

MERS Uniform 457 Supplemental Retirement Program Resolution



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This Resolution, together with the MERS 457(b) Supplemental Retirement Program Plan Document and the MERS 457 Supplemental Retirement Program Participation Agreement and any Addendum thereto, constitute the entire MERS 457 Deferred Compensation Plan Document.

WHEREAS, the Municipal Employees Retirement Act of 1984 (the “Act”), MCL 38.1536(2)(a) (MERS Plan Document (Section 71) authorizes the Municipal Employees’ Retirement Board (the “Board”) to “establish additional programs including but not limited to defined benefit, defined contribution, ancillary benefits, health and welfare benefits, and other postemployment benefit programs,” and on November 8, 2011, the Board adopted the MERS 457 Deferred Compensation Plan.

WHEREAS, this Uniform Resolution has been approved by the Board under the authority of Section 71, and the Board has authorized the MERS 457 Deferred Compensation Plan, which shall not be implemented unless in strict compliance with the terms and conditions of this Resolution.

WHEREAS, the Participating Employer, a participating “municipality” (as defined in the Act; MCL 38.1502b(2); Plan Document Section 2) or participating “court” (circuit, district or probate court as defined in the Act, MCL 38.1502a(4) – (6); Plan Document Section 2) within the State of Michigan has determined that in the interest of attracting and retaining qualified employees, it wishes to offer a deferred compensation plan;

WHEREAS, the Participating Employer has also determined that it wishes to encourage employees’ saving for retirement by offering salary reduction contributions;

WHEREAS, the Participating Employer has reviewed the MERS 457 Supplemental Retirement Program (“Plan”);

WHEREAS, the Participating Employer wishes to participate in the Plan to provide certain benefits to its employees, reduce overall administrative costs, and afford attractive investment opportunities;

WHEREAS, the Participating Employer is an Employer as defined in the Plan;

WHEREAS, concurrent with this Resolution, and as a continuing obligation, this Governing Body has completed and approved, and submitted to MERS and the Board documents necessary for adoption and implementation of the Plan; and

WHEREAS, the Governing Body for and on behalf of the Participating Employer is authorized by law to adopt this Resolution approving the Participation Agreement on behalf of the Participating Employer. In the event any alteration of the terms or conditions stated in this Resolution is made or occurs, it is expressly recognized that MERS and the Retirement Board, as sole trustee and fiduciary of the Plan and its trust reserves, and whose authority is nondelegable, shall have no obligation or duty to continue to administer (or to have administered) the MERS 457 Supplemental Retirement Program for the Participating Employer.

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NOW, THEREFORE, BE IT RESOLVED that the Governing Body adopts the MERS 457 Supplemental Retirement Program as provided below.

- I. The Participating Employer adopts the Plan for its Employees.
- II. The Participating Employer hereby adopts the terms of the Participation Agreement, which is attached hereto and made a part of this Resolution. The Participation Agreement sets forth the Employees to be covered by the Plan, the benefits to be provided by the Participating Employer under the Plan, and any conditions imposed by the Participating Employer with respect to, but not inconsistent with, the Plan. The Participating Employer reserves the right to amend its elections under the Participation Agreement, so long as the amendment is not inconsistent with the Plan or the Internal Revenue Code or other applicable law and is approved by the Board.
- III. The Participating Employer shall abide by the terms of the Plan, including amendments to the Plan made by the Board, all investment, administrative, and other service agreements of the Plan and the Trust, and all applicable provisions of the Internal Revenue Code and other applicable law.
- IV. The Participating Employer acknowledges that the Board is only responsible for the Plan and any other plans of the Employer administered by MERS and that the Board has no responsibility for other employee benefit plans maintained by the Employer that are not part of MERS.
- V. The Participating Employer accepts the administrative services to be provided by MERS and any services provided by a Service Manager as delegated by the Board. The Participating Employer acknowledges that fees will be imposed with respect to the services provided and that such fees may be deducted from the Participants' accounts.
- VI. The Participating Employer acknowledges that the Plan contains provisions for involuntary Plan termination.
- VII. The Participating Employer acknowledges that all assets held in connection with the Plan, including all contributions to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, property or rights shall be held in trust for the exclusive benefit of Participants and their Beneficiaries under the Plan. No part of the assets and income of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries and for defraying reasonable expenses of the Plan. All amounts of compensation deferred pursuant to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, property or rights held as part of the Plan, shall be transferred to the Board to be held, managed, invested and distributed as part of the Trust Fund in accordance with the provisions of the Plan. All contributions to the Plan must be transferred by the Participating Employer to the Trust Fund. All benefits under the Plan shall be distributed solely from the Trust Fund pursuant to the Plan.

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- VIII. This Resolution and the Participation Agreement shall be submitted to the Board for its approval. The Board shall determine whether the Resolution complies with the Plan, and, if it does, shall provide appropriate forms to the Participating Employer to implement participation in the Plan. The Board may refuse to approve a Participation Agreement by an Employer that does not possess State statutory authority to participate in the Plan. The Governing Body hereby acknowledges that it is responsible to assure that this Resolution and the Participation Agreement are adopted and executed in accordance with the requirements of applicable law.

BE IT FINALLY RESOLVED: This Resolution shall have no legal effect under the Plan until a certified copy of this adopting Resolution is filed with MERS, and MERS determines that all necessary requirements under the 457 Supplemental Retirement Program Plan and Trust, the Participation Agreement, and this Resolution have been met. All dates for implementation of the Plan shall be determined by MERS from the date of filing with MERS of this Resolution in proper form and content. Upon MERS determination that all necessary documents have been submitted to MERS, MERS shall record its formal approval upon this Resolution, and return a copy to the Employer.

In the event an amendatory Resolution or other action by the municipality is required, such Resolution or action shall be deemed effective as of the date of the initial Resolution or action where concurred by this Governing Body and MERS (and a third-party administrator, if applicable and necessary). The terms and conditions of this Resolution supersede and stand in place of any prior resolution, and its terms are controlling.

I hereby certify that the above is a true copy of a Resolution adopted at the official meeting held on

_____, 20____. _____
(Signature of authorized official)

Printed name: _____ Position title: _____
(Authorized Official - printed) (Authorized Official - position)

Municipality name: _____

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: _____, 20____ _____
(Authorized MERS signatory)

MERS 457 Participation Agreement



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The Employer, a participating municipality or court within the state of Michigan, hereby agrees to adopt and administer the MERS 457 Program provided by the Municipal Employees' Retirement System of Michigan, in accordance with the [MERS 457 Plan Document](#), subject to the terms and conditions herein.

I. Employer Name: _____
(Name of municipality or court)

Municipality Number: _____ **Division Number (if amendment):** _____

II. EFFECTIVE DATE: The MERS 457(b) Program will be effective as follows (choose one):

Original Adoption. The MERS 457(b) Program will be effective 1st day of _____, 20____, with respect to contributions upon approval by MERS.
(Month) (Year)

To establish a new plan or replace current 457 carrier with the MERS 457 Program.

To add the MERS 457 Program in addition to: _____
(Other plan provider)

VERY IMPORTANT: All eligible programs of a Participating Employer are considered to be a single plan for purposes of compliance with Code Section 457(b). Thus, if a Participating Employer has more than one eligible 457 (or additional investment options under a 457(b) arrangement with more than one vendor), the Participating Employer is responsible for ensuring that all of its arrangements, treated as a single program, comply with the 457(b) requirements. In order to fulfill its responsibility for monitoring coordination of multiple programs, the Participating Employer must carefully review the Plan Document provisions.

Amendment. The amended MERS 457(b) Program will be effective 1st day of _____, 20____, with respect to contributions upon approval by MERS. *Please note:* You only need to mark **changes** to your plan throughout the remainder of this Agreement.
(Month) (Year)

III. ELIGIBLE EMPLOYEES: Only Employees as defined in the Program may be covered by the Participation Agreement. Subject to other conditions in the Program, this Agreement, and Addendum (if applicable), the following Employees are eligible to participate in the Program:

Probationary Periods (select one):

Contributions 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, contributions will not be reported.

The probationary period will be _____ month(s).

No probationary period.

IV. CONTRIBUTIONS (check one):

Frequency:

Contributions will be remitted according to Employer's "Payroll Period" which represents the actual period amounts are withheld from participant paychecks, or within the month during which amounts are withheld. Contributions will be submitted (check one):

- | | |
|---|--|
| <input type="checkbox"/> Weekly | <input type="checkbox"/> Semi-Monthly (twice each month) |
| <input type="checkbox"/> Bi-Weekly (every other week) | <input type="checkbox"/> Monthly |

Definition of Compensation

The Definition of Compensation selected must be used when determining both employer and employee contributions. Employers may include wage information along with employee and employer contributions when submitting wage/contribution reports to MERS.

Select your Definition of Compensation:

- Base Wages Box 1 Wages of W-2 Gross Wages
- Custom Definition

Click here to view details of Base, Box 1, and Gross Wages

(To customize your definition, please complete the [Custom Definition of Compensation Addendum](#).)

V. ROTH DEFERRAL CONTRIBUTIONS:

The Program allows Roth deferral contributions and allows for Roth rollover contributions from other designated Roth 457(b), 401(k), or 403(b) Plans. Roth in-plan rollovers are also allowed. Roth in-plan rollovers allow a participant who has reached age 70½ or who has incurred a severance from employment to elect to have all or a portion of their pre-tax contribution account directly rolled into a designated Roth rollover account under the plan if the amount would otherwise be permitted to be distributed as an eligible rollover distribution. Any amounts that are rolled to the Roth rollover account are considered to be irrevocable and may not be rolled back to the pre-tax account.

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VI. LOANS: shall be permitted shall not be permitted

If Loans are elected, please refer to the [Defined Contribution & 457 Loan Addendum](#).

VII. AUTOMATIC ENROLLMENT: shall be permitted shall not be permitted

If selected, please complete and attach the [457 Eligible Automatic Contribution Arrangement \(EACA\) Addendum](#).

VIII. EMPLOYER CONTRIBUTIONS: shall be permitted shall not be permitted

If selected, please complete and attach the [457 Employer Contribution Addendum](#).

IX. MODIFICATION OF THE TERMS OF THE PARTICIPATION AGREEMENT

If the employer desires to amend any of its elections contained in the Participation Agreement, including attachments/addendums, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Participation Agreement. The amendment of the new agreement is not effective until approved by MERS.

X. ENFORCEMENT

1. This Participation Agreement may be terminated only in accordance with the [MERS 457 Plan Document](#).
2. The Employer hereby agrees to be bound by the [MERS 457 Plan Document](#) and all policies adopted by the Board as applicable to the MERS 457 Plan, as these may be amended from time to time.
3. The employer hereby acknowledges it understands that failure to properly fill out this Participation Agreement may result in the ineligibility of the program.

XI. EXECUTION

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

The foregoing Participation Agreement is hereby approved by _____
on _____ (Name of Approving Employer)
(MM/DD/YYYY)

Authorized signature: _____

Name (printed): _____

Title: _____

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: _____, 20____ Signature: _____
(Authorized MERS Signatory)