

Section Name: Employee Relations
Section Number: 400
Policy Number: 422

Effective Date: July 17, 1991
Date of Revision: November 17, 2020

Subject: Retirement for Benefit Group Non-Union and Benefit Group Management

1. Purpose: The purpose of this policy is to designate the retirement benefits that are made available to members of Benefit Group Management and Benefit Group Non-Union members under the Monroe County Employees Retirement System Ordinance (“Retirement System”). This Policy has been amended and restated on several occasions. Notwithstanding anything to the contrary herein, nothing herein is intended to diminish or impair a member’s accrued benefits earned prior to the effective date of each such revisions to this Policy and the changes to this Policy #422 as revised on November 17, 2020 and set forth herein shall apply with respect to accrued benefits earned under the Retirement System on and after January 1, 2021.
2. Statement of Policy: Subject to the terms and conditions set forth in the Retirement System and hereunder, members of Benefit Group Management and Benefit Group Non-Union shall be eligible to normal retirement with pension amounts as follows:

2.1 Amendment 2021-1.

Amendment 2021-1 as attached hereto shall be incorporated by reference into this Policy #422 and any contrary or inconsistent provisions set forth in this Policy #422 with respect to Amendment 2021-1 shall be repealed and terminated.

2.2 Normal Retirement and Pension Amount.

- (a) With Respect to Members Hired (or Reemployed) prior to January 1, 2011. A member who is hired (or reemployed) by the County prior to January 1, 2011, shall be eligible for normal retirement upon attaining age 60 or older with 8 or more years of credited service, or age 55 or older with 30 or more years of credited service. The monthly benefit formula applicable for such a member shall equal two and one-half (2.5%) percent of the member's final average compensation multiplied by his or her years of credited service, not to exceed seventy-five percent (75%) of the member’s final average compensation. Final average compensation shall be the monthly average of the compensation paid to the member during the period of thirty-six (36) consecutive months of his or her credited service producing the highest average compensation contained within the period of 120 months of his or her credited service immediately preceding the date the member’s employment with the County last terminates; provided, however, that in addition to the other exclusions from final average compensation set forth in the Retirement System, premium overtime wages earned on and after January 1, 2012, shall also be excluded from this determination of final average compensation.

(b) With Respect to Members Hired (or Reemployed) on or after January 1, 2011 and prior to January 1, 2021. A member who is hired (or reemployed) by the County on or after January 1, 2011 but prior to January 1, 2021 shall be eligible for normal retirement upon attaining age 60 or older with 8 or more years of credited service. The monthly benefit formula applicable for such a member shall equal one and one-half (1.5%) percent of the member's final average compensation multiplied by his or her years of credited service, not to exceed seventy-five percent (75%) of final average compensation. Final average compensation shall be the monthly average of the compensation paid to the member during the period of thirty-six (36) consecutive months of his or her credited service producing the highest average compensation contained within the period of 120 months of his or her credited service immediately preceding the date the member's employment with the County last terminates; provided, however, that in addition to the other exclusions from final average compensation set forth in the Retirement System, premium overtime wages earned on and after January 1, 2012, shall also be excluded from this determination of final average compensation.

(c) With Respect to Employees Hired (or Reemployed) on or after January 1, 2021. With respect to any individual who is employed or reemployed by the County on or after January 1, 2021, he or she shall not be eligible to participate in, become a member under or otherwise accrue or become entitled to benefits under the Retirement System.

(d) Current Employees Who Are Not Members. With respect to an Employee who is not a member of the Retirement System as of December 31, 2020, he or she shall not be eligible to participate in, become a member under or otherwise accrue or become entitled to benefits under the Retirement System on or after January 1, 2021.

(e) One-Time Irrevocable Election. A member who currently is or becomes a regular full-time employee (as defined under Policy #453) may voluntarily opt-out of the Retirement System and join the County's Defined Contribution Retirement Plan (referred to as a "Electing DB member"). This option is a one-time, irrevocable election that the Electing DB member may exercise by completing an Election and Waiver form and returning it to Human Resources. If a member does not voluntarily exercise a one-time, irrevocable option, he or she shall remain a member and continue to accrue additional benefits under and in accordance with the terms of the Retirement System, and he or she shall not be eligible to participate in the Defined Contribution Retirement Plan (DC Plan).

An Electing DB member who voluntarily exercises this one-time irrevocable option to join the DC Plan shall irrevocably cease to be a member of the Retirement System and shall not accrue any additional benefits under the Retirement System beginning on and after the freeze date set forth in his or her Election and Waiver form. The following rules shall apply to Electing DB members:

(i) With respect to an Electing DB member who has eight (8) or more years of credited service under the Retirement System as of the freeze date, he or she shall have a frozen accrued benefit under the Retirement System that

will be computed based on his or her years of credited service, final average compensation and the benefit multiplier percentage in effect as of his or her freeze date. The payment of this frozen accrued benefit to the Electing DB member shall be subject to all provisions under the Retirement System, including any suspension of benefit rules that apply while the Electing DB member remains in County employment; provided, however, that an Electing DB member who dies while still employed with the County shall be considered a “member” under the Retirement System solely for purposes of determining if his or her surviving spouse is eligible for a survivor pension under Section 10.1 of the Retirement System based on the deceased Electing DB member’s frozen accrued benefit under the Retirement System. For avoidance of doubt, an Electing DB member shall not forfeit survivor spouse pension rights solely by reason of such member having a frozen benefit under the Retirement System, so long as the other requirements of Section 10.1(a) and (b) are satisfied.

(ii) With respect to an Electing DB member who has less than eight (8) years of credited service under the Retirement System as of his or her freeze date, such Electing DB member shall forfeit all past, present and future rights to (including any right to become vested in) any benefit or accruals from the Retirement System and shall not thereafter resume membership under the Retirement System under any circumstances. Such an Electing DB member’s prior accumulated contributions plus interest thereon made under the Retirement System automatically shall be transferred from the Retirement System to the DC Plan through a direct plan-to-plan transfer.

(iii) An Electing DB member shall become a participant under the County’s DC Plan and shall make mandatory contributions in the amounts set forth under the DC Plan (Policy# 453) (which mandatory contributions shall not be less than the Electing DB member’s member contribution being made under the Retirement System as in effect on the day immediately preceding his or her freeze date).

2.3 Member Contributions. Members of Benefit Group Management and Benefit Group Non-Union shall be required to make the following rates of member contributions to the Retirement System:

(a) The member shall contribute three (3%) percent of his or her compensation that is taken into account under the Retirement System effective with the first payroll paid in January 2012 and ending with the last payroll paid in December 2020.

(b) The member shall contribute four (4%) percent of his or her compensation that is taken into account under the Retirement System effective with the first payroll paid in January 2021 until the last payroll paid in December 2021.

(c) The member shall contribute five (5%) percent of his or her compensation that is taken into account under the Retirement System effective with the first payroll paid in January 2022.

Such member contributions shall be required to be made through automatic payroll deduction on a bi-weekly basis from each member's earnings, as a condition to future pension accruals earned on or after January 1, 2012.

An individual's accumulated member contributions shall be refunded to the individual under the circumstances specifically permitted by (section entitled Members Contribution; Refunds) the Retirement System. The withdrawal of a member's accumulated member contributions where the withdrawal is made on or after January 1, 2012 shall be computed on an actuarially neutral basis. The actuarial present value of the pension reduction shall be equal to the amount of accumulated member contributions withdrawn. The actuarial present value shall be computed using (i) the interest rate used in the annual actuarial valuation with a 50% unisex blend.

2.4 County Contributions. The County shall continue to contribute to the Retirement System the actuarially required contributions necessary to meet the financial objective set forth in the Retirement System, but specifically taking into account all member contributions payable to the Retirement System.

3. Definitions: None.

4. Application: This policy shall apply to all departments and administrative units of Monroe County government.

5. Responsibility: The County Administrator/Chief Financial Officer shall be responsible for implementing and overseeing this policy.

6. Administrative Procedure: None

7. Legislative History of Authority for Creation or Revision:

Adopted pursuant to action of the Monroe County Board of Commissioners, dated July 17, 1991.

Revised pursuant to action of the Monroe County Board of Commissioners, dated January 1, 1999, August 14, 2001, February 9, 2005, November 9, 2010, December 13, 2011, November 13, 2012, October 2, 2018 and November 17, 2020.

AMENDMENT 2021-1
TO THE MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM ORDINANCE
EFFECTIVE JANUARY 1, 2021

WHEREAS, the County of Monroe, Michigan (the “County”) established the Monroe County Employees Retirement System Ordinance (the “Retirement System”), which was last amended and restated effective March 28, 2000 to incorporate additional and accumulated changes and modifications, to remove obsolete material, and to conform to applicable provisions of state and federal law.

WHEREAS, the Board of Commissioners for Monroe County (the “Board”) has amended the restated Retirement System from time to time through duly adopted amendments, County Policies and Collective Bargaining Agreements, which are incorporated by reference and part of the restated Retirement System.

WHEREAS, the Board desires to further amend the restated Retirement System to close the class of individuals eligible to participate as members and permit existing members to make a one-time, irrevocable election to freeze their future benefit accruals under the Retirement System and become a participant under a defined contribution retirement plan (“DC Plan”) adopted by Monroe County.

NOW, THEREFORE, BE IT ORDAINED AND RESOLVED BY THE BOARD OF COMMISSIONERS, COUNTY OF MONROE, MICHIGAN, that the restated Retirement System be amended effective January 1, 2021, to read as follows:

1. Closing the Class of Eligible Members under the Retirement System.

(a) The County is closing the Retirement System to new participation with respect to the following individuals:

(i) With respect to an individual who is employed or reemployed by the County on or after the effective date specified in Section 1(b) below, he or she shall not be eligible to participate in, become a member under or otherwise accrue or become entitled to benefits under the Retirement System.

(ii) With respect to an employee who is not a member of the Retirement System as of effective date specified in Section 1(b) below, he or she shall not be eligible to participate in, become a member under or otherwise accrue or become entitled to benefits under the Retirement System after such effective date.

(b) The effective date for closing the eligible class of members under the Retirement System is as follows:

(i) Benefit Group Non-Union and Management. Effective January 1, 2021.

(ii) Benefit Group TPOAM – Nurses. Effective July 1, 2017 (which class was closed effective July 1, 2017 through a duly adopted collective bargaining agreement/letter of understanding between the County and the Technical, Professional & Officeworkers Association Of Michigan (Public Health Nurses).

(iii) All other Benefit Groups. Effective as of the date specified in the Collective Bargaining Agreement or Letter of Understanding duly adopted by the County and the applicable union.

(c) Regular full-time employees who are not eligible to participate and shall not become members under the Retirement System shall become eligible to participate in the County's DC Plan in accordance with the terms of such plan (Policy #453), and applicable collective bargaining agreements.

2. One-Time Irrevocable Election By Existing Members.

(a) With respect to Benefit Group Non-Union and Management, a member who currently is or becomes a regular full-time employee (as defined under Policy #453) may voluntarily opt-out of the Retirement System and join the County's DC Plan (referred to as a "Electing DB member"). This option is a one-time, irrevocable election that the Electing DB member may exercise by completing an Election and Waiver form and returning it to the County. If a member does not voluntarily exercise a one-time, irrevocable option, he or she shall remain a member and continue to accrue additional benefits under and in accordance with the terms of the Retirement System, and he or she shall not be eligible to participate in the DC Plan.

(b) An Electing DB member who voluntarily exercises this one-time irrevocable option to join the DC Plan shall irrevocably cease to be a member of the Retirement System and shall not accrue any additional benefits under the Retirement System beginning on and after the freeze date set forth in his or her Election and Waiver form. The following rules shall apply to Electing DB members:

(i) With respect to an Electing DB member who has eight (8) or more years of credited service under the Retirement System as of the freeze date, he or she shall have a frozen accrued benefit under the Retirement System that will be computed based on his or her years of credited service, final average compensation and the benefit multiplier percentage in effect as of his or her freeze date. The payment of this frozen accrued benefit to the Electing DB member shall be subject to all provisions under the Retirement System, including any suspension of benefit rules that apply while the Electing DB member remains in County employment; provided, however, that an Electing DB member who dies while still employed with the County shall be considered a "member" under the Retirement System solely for purposes of determining if his or her surviving spouse is eligible for a survivor pension under Section 10.1 of the Retirement System based on the deceased Electing DB member's frozen accrued benefit under the Retirement System. For avoidance of doubt, an Electing DB member shall not forfeit survivor spouse pension rights solely by reason of such member having a frozen benefit under the Retirement System, so long as the other requirements of Section 10.1(a) and (b) are satisfied.

(ii) With respect to an Electing DB member who has less than eight (8) years of credited service under the Retirement System as of his or her freeze date, such Electing DB member shall forfeit all past, present and future rights to (including any right to become vested in) any benefit or accruals from the Retirement System and shall not thereafter resume membership under the Retirement System under any circumstances. Such an Electing DB member's prior accumulated contributions plus interest thereon made under the Retirement System automatically shall be transferred from the Retirement System to the DC Plan through a direct plan-to-plan transfer.

(iii) An Electing DB member shall become a participant under the County's DC Plan and shall make mandatory contributions in the amounts set forth under the DC Plan (Policy #453), or the collective bargaining agreement (which amounts shall not be less than his or her member contributions being made under the Retirement System as in effect on the day immediately preceding his or her freeze date).

3. Member Contributions.

With respect to benefits accrued under the Retirement System on or after January 1, 2021, members shall be required to make the following rates of member contributions to the Retirement System:

(i) The member shall contribute four (4%) percent of his or her compensation that is taken into account under the Retirement System effective with the first payroll paid in January 2021 until the last payroll paid in December 2021.

(ii) The member shall contribute five (5%) percent of his or her compensation that is taken into account under the Retirement System effective with the first payroll paid in January 2022.

Such member contributions shall be required to be made through automatic payroll deduction on a bi-weekly basis from each member's earnings, as a condition to future pension accruals earned on or after January 1, 2021.

An individual's accumulated member contributions shall be refunded to the individual under the circumstances specifically permitted by (section entitled members Contribution; Refunds) the Retirement System. The withdrawal of a member's accumulated member contributions where the withdrawal is made on or after January 1, 2012 shall be computed on an actuarially neutral basis. The actuarial present value of the pension reduction shall be equal to the amount of accumulated member contributions withdrawn. The actuarial present value shall be computed using (i) the interest rate used in the annual actuarial valuation and (ii) the mortality table used in the annual actuarial valuation with a 50% unisex blend.

4. Plan To Plan Transfer. Solely with respect to accumulated member contributions under the Retirement System for an unvested, Electing DB member, the Retirement System shall permit a plan-to-plan transfer of such unvested member's accumulated contributions to the DC Plan that is established as a qualified retirement plan under Code Section 401(a). The DC Plan shall restrict the distribution of such transferred accumulated contributions until such date as the Electing DB member experiences a distributable event as defined under the terms of the Retirement System and DC Plan.

5. Application of Amendments.

Except as altered and amended by virtue of the provisions of this Amendment 2021-1 and all other duly adopted amendments through Retirement System amendments, County Policies or collective bargaining agreements executed on or after March 28, 2000, the provisions of the restated Retirement System effective as of March 28, 2000 are hereby ratified and confirmed. The changes set forth herein shall apply with respect to accrued benefits earned under the Retirement System on and after January 1, 2021, and nothing herein is intended to diminish or impair accrued benefits earned prior to January 1, 2021.

This Resolution was adopted by the Monroe County Board of Commissioners at a regular meeting held at the Monroe County Board Chambers, Monroe County Courthouse, Monroe County, Michigan, by a vote of a majority of the membership of the County Board of Commissioners, on the 17th day of November, 2020.

This Resolution was offered by Commissioner Brant, and supported by Commissioner Swartout.

A roll call vote was taken and this Resolution was passed unanimously with two (2) abstentions.

Commissioners voting in favor: David Hoffman, Mark Brant, Dawn Asper, Jerry Oley, David Swartout, Greg Moore, Jr. and J. Henry Lievens.

Commissioners voting against: None

Commissioners excused: None

Commissioners voting to abstain: George Jondro and Jason Turner.

The Resolution was declared adopted, effective immediately.



J. Henry Lievens, Chairman
Monroe County Board of Commissioners

ATTEST:



Sharon D. Lemasters
Monroe County Clerk