



PLYMOUTH
DISTRICT
LIBRARY

9.1

TO: Plymouth District Library Board
RE: Retirement Proposal

DATE: January 18, 2022
FROM: Shauna Anderson,
 Director

The library needs to approve a retirement plan to support new hires after the closure of our pension program. **I propose continuing to offer a 457 program through our current provider, Nationwide, with a maximum 10% matching contribution for full-time staff going forward, with the ability for recent hires to migrate from the MERS program to the 457.** I have also listed a matrix of current local library retirement offerings.

For the four recent new hires, a 10% match on 457 contributions would cost the library less than \$25,000 annually. Comparatively, we currently contribute 24.21% of our full-time wages to the library's MERS account which costs the library over \$200,000 annually. We will need to contribute more to make up for our underfunded liability. I have budgeted \$300,000 for retirement in 2022.

Library	Model	Contribution %
Ypsilanti	MERS 401(a) Defined Contribution + 457	5% contributed to DC after one year, 457 voluntary
Saline	MERS 401(a) Defined Contribution (moved from Nationwide)	Requires 5% matching to DC, 457 voluntary
Cromaine	457	10% contribution, no matching required, immediately vested
Dexter	457	5% matching
Salem-South Lyon	457	6.5% matching
Belleville	457	10% contribution, 5% employee requirement
Canton	Nationwide 401(a) Defined Contribution + 457	Up to 5% matching, employer funds go to 401(a) with graded vesting, 457 employee funds with immediate vesting

RESOLVED BY _____, SECONDED BY _____, TO APPROVE THE PROPOSAL TO CONTINUE TO OFFER A 457 PROGRAM THROUGH THE LIBRARY'S CURRENT PROVIDER, NATIONWIDE, WITH A MAXIMUM 10% MATCHING CONTRIBUTION FOR FULL-TIME STAFF GOING FORWARD, WITH THE ABILITY FOR RECENT HIRES TO MIGRATE FROM THE MERS PROGRAM TO THE 457.