

MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM

MEMBER HANDBOOK

Monroe County Employees Retirement System
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Monroe, MI 48161

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**MONROE COUNTY
EMPLOYEES RETIREMENT SYSTEM
125 E. Second Street
Monroe, MI 48161**

Dear Members:

The purpose of this handbook is to describe in general terms the provisions of the Monroe County Employees Retirement System.

The Retirement System was created under the authority of the County Pension Plan Act. The Retirement System Ordinance, together with the applicable bargaining agreements and applicable federal and state law, control and govern the rights and benefits under the Retirement System. The Retirement Board is vested with the authority and responsibility to administer, manage and operate the Retirement System and may grant only those benefits which are authorized by the provisions of the Retirement System.

This handbook is informational only and shall not be relied on as a definitive statement of your rights and benefits under the Retirement System. Due to the complexities of the tax laws and other considerations, the Retirement Board does not provide tax advice and recommends that members consult with a tax advisor regarding tax obligations and consequences relating to retirement decisions.

All members are encouraged to study this handbook and update it with current reports, policy statements and collective bargaining agreements.

As always, the Retirement Board welcomes your questions and comments regarding **your** Retirement System.

**BOARD OF TRUSTEES OF THE MONROE COUNTY
EMPLOYEES RETIREMENT SYSTEM**

MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM

BENEFIT QUESTIONS AND ANSWERS

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MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM

QUESTIONS AND ANSWERS

What is the Retirement System?

The Monroe County Employees Retirement System was established under the authority of the County Pension Plan Act to provide retirement benefits to employees, their families and other eligible beneficiaries. The Retirement System Ordinance, together with the applicable collective bargaining agreements and federal and state law, control and govern the rights and benefits under the Retirement System.

The Retirement System is a Defined Benefit (Pension) Plan which is qualified under section 401(a) of the Internal Revenue Code.

Who administers the Retirement System?

The Retirement Board is vested with the authority and fiduciary responsibility for the administration, management, and operation of the Retirement System. The Retirement Board is a quasi-judicial body consisting of the following nine (9) individuals:

- (a) The Chairperson or the Vice-Chairperson of the Board of County Commissioners at the discretion of the Chairperson.
- (b) A member of the Board of County Commissioners to be selected by and to serve at the pleasure of the Board of County Commissioners.
- (c) A citizen, who is an elector of Monroe County, to be selected by and to serve at the pleasure of the Board of County Commissioners.
- (d) Three (3) members of the retirement system, to be elected by the members of the retirement system. The three (3) trustees shall be from different benefit groups and County departments and shall not be elected officials.
- (e) One (1) member appointed by the Monroe County Library Board to serve for a term of three (3) years, and for each consecutive three (3) year period thereafter.
- (f) One (1) member elected from the Monroe County Road Commission, to serve for a term of three (3) years, and for each consecutive three (3) year period thereafter.

- (g) One (1) member who is a retiree and beneficiary of the retirement system, to be elected by the Association of County Retired Employees, Inc., to serve for a term of three (3) years, and for each consecutive three (3) period thereafter.

Can the Retirement Board increase benefits for members or retirees?

The Retirement Board may not change the terms of the Retirement System. The Retirement Board is vested only with the authority to grant those benefits which are authorized by the provisions of the Retirement System as amended by collective bargaining agreements.

When and where does the Retirement Board have their meetings?

The Retirement Board holds meetings at least once a month at a public forum held in compliance with the Open Meetings Act of the State of Michigan. The schedule of meetings is published annually in advance and is posted in the County Building. All are welcome and members are encouraged to attend.

Where may I obtain copies of the Retirement System provisions, resolutions, minutes or forms?

All members of the Retirement System are entitled to receive copies of Retirement System provisions, resolutions, minutes or forms. (Please note: a member may be required to reimburse the Retirement System for reasonable duplication costs depending on the nature of the request.) Retirement forms are available from the Retirement Specialist. Questions about a member's own pension benefits are always welcome and may be presented in writing or in person to the Board. A member should also consult his/her collective bargaining agreement for any changes to the Retirement System.

How is the Retirement System financed?

The Defined Benefit Plan is a plan funded by employer contributions, employee contributions and investment earnings on those assets. The County, County Library System, County Road Commission, and the Monroe County Community Mental Health Authority (the "Employer") contribute actuarially determined amounts required to maintain the Retirement System as required by the Constitution of the State of Michigan.

Certain members are required to make contributions based on a percentage of pay. Please refer to the Retirement Ordinance or collective bargaining agreement for specific amount and method of contributions.

The assets of the Retirement System are entirely separate from the assets of the Employer, and must be held in trust for the exclusive benefit of members and their beneficiaries.

How do I apply for retirement?

Upon meeting the age and/or service requirements for retirement, a member may retire upon submission of a written application to the Retirement Board setting forth at what time, not less than thirty days nor more than ninety days prior to the date he/she desires to be retired. An application and a copy of retirement procedures may be obtained from the Retirement Specialist. Please note that you may be required to submit various documentation with your application (e.g., member/beneficiary birth certificate(s); marriage license; military service form (DD-214), etc.). Timely submission of the required forms and information will help facilitate the timely processing of your retirement. Pension checks are processed on a monthly basis and are paid in arrears at the end of each month. A retiree should anticipate that benefit payments will commence within forty-five (45) to sixty (60) days after the member's effective date of retirement. Any retroactive benefits will be included with their first pension check. Pension checks are mailed by Comerica Bank or can be direct deposited into your account.

What factors are considered in determining my retirement allowance?

A member's straight life pension benefit is based upon his/her Final Average Compensation, years of credited service, and a multiplier. Please refer to the Ordinance or applicable collective bargaining agreement for specific factors. In addition, the age of a member's beneficiary will be considered if a member elects an option benefit.

How is my Final Average Compensation determined?

After your retirement, the Retirement Specialist reviews your final payroll information for each month within the last 10 years of service preceding your date of retirement. Unless otherwise requested, the Retirement Specialist will calculate your Final Average Compensation (FAC) using the average compensation for the applicable consecutive month period (as provided by Ordinance or collective bargaining agreement) immediately preceding your date of retirement. Note: In the event a member retires in the middle of a month, the Retirement Specialist will pro-rate the member's first month of compensation based upon the average earnings in that month and the corresponding number of days required to constitute a full month. Copies of the FAC computations are forwarded to the Retirement Board and the Board's Actuary.

What is "Compensation"?

Compensation, for purposes of calculating retirement benefits, means a member's salary or wages paid by the Employer for personal services rendered by him/her while a member of the Retirement System. The following benefits are included in computing Final Average Compensation: (1) Base Pay; (2) Overtime Pay; (3) Longevity Pay; (4) Holiday Pay; (5) Used Personal Days; (6) Used Vacation Leave Pay; (7) Shift Differentials; and (8) deferred compensation amounts. The following benefits are not included in Final Average Compensation: (1) Clothing Allowance; (2) Equipment Allowance; (3) Cleaning and Travel Allowance; (4) Expense Reimbursements; (5)

Bonuses; (6) Termination Pay; (7) Severance Pay; (8) Unused Vacation and Sick Leave Pay; and (9) Value of Any Fringe Benefits.

Contributions to the Retirement System will be based upon all benefits that are included in FAC. Retroactive pay is credited to the period earned, not to the period paid.

What is "Credited Service"?

Credited Service means the sum of the prior service and membership service credited to the member's service account. Service credit, as reported to the Actuary, is broken down into your actual years and months of service.

Will I receive credit for military service?

A member may receive credit for intervening military service if his/her employment was interrupted by serving on active duty for 30 or more days in any armed service of the United States during time of war or other national emergency, provided the member becomes re-employed with the Employer within one year of terminating required service and repays any accumulated contributions previously withdrawn, plus interest.

A member with eight or more years of service credit may receive credit for prior military service for periods of active duty lasting 30 or more days if the member pays the retirement system 5% of the member's annual compensation multiplied by the period of credited service being purchased. The member may purchase military service credit in a lump-sum payment or through payroll deductions over a period of time.

NOTE: (1) All requests to purchase military service credit must be submitted in writing, with the proper supporting documentation, to the Board; (2) the purchase of military service time credit shall not be credited to the employee for the purposes of vesting; (3) military service purchases must be made prior to retirement; (4) a member may not be credited with more than 5 years of military service; and (5) credited service shall not be granted for periods of military service which are or could be used for obtaining or increasing a benefit from another retirement system, except for service that is or would be credited under the federal government for service in the reserves.

May a member receive credit for prior time?

If a former member is re-employed, he/she may be given credit for the prior service if the member returns all amounts previously withdrawn, with regular interest, to the Retirement System within one year of re-employment.

The Employer has also adopted the Reciprocal Retirement Act, PA 88 of 1961, as amended, to provide for the preservation and continuity of retirement system service credits for public employees who transfer their employment between units of government. Therefore, if you previously worked for a governmental unit you may be

eligible to recognize such service for purposes of meeting the service requirements of the Retirement System. However, your benefit would be based only upon the service actually rendered to the Employer.

How are retirement benefits computed?

A member's service pension is computed based on a percentage of his/her Final Average Compensation multiplied by the amount of his/her credited service. Note: the maximum benefit payable is 75% of Final Average Compensation.

A member's percentage multiplier is the multiplier provided pursuant to the Retirement Ordinance or applicable collective bargaining agreement in effect at the time of separation of service.

ILLUSTRATION: You are age 55 with 30 years of service. Your straight life retirement allowance based your Final Average Compensation of \$41,867 and 30 years of service equals \$2,093 per month. $[(2.0\% \times \$41,867 \times 30) = \$25,120/12 = \$2,093]$ (60% of your Final Average Compensation)

ESTIMATE YOUR STRAIGHT LIFE SERVICE PENSION

	<u>Examples</u>	<u>Estimates</u>
<p><u>Estimates</u></p> <p>a. Your Final Average Compensation (FAC)</p> <p>_____</p>	<p>\$50,000</p>	<p>_____</p>
<p>b. Your credited service</p> <p>_____</p>	<p>30 years</p>	<p>_____</p>
<p>c. .02 times 30 years equals</p> <p>_____</p>	<p>.60</p>	<p>_____</p>
<p>d. Your Service Pension: (a) times (c) equals</p> <p>_____</p>	<p>\$30,000</p>	<p>_____</p>

May I designate a beneficiary who would continue receiving an allowance in the event of my death?

Yes. If you desire to provide an income to a beneficiary upon your death, you may elect, prior to the effective date of your retirement, but not thereafter, one of the following options. If you die while drawing a pension your beneficiary will receive a portion of your pension depending on what option you chose. **NOTE:** You must make your election prior to receipt of your first pension payment and once selected, neither your election nor the beneficiary designation can be changed.

Form of payment SL - Straight Life Pension. The retired member is paid a pension for life under form of payment SL. All payments stop upon the death of the retiree.

Form of payment A - Life Payments with Full Continuation to Survivor Beneficiary. The retired member is paid a percent of the form of payment SL pension amount, for life, under form of payment A. The percent is eighty percent if the retired member and named survivor beneficiary are the same age on the retired member's retirement date. The percent shall be increased by one-half of one percent of each year the named survivor beneficiary's age is more than the retired member's age, to a maximum of ninety percent. The percent shall be reduced by one-half of one percent for each year the named survivor beneficiary's age is less than the retired member's age, to a minimum of fifty percent. Upon the death of the retired member during the lifetime of the named survivor beneficiary, the named survivor beneficiary is paid the same amount of reduced pension until death.

Form of payment B - Life Payments with One-Half Continuation to Survivor Beneficiary. The retired member is paid a percent of the form of payment SL pension amount, for life, under form of payment B. The percent is ninety percent if the retired member and named survivor beneficiary are the same age on the retired member's retirement date. The percent shall be increased by one-half of one percent for each year the named survivor beneficiary's age is more than the retired member's age, to a maximum of ninety-five percent. The percent shall be reduced by one-half of one percent for each year the named survivor beneficiary's age is less than the retired member's age, to a minimum of sixty percent. Upon the death of the retired member during the lifetime of the named survivor beneficiary, the named survivor beneficiary is paid one-half the amount of reduced pension until death.

Form of payment C - Life Payments with Period Certain Guarantee. The retired member is paid a reduced pension for life under form of payment C. The amount of reduced pension under form of payment C shall have the same actuarial present value, computed as the retired member's date of retirement, as the amount of pension under form of payment SL. Upon the death of the retired member during the guaranteed period, the named survivor beneficiary is paid the full amount of the reduced pension for the remainder of the guaranteed period. The guaranteed period shall be selected by the member or vested former member at the time of election of form of payment C. The guaranteed period shall be either sixty (60) months or one hundred twenty (120) months. The actuarial present value of the remaining guaranteed payments shall be paid to the legal representative of the retired member or the named survivor beneficiary, if both the retired member and the named survivor beneficiary die during the guaranteed period. (Form of payment C is not available to benefit group Local 543 or benefit group Employees Association.)

Who is eligible to be named as an Option beneficiary?

An Option election must be made by a retiring member before the effective date of his/her retirement and not thereafter. An option beneficiary must have an insurable interest in the life of the retiring member. In general, this is a liberal standard, however it contemplates close blood relationships or relationships by marriage or some other special relationship or reasonable expectation of an advantage or pecuniary benefit from the continuance of the life of the insured.

May a single member name an option beneficiary?

Yes. A single member may name an option beneficiary if the option beneficiary has an insurable interest in the life of the retiring member.

May an option beneficiary designation be changed subsequent to the retiring member's retirement date?

No. The election of an option beneficiary must be made prior to the effective date of your retirement. Once you receive retirement benefits, you may not change your option election or designated beneficiary. There is no change in benefits if a beneficiary predeceases the participant.

If I die before I retire, what retirement benefits are available to my beneficiary?

If a member with 15 years of service (or is 60 years old or older with 10 years of service) should die prior to his/her retirement, his/her surviving spouse shall receive a automatic pension payable for life computed as if the member had retired the day preceding death under normal retirement, elected form of payment A and nominated the spouse as survivor beneficiary.

If the death is the direct and proximate result of the member's performance of duty (i.e., duty death) and workers compensation benefits are paid, the credited service requirement is waived and the benefit shall be based upon at least 15 years of service credit.

In the alternative, a member may name a survivor beneficiary other than the spouse (must have an insurable interest in the life of the member) for this benefit, however, no automatic surviving spouse benefits will be paid. NOTE: Member may change an option election pursuant to this section prior to retirement.

Should a member die prior to satisfying the eligibility requirements as detailed above (i.e., 15 years service credit), no pension benefits shall be payable, but any accumulated contributions standing to the member's credit at the time of death will be paid to that member's designated beneficiary.

What if I become disabled in the line of duty (i.e., duty disability)?

If a member (who has 10 or more years of service credit) becomes incapacitated for continued employment, the member or his/her department head may file an application with the Retirement Board requesting service connected disability retirement. The application and retirement procedures may be obtained from the Retirement Specialist.

Upon receipt of a disability application, the member shall be given a medical examination by a physician named by the Retirement Board (Medical Advisor).

The member may be retired if the Medical Advisor certifies and the Board concurs (1) that the member is mentally or physically incapacitated for any continued employment in the same or similar job classification in which the member was employed at the time of disability, (2) that his/her incapacitation is likely to be continue for at least one (1) year, and (3) that the member should be retired.

NOTE: That the member or the Employer shall be afforded a reasonable opportunity to review the Board's medical advisor's report, and if deemed necessary, obtain an independent second medical opinion by a physician in the field of the claimed disability. In the event the two (2) medical opinions are inconsistent or inconclusive, the Board shall require a further medical examination by a mutually selected third physician.

The requirement of 10 years of service shall be waived if the Board finds the member's disability to be the direct and proximate result of the member's performance of duty and benefits will be computed as if the member had 10 years of service.

The disability retirement benefit shall be calculated based upon the normal retirement formulas in effect at the time of disability retirement.

What requirements are there for continued disability retirement?

A member on a disability retirement, may be required to undergo a medical examination at least once each year during the first five years following retirement and at least once in each three year period thereafter until normal retirement. The examination will be conducted by the Board's Medical Advisor at the Board's expense. If a member does not comply with this requirement, pension benefits may be suspended.

A retirant may be required to resume employment if the Medical Advisor and the Board determine that the retirant is physically able and capable of working. A member who resumes employment will again be a member of the Retirement System and prior service credit restored. Please note that the member will not be credited with any service during the period of disability retirement and the member must repay any contribution amounts previously withdrawn in order to have the prior service restored.

Are my disability retirement benefits affected by other benefits?

Retirement Ordinance establishes a limit on the amount of disability pension benefits an individual may receive. Your straight life disability benefit may not be greater than your final average compensation minus considered income (e.g., any compensation from other employment; worker's compensation benefits; social security benefits; or other County salary, sickness and accident benefits). For example: If your final average compensation amount is \$40,000 and your only considered income is social security at \$14,400 per year (1,200/mo), your straight life disability pension benefit could not exceed \$25,600. The Retirement System will calculate the limitation with the assumption that you are receiving the maximum social security and worker's compensation unless you advised them of the correct amounts. This limitation would be in place until you turn age 60.

May a disability retiree elect an option beneficiary?

Yes, a member on disability may elect a form of payment provided under normal retirement.

If I resign before I am eligible for retirement, do I receive a pension?

If a member has acquired eight (8) or more years of credited service, and separates from the service of the Employer prior to attainment of the age and service retirement requirements, for any reason except retirement or death, he/she may remain a deferred vested member of the Retirement System and is entitled to receive retirement benefits upon the date the member would have been eligible to retire had the member continued in employment, provided the member did not withdraw his/her accumulated contributions at time of separation.

If a member does not satisfy the above eligibility requirements, he/she will receive a refund of his/her accumulated contributions, plus interest.

What if I had quit working for the County, withdrew my contributions, but was subsequently re-employed by the County?

When a member withdraws his/her contributions, that member no longer is entitled to membership in the Retirement System nor service credit. If that member becomes re-employed, the member may have prior service reinstated by paying the Retirement System within one year following his/her re-employment the total amount previously withdrawn plus interest from the dates of withdrawal to the dates of repayment.

When may I withdraw my accumulated contributions?

Accumulated contributions may be withdrawn upon separation from service due to termination of employment, death and for certain members at retirement.

If a member withdraws his/her accumulated contributions upon termination of employment he/she will no longer be a member of the Retirement System and will forfeit all service credit and rights to future pension benefits.

Accumulated contributions will be paid upon a member's death, to the member's designated beneficiary or estate, provided no other pension benefits are payable to a surviving spouse or beneficiary.

Certain members may elect to withdraw all or a portion of their accumulated contributions upon normal service retirement or disability retirement (annuity withdrawal).

What is the annuity withdrawal option?

The annuity withdrawal option allows certain members to withdraw their accumulated contributions (including interest) from their account at retirement with a corresponding actuarial reduction in their monthly pension benefit.

How would the annuity withdrawal option affect my pension?

If a member elects to withdraw his/her accumulated contributions at the time of retirement, the member's pension benefit will be reduced by the actuarial equivalent of the amount withdrawn based upon (a) the amount withdrawn, (b) the ages of the member and/or beneficiary, and (c) the mortality and actuarial assumptions duly adopted by the Retirement Board. The Retirement System should have no cost or savings as the result of members withdrawing their contributions at retirement.

Will I be taxed on my accumulated contributions?

Due to the complexities of the tax laws and other considerations, the Retirement Board does not provide tax advice. Generally, a member is responsible to pay all taxes on lump-sum distribution amounts withdrawn from the Retirement System which have not been previously included in a member's taxable income.

Any previously taxed contributions that you contributed to the Retirement System are excluded from income tax. The amount that is excludable from each monthly benefit payment depends on the amount of your previously taxed contributions and the number of expected benefit payments. Once you have excluded an amount equal to your previously taxed contributions, your benefits are fully taxable.

The number of expected benefit payments is based on your age at retirement and is illustrated in the following table:

Age	Number of Payment
55 and under	360

56-60	310
61-65	260
66-70	210
71 and over	160

ILLUSTRATION: You retire at age 55 and do not withdraw your previously taxed contributions of \$25,000. If your monthly benefit is \$1,700, the taxable portion of your monthly benefit can be computed by the following procedure:

(1) Amount of previously taxed contributions:	\$25,000.00
(2) Number of expected benefit payments:	360
(3) Monthly amount considered to be excluded from taxes: (1)/(2)	\$ 69.44
(4) Monthly amount considered to be taxable: actual monthly pension less amount in step (3):	\$ 1,630.56

The Retirement System will issue a 1099R form indicating taxable and previously taxed amounts and a Notice of Lump-Sum Distributions, in accordance with Internal Revenue Code Section 402.

NOTE: THE BOARD RECOMMENDS THAT A MEMBER SHOULD CONSULT WITH A TAX ADVISOR PRIOR TO ELECTING TO TRANSFER ANY AMOUNTS FROM THE RETIREMENT SYSTEM.

Are Retirement benefits subject to State of Michigan or federal income tax?

Generally, only federal income tax will be a factor when you receive benefits from the defined benefit plan. Retirement benefits are currently exempt from the State of Michigan income tax. Prior to your retirement the Board's paying agent will provide you with withholding forms relative to each plan. Unless you fill out the form instructing the Retirement Board how much to withhold, tax will be withheld in accordance with current federal law. Your tax obligation will depend on the federal and state income tax laws in effect when you retire.

NOTE: The tax laws change from time to time. The Retirement Board cannot and does not provide tax advice. A member should obtain this advice from his/her own tax advisor so as to be aware of tax obligations and consequences.

Will I receive Social Security when I retire or if I become disabled?

A member may receive Social Security depending upon his/her age, years of coverage under Social Security and earnings during those years. Specific questions regarding eligibility and benefits may be directed towards any office of the Social Security Administration.

Do Social Security benefits and regular retirement benefits affect each other?

Receipt of Social Security benefits will not affect the benefits you receive from the Retirement System.

NOTE: A pension from work not covered by social security may affect your social security retirement or disability benefits. Specific questions regarding eligibility and benefit amounts may be directed towards any office of the Social Security Administration.

After I retire, will my retirement benefits change?

The Employer may adopt from time to time benefit programs providing for post-retirement adjustments increasing retirement benefits.

The Michigan State Constitution does not permit decreases to a retirant's pension benefit.

When current members receive an increase in pension benefits through collective bargaining, are current retirees entitled to receive the increased benefits?

No. Retirement benefits are determined based on Final Average Compensation and collective bargaining provisions in effect at the time of the member's retirement. Any increases in pension benefits of current members will not effect the benefits of current retirees unless specifically provided for in the applicable collective bargaining agreement.

How do Eligible Domestic Relations Orders (EDROs) affect retirement benefits?

An Eligible Domestic Relations Order (EDRO) is a court order which allows parties to a domestic relations matter to divide pension benefits. Public Act 46 of 1991, which establishes the requirements of an EDRO, mandates that all public employee retirement systems comply with EDROs issued by state courts. Accordingly, an EDRO may require a retiring member to select an option and name his/her ex-spouse as the designated beneficiary. However, a Domestic Relations Order entered after the effective date of a retiring member's retirement may not require a change in retirement form, a change in designated beneficiary, or reach the benefit of a non-spousal option beneficiary.

May a divorced member name his/her ex-spouse as option beneficiary?

A member may name an ex-spouse as option beneficiary prior to his/her retirement. Option beneficiaries may not be changed after the participant has retired. If the divorce occurs after retirement, and the ex-spouse was previously designated as an option beneficiary, he/she will continue to be the option beneficiary unless removed pursuant to a court order.

May an Eligible Domestic Relations Order (EDRO) require an option election and the designation of an ex-spouse or child as the option beneficiary?

Yes. An Eligible Domestic Relations Order (EDRO) may require the election of option beneficiaries and/or distribution of pension benefits. **NOTE:** Public Act 46 of 1991 requires that an EDRO be submitted prior to retirement.

Is my retirement allowance safe?

Yes. The Michigan State Constitution provides that each year of service must be funded and makes pensions and retirement allowances a contractual obligation of the Employer and will not allow the Employer to decrease accrued benefits.

Who invests the Retirement System's assets?

The Retirement Board is responsible for the proper operation of the Retirement System. Investment of all Retirement System assets is made by the Retirement Board as authorized by State Law. It is the Board's policy to prudently invest pension funds so that the highest return is found among the safest investments. To assist in carrying out these responsibilities, the Retirement Board obtains the services of Investment Advisors who invest the Retirement System's assets in accordance with the authority and limitations provided by law.

Will I be eligible for health care benefits after retirement?

The Retirement Board does not administer retiree health care benefits. Questions regarding health care eligibility and benefits should be presented to the Employer.

PUBLICATION NOTICE

The purpose of this handbook is to give the members of the Retirement System a general understanding of the main provisions of the Retirement System. The operations of the Retirement System are governed by the pertinent provisions of any applicable federal law, the State Constitution, state statutes, ordinances, applicable collective bargaining agreements, and continuing Retirement Board policies, procedures and regulations. If you are covered by a collective bargaining agreement, the provisions of the collective bargaining agreement relative to pension benefits are controlling in the event of a conflict between the terms of the collective bargaining agreement, ordinance or information in this handbook. The Retirement Board of the Retirement System is vested with the authority for the operation, management and administration of the Retirement System, consistent with the above, and has certain rule-making and policy-making authority, subject to the aforementioned legal authority.

WE URGE YOU TO FAMILIARIZE YOURSELF WITH THE PROVISIONS OF YOUR RETIREMENT SYSTEM. YOU SHOULD FAMILIARIZE YOURSELF WITH THE TERMS OF YOUR COLLECTIVE BARGAINING AGREEMENT WHICH WILL CONTROL IN THE EVENT OF ANY CONFLICT WITH THE INFORMATION PRESENTED IN THIS HANDBOOK.

MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM

POLICY RESOLUTION

Adopted: January 22, 2007

Re: Calculation of Final Average Compensation

WHEREAS, the Board of Trustees is vested with the general authority and fiduciary responsibility for the proper administration, management and operation of the Retirement System, and

WHEREAS, the Retirement System provides pension benefits to retirees in accordance with the applicable provisions of the Retirement Ordinance, collective bargaining agreements, and state and federal laws, and

WHEREAS, the Board believes that it is in the best interest of the Retirement System to clarify and restate what factors are currently included in the calculation of Final Average Compensation, therefore be it

RESOLVED, that unless otherwise provided by collective bargaining agreement, the figure of two and one half percent (.0250) shall be used to compute the retirement benefits for Benefit Groups General, Management, Non-union, Sheriff Deputy and Sheriff Command Officer; and further

RESOLVED, that unless otherwise provided by collective bargaining agreement, the figure of two and one quarter percent (.0225) for Benefit Groups Local 543, AFSCME Local 839 and Benefit Group Mental Health Authority; and further

RESOLVED, that unless otherwise provided by collective bargaining agreement, the figure of between two percent and two and one half percent for MCRC Management Employee Group; and further

RESOLVED, that unless otherwise provided by collective bargaining agreement, the figure of two percent (.020) for Benefit Group Library; and further

RESOLVED, that the maximum amount of a pension is seventy-five percent (.75) of a member's final average compensation, and further

RESOLVED, that Final Average Compensation shall be based upon the following periods:

For all Benefit Groups

The monthly average of compensation paid a member during the period of thirty-six (36) consecutive months of credited service, producing the highest average, contained within

the period of one hundred twenty (120) months of credited service immediately preceding the date employment last terminates.

If a member has less than the minimum months of credited service, final average compensation shall be the monthly average of the compensation paid a member over the total period of credited service, and further

RESOLVED, that the Board of Trustees hereby reaffirms that final average compensation, as determined by the Retirement Ordinance, collective bargaining agreements, past practice and applicable law, shall include: (1) Base Pay; (2) Overtime Pay; (3) Longevity Pay; (4) Holiday Pay; (5) Used Personal Days; (6) Used Vacation Leave Pay; (7) Shift Differentials; and (8) deferred compensation amounts, and further,

RESOLVED, that the Board of Trustees hereby reaffirms that final average compensation, as determined by the Retirement Ordinance, collective bargaining agreements, past practice and applicable law, shall not include amounts such as: (1) Clothing Allowance; (2) Equipment Allowance; (3) cleaning and Travel Allowance; (4) Expense Reimbursements; (5) Bonuses; (6) Termination Pay; (7) Severance Pay; (8) Unused Vacation and Sick Leave Pay; and (9) Value of Any Fringe Benefits, and further

RESOLVED, that the Retirement Specialist shall review an individual's final payroll information for each month within the appropriate years of service preceding the individual's date of retirement. Unless otherwise requested, the Retirement Specialist will calculate final average compensation using the average compensation for the applicable consecutive month period (as provided by Ordinance or collective bargaining agreement) immediately preceding the date of retirement. In the event a member retires in the middle of a month, the Retirement Specialist will pro-rate the member's first month of compensation based upon the average earnings in that month and the corresponding number of days required to constitute a full month, and further

RESOLVED, that the applicable employer shall deduct employee contributions to the Retirement system from all benefits that are included in the calculation of final average compensation as set forth herein, and further

RESOLVED, that retroactive pay shall be credited to the period(s) earned and not to the period in which it is paid/received, and further

RESOLVED, that a member's final average compensation is determined based upon the factors contained within the Retirement Ordinance or applicable collective bargaining agreement in effect at the time of separation of service, and further

RESOLVED, that the Board of Trustees forward this policy resolution to the appropriate employer and union representatives.

**MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM
POLICY RESOLUTION**

Adopted: June 25, 2001

RE: Proration of Retirement Benefits

WHEREAS, the Board of Trustees is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

WHEREAS, the Retirement System provides pension benefits to retirees in accordance with the applicable provisions of the Retirement Ordinance, collective bargaining agreements, and state and federal laws, and

WHEREAS, the Board recognizes that retirement benefits are paid in arrears (e.g., January benefit paid on the 1st of February), and

WHEREAS, the Board of Trustees acknowledges that an individual may retire during the course of a month or that a retiree or beneficiary may die during the course of the month and that it is in the best interest of the Retirement System to establish a policy with respect to the disbursement of pension benefits, therefore be it

RESOLVED, that in the event an individual retires during the course of the month, the retiree's benefit shall be prorated from the date of retirement to and including the last day of the month, further

RESOLVED, that in the event of a retiree's death during the course of the month, the retiree's benefit shall be prorated from the first day of the month to and including the date of the retiree's death, and further

RESOLVED, that in the event the retiree (a) elected a straight life benefit and has a qualifying surviving spouse; or (b) elected to receive an option benefit and is survived by the designated option beneficiary, the beneficiary shall receive a prorated benefit from the date after the retiree's death to the last day of the month and the full option benefit thereafter, and further

RESOLVED, that in the event of a beneficiary's death who is receiving benefits, benefits shall be prorated from the first day of the month to and including the date of the beneficiary's death, and further

RESOLVED, that any pension adjustment payments (i.e., 13th check, COLA, etc) shall be administered consistent with this policy (i.e., annual benefit increases prorated from 1st of January to date of death), and further

RESOLVED, that pension benefits in the future shall be paid consistent with this resolution and Retirement System provisions, and further

RESOLVED, that copies of this resolution shall be provided to appropriate members and parties.

