



TO: Plymouth District Library Board **DATE:** November 4, 2023
RE: Initial Presentation of MERS Pension Options **FROM:** Shauna Anderson,
Library Director

The library's pension fund, which is managed through MERS (Municipal Employee Retirement System) recently dipped to an unsatisfactory level due to significant investment losses. As a result, the state treasury department has flagged the program for review.

Current actuarial valuations, which assume an annual investment gains at 7%, predict that the pension fund will take a few years to move beyond 60% funding level. With the current financial landscape in mind, it is in the library's best interest to plan for more aggressive funding tactics and consider plan design changes that will set the plan up for better funding outcomes.

At this meeting, I will plan to present on five alternatives to the library's current pension structure. We are still waiting on MERS for additional actuarial valuations on a few of the suggestions posed, but I believe that it is in our best interest to discuss options as soon as possible, and plan for an additional meeting once the new valuations are finalized.

In an attempt to include effected staff members in the process, I have invited the group to be a part of this meeting to listen in and ask questions where appropriate, alongside the Personnel Committee members.

The alternatives to be presented on include:

1. Remove the current Cost Of Living Adjustment (COLA) of 2.5% on service from January 1, 2024 onward.
2. Decrease the pension multiplier from 2.0 to either 1.75 or 1.5 as it relates to service from January 1, 2024 onward.
3. Begin requiring employee contributions of either 2% or 4% on contributions from January 1, 2024 onward.
4. Offer an employee buyout package, to reduce the number of staff on the pension census.
5. Vacate from the MERS pension program and self-administer the pension going forward.