

# MERS 457 Participation Agreement



1134 Municipal Way Lansing, MI 48917 | 800.767.2308 | Fax 517.703.9707

www.mersofmich.com

The Employer, a participating municipality or participating 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 Plan Document, as both may be amended, 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 \_\_\_\_\_,  
(Month and year)  
with respect to contributions upon approval by the Program Administrator.
  - 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 Master Plan Document provisions.

- Amendment and Restatement.** The amended and restated MERS 457(b) Program will be effective \_\_\_\_\_,  
(Month and year)  
with respect to contributions upon approval by the Program Administrator. *Please note:* You only need to mark **changes** to your plan throughout the remainder of this Agreement.

**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:

**IV. Contributions will be submitted** (check one):

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.

- Weekly
- Bi-Weekly (every other week)
- Semi-Monthly (twice each month)
- Monthly

## Compensation

Employers may designate the definition of compensation per division participating in MERS 457(b) Supplemental Retirement Program Plan Document (check one):

- All income subject to income tax reported in Box 1 of Form W-2, plus elective deferrals
- Medicare taxable wages reported in Box 5 of Form W-2
- Base wages, to which any of the following may be included:
  - Longevity pay
  - Overtime pay
  - Shift differentials
  - Pay for periods of absence from work by reason of vacation, holiday, and sickness
  - Workers' compensation weekly benefits (if reported and are higher than regular earnings)
  - A member's pre-tax contributions to a plan established under Section 125 of the IRC
  - Transcript fees paid to a court reporter
  - A taxable car allowance
  - Short term or long term disability payments
  - Payments for achievement of established annual (or similar period) performance goals
  - Payment for attainment of educational degrees from accredited colleges, universities, or for acquisition of job-related certifications
  - Lump sum payments attributable to the member's personal service rendered during the FAC period
  - Other: \_\_\_\_\_
  - Other 2: \_\_\_\_\_

NOTE: For purposes of applying the Internal Revenue Code Section 415(c) limits on annual additions, compensation shall be defined as required under that law.

**V. Roth Deferral Contributions:**  shall be permitted       shall not be permitted

If **Roth Deferral Contributions** are elected, the Program will allow Roth rollover contributions from other designated Roth 457(b), 401(k), or 403(b) Plans. Roth in-plan rollovers will also be allowed. Roth in-plan rollovers allow a participant who has reached 70½ or who has incurred a severance from employment to elect to have all or a portion of his or her 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.

# MERS 457 Participation Agreement

**VI. Loans:**  shall be permitted  shall not be permitted

If Loans are elected, please complete and attach the *MERS 457 Loan Addendum*.

**VII. Automatic Enrollment:**  shall be permitted  shall not be permitted

If selected, please complete and attach the *MERS 457 Eligible Automatic Contribution Arrangement (EACA) Addendum*.

**VIII. Employer Contributions:**  shall be permitted  shall not be permitted

If selected, please complete and attach the *MERS 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, including attachments/addendums may be terminated only in accordance with the Master Plan Document
2. The Employer hereby agrees to the provisions of the *MERS 457 Supplemental Retirement Program and Trust Master Plan Document*.
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 \_\_\_\_\_  
(Name of Approving Employer)  
on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Authorized signature: \_\_\_\_\_

Title: \_\_\_\_\_

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

Dated: \_\_\_\_\_, 20\_\_\_\_ Signature: \_\_\_\_\_  
(Authorized MERS Signatory)