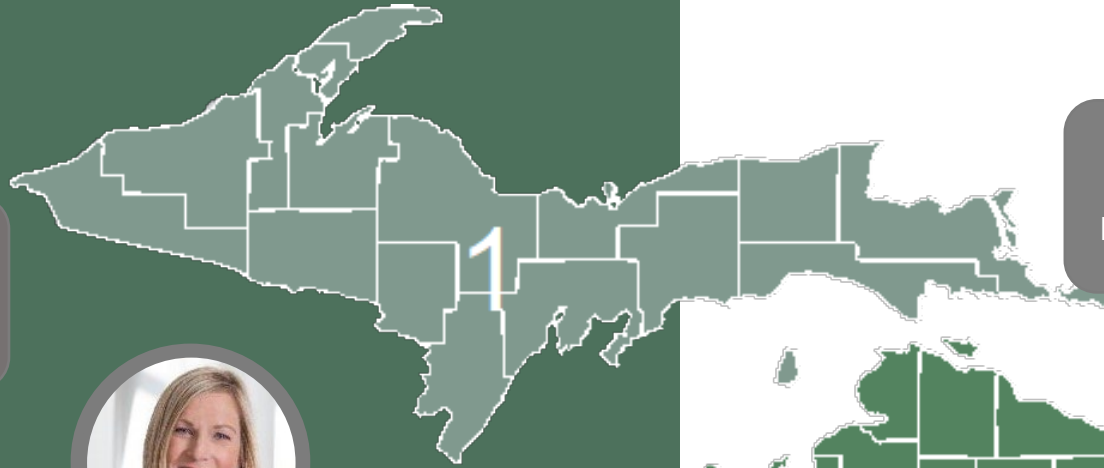
Region 5
Sue Feinberg
sfeinberg@mersofmich.com
517.703.1331



Your Benefit Plan Advisor



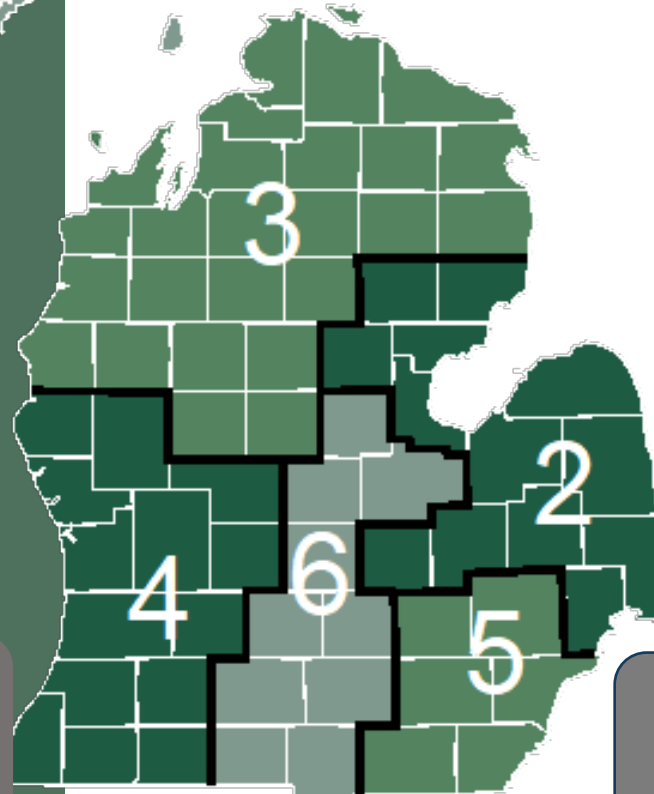
Region 1
Tammy Marier
tmarier@mersofmich.com
517.703.1217



Region 4
Tara Tyler
ttyler@mersofmich.com
517.703.1356



Region 6
Heather Batson
hbatson@mersofmich.com
517.703.1272



Region 3
Leah Behnke
lbehnke@mersofmich.com
517.703.1203



Region 2
Colleen Kuehnel
ckuehnel@mersofmich.com
517.703.1235

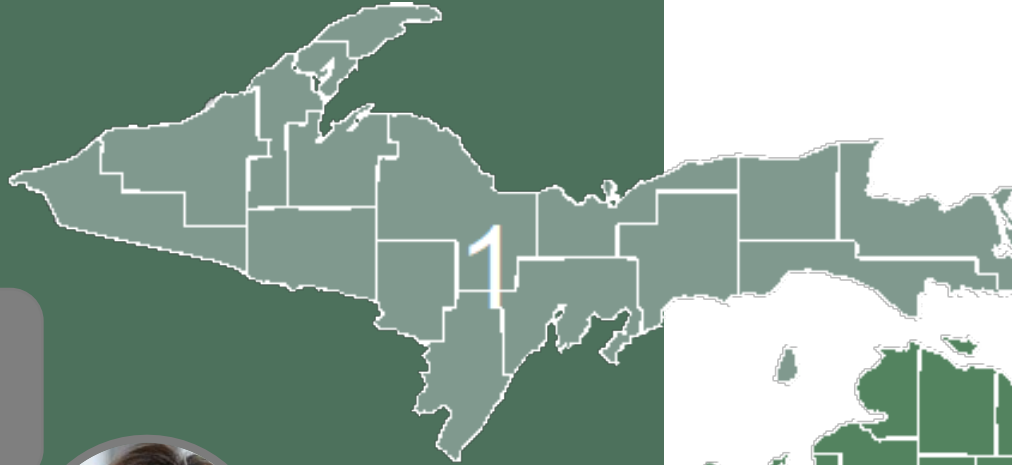


Region 5
John Waugh
jwaugh@mersofmich.com
517.703.1354

Your Benefit Education Specialist



Region 1
Tammy Marier
tmarier@mersofmich.com
517.703.1217



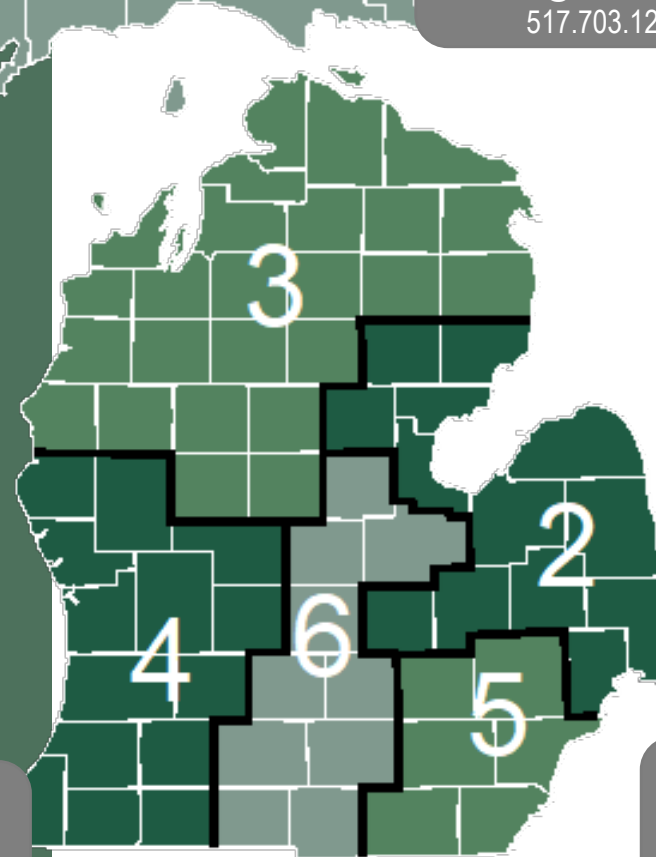
Region 3
Leah Behnke
lbehnke@mersofmich.com
517.703.1203



Region 4
Angie Schrauben
aschrauben@mersofmich.com
517.703.1263



Region 6
Amy Goulet
agoulet@mersofmich.com
517.703.1228



Region 2
Andrew Smith
ansmith@mersofmich.com
517.703.1365



Region 5
Lynn Henley
lhenley@mersofmich.com
517.703.1325

Your Benefit Plan Coordinator



Region 1

Stephanie Kazmierski
skazmierski@mersofmich.com
517.703.1328



Region 4

Karima LaJoie
klajoie@mersofmich.com
517.703.1335



Region 6

Jamie LaFavor
jlafavor@mersofmich.com
517.703.1250



Region 3

Sonia Elahi
selahi@mersofmich.com
517.703.1200



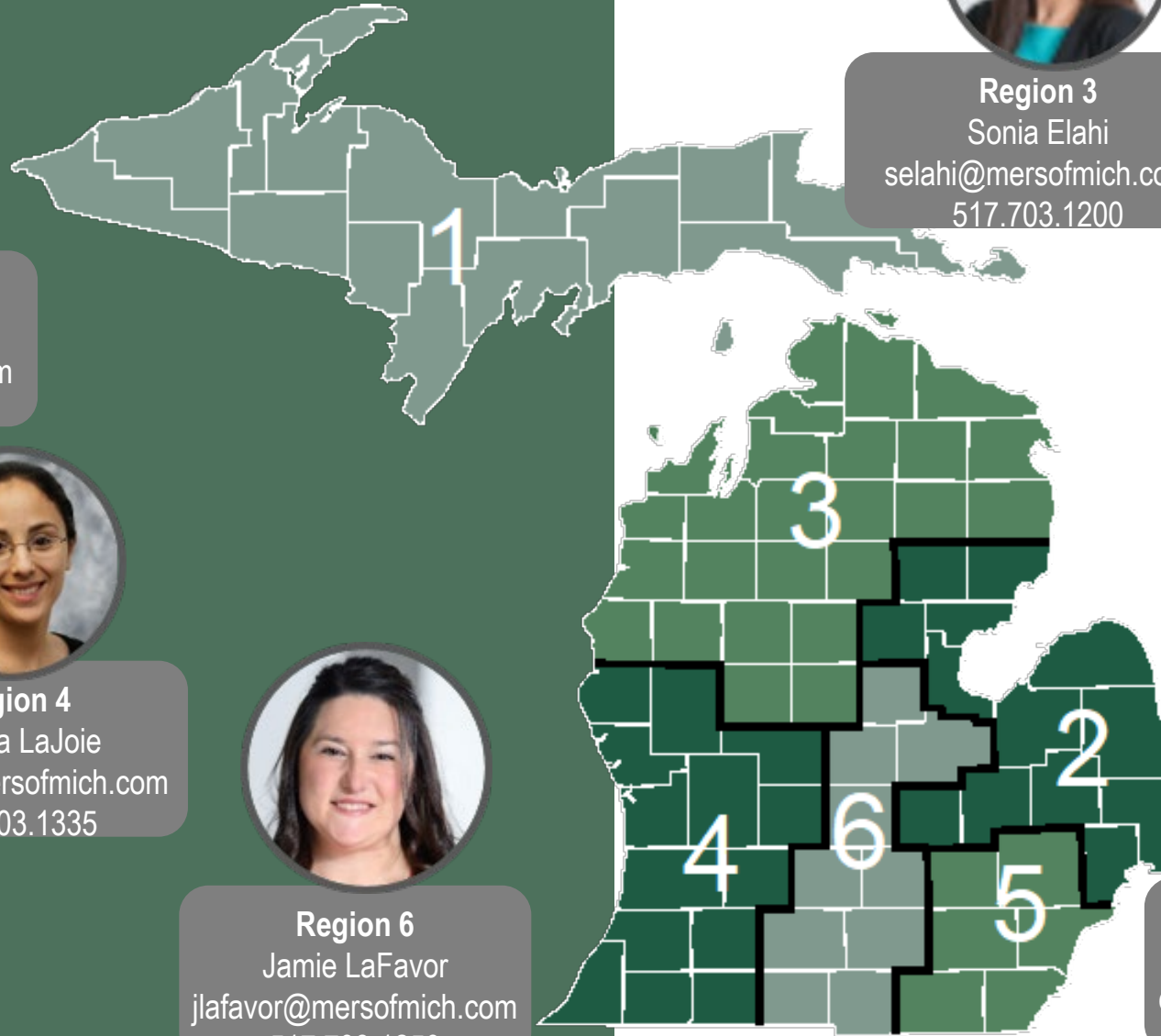
Region 2

Stacey Tinsley
stinsley@mersofmich.com
517.703.1274

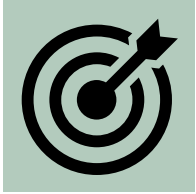


Region 5

Dawn Grabinski
dgrabinski@mersofmich.com
517.703.1360



Key Takeaways



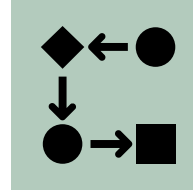
Aligned

Providing municipalities with sustainable, affordable retirement and financial wellness solutions is why MERS exists.



Here to Help

MERS has worked with groups ranging in size from fewer than 10 employees to more than 300 employees and has the expertise to help you smoothly manage change.



A Proven Process

MERS has a well documented process designed to successfully guide municipalities through benefit changes.



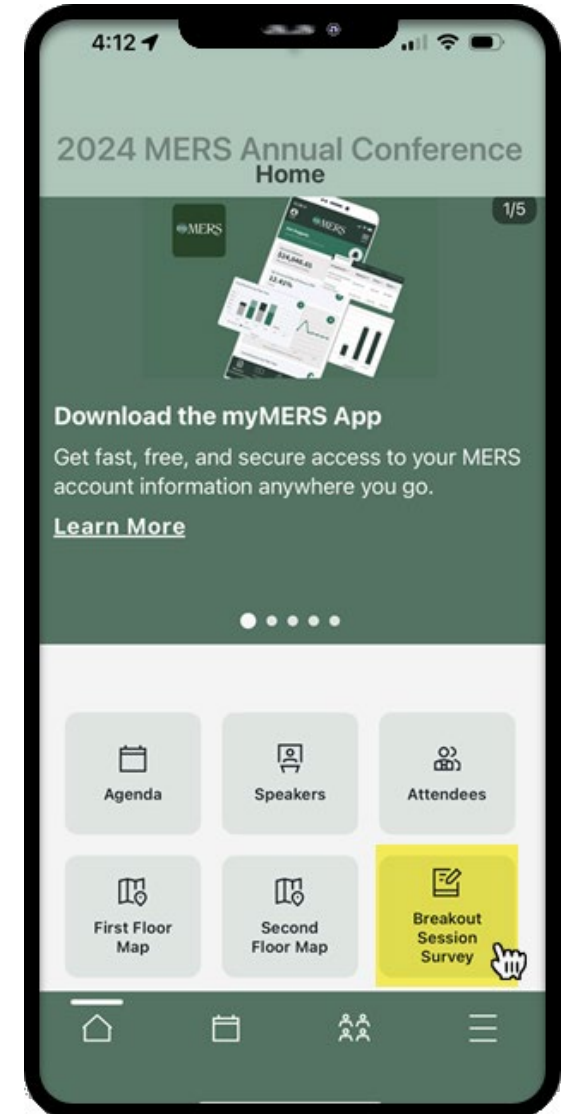
Continued support

MERS is committed to ensuring municipalities receive support that continues during and after change in retirement benefits.

Share Your Feedback on this Session



Scan this **QR code** or open the **conference app** to share your feedback on this session.



MERS of Michigan

1134 Municipal Way
Lansing, MI 48917

800.767.6377

www.mersofmich.com



This publication contains a summary description of MERS' benefits, policies or procedures. MERS has endeavored to ensure that the information provided is accurate and up to date. Where the publication conflicts with the relevant Plan Document, the Plan Document controls.

