



January 15, 2021

To: Plymouth District Library Board
From: Carol Souchock, Plymouth District Library Director
Robyn Lowenstein, Human Resources and Business Administrator

Re: MERS Plan Adoption Agreement Addendum (attached)

We are asking that the board approve the attached MERS Plan Adoption Agreement Addendum.

MERS provided this form to assist in the confirmation of our current plan.

This request is coming from MERS as they want to make sure that their records are in agreement with the way organizations are implementing their plans.

Robyn confirms that the form is filled out based on our current plan which was established years ago.

It is important to note that per our attorney and benefit specialists MERS benefits for current employees cannot be changed.

This form has no impact on new hires who will be receiving a different benefit plan.

The form was created online and the October 2020 board meeting date was accidentally added to the form. I hand wrote the date the board will be reviewing this (Jan 2021) on the form. After confirmation MERS will be provided with the minutes of the meeting where confirmation took place.

I have asked a MERS representative to join us on Tuesday night to help explain the form that the board is reviewing that night.

RESOLVED BY _____, SECONDED BY _____, TO APPROVE THE
MERS ADOPTION AGREEMENT ADDENDUM.

Defined Benefit Plan Adoption Agreement Addendum



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

The employer, a participating municipality or court within the state of Michigan, hereby agrees to adopt and administer the MERS Defined Benefit (DB) Plan provided by the Municipal Employees' Retirement System of Michigan, as authorized by 1996 PA 220, in accordance with MERS Plan Document, as both may be amended, subject to the terms and conditions herein.

I. Effective Date

The effective date shall be the first day of **January, 2021**.

II. Employer name Plymouth Dist Lib

Municipality number 822101

This is an amendment of the existing Adoption Agreement for the MERS Defined Benefit.

Any changes to plan provisions apply to employees in the division on the effective date, as well as to new hires ongoing. Definitions will apply for all service accrued after the effective date.

Division number 82210101

Division name on file with MERS Gnr1

III. Plan Eligibility

Only those employees eligible for MERS membership may participate in the MERS Defined Benefit. If an employee classification is **included** in the plan, then employees that meet this definition will receive service credit if they work the required number of hours to meet the service credit qualification defined below. All eligible employees must be reported to MERS.

Using your Division Name above, expand on the employee classifications that are eligible to participate in MERS. For example, if Division is "General," please insert specific classifications that are eligible for MERS such as "Clerical Staff," "Elected Officials," "Library Director," etc.:

Full-time employees

Employee classification contains **public safety employees:** Yes No

Public safety employees include: law enforcement, parole and probation officers, employees responsible for emergency response (911 dispatch, fire service, paramedics, etc.), public works, and other skilled support personnel (equipment operators, etc.).

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EMPLOYER NAME: Plymouth Dist Lib

DIV: 82210101

If you elect to include a special classification (chart below), then the employee will be required to meet the Service Credit Qualification as defined under section IV (Provisions) in order to earn a month of service. Excluded classification will require additional information below.

To further define eligibility (select all that apply):

Employee Classification	Included	Excluded	Not Employed
Temporary Employees: Those who will work for the municipality fewer than _____ months in total.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Part-Time Employees: Those who regularly work fewer than _____ per _____.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Seasonal Employees: Those who will work for the municipality from _____ to _____ only.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Voter-Elected Officials	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Appointed Officials: An official appointed to a voter-elected office.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Contract Employees	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Probationary Periods (select one):

- Service will begin after the probationary period has been satisfied. Probationary periods are allowed in one-month increments, no longer than 12 months. During this probationary period, the employer will not report or provide service.

The probationary period will be _____ month(s).

Comments:

- Service will begin with the employee's date of hire (no Probationary Period). Effective with the date of hire, wages paid and any associated contributions must be submitted to MERS.

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IV. Provisions

1. Service Credit Qualification

To clarify how eligible employees earn service credit, please indicate how many hours per month an eligible employee needs to work. For example, if you require 10 eight-hour days, this would be 80 hours per month. If an 'hour per day' has been defined (like ten 7-hour days), electing 70 hours will be required. Employees must meet the definition of Plan Eligibility in order to earn service credit under the plan.

To receive one month of service credit, an employee shall work (or be paid for as if working)

80 hours in a month.

2. Leaves of Absence

Indicate by checking the boxes below, whether the potential for service credit will be allowed if an eligible employee is on one of the following types of leave, regardless of meeting the service credit qualification criteria.

Regardless whether an eligible employee is awarded service credit while on the selected type(s) of leave:

- MERS will skip over these months when determining the FAC amount for benefit calculations.
- Third-party wages **are not** reported for leaves of absence.
- Employers **are not** required to remit employer contributions based on leaves of absence when no wages are paid by the employer. However, an employer may submit additional voluntary contributions for the period of the leave in an amount determined by the employer.
- For **contributory divisions**, employee contributions are required for service credit to be retained. Employee contributions will be collected based on the Service Credit Qualification. Employers will calculate employee contributions due using the employee's current hourly rate (prior to leave). For example if 120 hours is required for service credit, then employee contributions shall be equal to 120 hours times the employee's hourly rate. Employees have three times the length of leave, to a maximum of five years, to pay required employee contributions. Leaves of absence are required to be reported to MERS, including the employee's start and end date per month, along with the employee's hourly rate.

Type of Leave	Service Credit Granted	Service Credit Excluded
Short- and Long-Term Disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Workers' Compensation	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Unpaid Family Medical Leave Act (FMLA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other: _____ For example, sick and accident, administrative, educational, sabbatical, etc.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other 2: _____ Additional leave types as above	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Leaves of absence due to military service are governed by the *Federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)*, IRC 414(u), effective January 1, 2007, IRC 401(a)(37).

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3. Definition of Compensation

The Definition of Compensation is used to calculate a participant’s final average compensation and is used in determining both employer and employee contributions. Wages paid to employees, calculated using the elected definition, must be reported to MERS.

Select your Definition of Compensation here. If you choose to customize your definition, skip this table and proceed to page 5.

	<input checked="" type="checkbox"/> Base Wages	<input type="checkbox"/> Box 1 Wages	<input type="checkbox"/> Gross Wages
Types of Compensation			
Regular Wages Salary or hourly wage X hours PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified) On-call pay	All Regular Wages included	All Regular Wages included	All Regular Wages included
Other Wages Shift differentials Overtime Severance issued over time (weekly/bi-weekly)	Excluded	All Other Wages included	All Other Wages included
Lump Sum Payments PTO cash-out Longevity Bonuses Merit pay Job certifications Educational degrees Moving expenses Sick payouts Severance (if issued as lump sum)	Excluded	All Lump Sum Payments included	All Lump Sum Payments included
Taxable Payments Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement) Prizes, gift cards Personal use of a company car Car allowance	Excluded	All Taxable Payments included	All Taxable Payments included
Reimbursement of Nontaxable Expenses (as defined by the IRS) Gun, tools, equipment, uniform Phone Fitness Mileage reimbursement Travel through an accountable plan (i.e. tracking mileage for reimbursement)	Excluded	Excluded	Excluded
Types of Deferrals			
Elective Deferrals of Employee Premiums/Contributions 457 employee and employer contributions 125 cafeteria plan, FSAs and HSAs IRA contributions	All Elective Deferrals included	Excluded	All Elective Deferrals included
Types of Benefits			
Nontaxable Fringe Benefits of Employees Health plan, dental, vision benefits Workers compensation premiums Short- or Long-term disability premiums Group term or whole life insurance < \$50,000	All Nontaxable Fringe Benefits included	Excluded	All Nontaxable Fringe Benefits included
Mandatory Contributions Defined Benefit employee contributions MERS Health Care Savings Program employee contributions	All Mandatory Contributions included	Excluded	All Mandatory Contributions included
Taxable Fringe Benefits Clothing reimbursement Stipends for health insurance opt out payments Group term life insurance > \$50,000	Excluded	Excluded	All Taxable Fringe Benefits included
Other Benefits / Lump Sum Payments Workers compensation settlement payments	Excluded	Excluded	All Other Lump Sum Benefits included

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SKIP THIS TABLE if you selected one of the standard definitions of compensation on page 4.

CUSTOM: If you choose this option, you must select boxes in each section you would like to include in your Definition of Compensation. You will be responsible for additional reporting details to track custom definitions.

Types of Compensation

Regular Wages

 Salary or hourly wage X hours

 PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified)

 On-call pay

 Other: _____

Other Wages apply: YES NO
 Shift differentials

 Overtime

 Severance issued over time (weekly/bi-weekly)

 Other: _____

Lump Sum Payments apply: YES NO
 PTO cash-out

 Longevity

 Bonuses

 Merit pay

 Job certifications

 Educational degrees

 Moving expenses

 Sick payouts

 Severance (if issued as lump sum)

 Other: _____

Taxable Payments apply: YES NO
 Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement)

 Prizes, gift cards

 Personal use of a company car

 Car allowance

 Other: _____

Reimbursement of Nontaxable Expenses (as defined by the IRS) apply: YES NO
 Gun, tools, equipment, uniform

 Phone

 Fitness

 Mileage reimbursement

 Travel through an accountable plan (i.e. tracking mileage for reimbursement)

 Other: _____

Types of Deferrals

Elective Deferrals of Employee Premiums/Contributions apply: YES NO
 457 employee and employer contributions

 125 cafeteria plan, FSAs and HSAs

 IRA contributions

 Other: _____

Types of Benefits

Nontaxable Fringe Benefits of Employees apply: YES NO
 Health plan, dental, vision benefits

 Workers compensation premiums

 Short- or Long-term disability premiums

 Group term or whole life insurance < \$50,000

 Other: _____

Mandatory Contributions apply: YES NO
 Defined Benefit employee contributions

 MERS Health Care Savings Program employee contributions

 Other: _____

Taxable Fringe Benefits apply: YES NO
 Clothing reimbursement

 Stipends for health insurance opt out payments

 Group term life insurance > \$50,000

 Other: _____

Other Benefits / Lump Sum Payments apply: YES NO
 Workers compensation settlement payments

 Other: _____

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V. Execution:

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

This foregoing Addendum is hereby approved by Plymouth District Library

at a Board Meeting which took place on: ~~10/20/2020~~ 11/9/2021 CAS
(mm/dd/yyyy)

Authorized Signature: _____

Printed Name: Carol Souchock

Title: Director

Date: _____

I understand that approved board minutes are required to complete this request.

Board minutes should be sent to: DataCollectionProject@mersofmich.com