COUNTY OF KALAMAZOO

EMPLOYEES' RETIREMENT SYSTEM

2014 FISCAL REPORT
&
SUMMARY OF BENEFITS

KALAMAZOO COUNTY GOVERNMENT

KALAMAZOO COUNTY GOVERNMENT

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2014 FISCAL REPORT

TO EMPLOYEES, RETIREES, AND BENEFICIARIES

In mid-1988, to bring greater long-term strength to the Retirement System and the assets it holds, the County concluded that it was advantageous to form a new Retirement Investment Committee. Asked to participate on the Committee were five citizens who had extensive knowledge and background in the investment and management field, access to the national money managers employed by the Retirement System, and no business or political ties to the County, the Road Commission, Community Mental Health, or to the Plan.

This is the twenty-sixth annual summary report of your Retirement System's fiscal affairs since investments have been directed by the Retirement Investment Committee. From the $201.4 million total market value at the last summary report, assets increased by $29.1 million, or 16.0% percent, to a **market** value of $205.1 million as of December 31, 2014.

PHILOSOPHY

Based on the policy it created and adopted along with fifteen (15) to thirty (30) year patterns, the Retirement Investment Committee set forth both the philosophy and management style for the System's assets.

Driving the management of the System's assets is the return on these assets and the risk of holding them. For example, placing funds in long-term, high-grade corporate bonds or U.S. backed instruments assumes little risk. Investing in small capitalized corporations carries significant risk.

The difference in returns, however, is shown in studies of the various financial segments since 1929 wherein the average annual compounded rates of return are from three and one-half (3.5%) percent to five (5%) percent for U.S. Treasury Bills and corporate bonds on one extreme, and returns for small corporations of more than thirteen (13%) percent at the higher risk extreme.

Therefore, the Retirement Investment Committee's goal was to find a balance or mix between the extremes, i.e., a philosophy that would prudently meet the objectives of properly funding present and future payments to participants.

Prior to the change, the System's assets were invested about seventy-five (75%) percent in corporate and U.S. fixed income instruments and about twenty-five (25%) percent in corporate stocks or in blue chip equities.

Calling upon their individual expertise and based upon study and review, the Retirement Investment Committee adopted a policy whereby sixty (60%) percent of the Plan assets at cost could be invested in corporate equities and five (5%) percent in real estate which were the maximums allowed by State law. The balance of the assets were placed in U.S. and corporate instruments.

The present policy is seventy (70%) percent of Plan assets at market can be invested in corporate equities and five (5%) percent in real estate, which are the maximums allowed by State law.

MANAGEMENT STYLE

The two factors, risk and return, also involve the selection of the management style:

Active Management

> The objective of an active manager is to select stocks or bonds that beat the appropriate index.

Passive Management

> The objective of a passive or index manager is to provide rates of return that correspond to the aggregate, as represented by the selected index, e.g., the S&P 500.

Typically, passive managers exceed the performance of the active managers seventy-five (75%) percent to eighty-five (85%) over long time periods. Therefore, the Retirement Investment Committee chose initially to invest with passive or index managers. Rather than individual stocks, as was the case, the System owns units of managers' overall portfolios.

THE RETIREMENT SYSTEM'S MONEY MANAGERS

Based upon the review and recommendations of the Retirement Investment Committee, the Plan's assets at today's portfolio cost of $136.3million are invested with the following managers:

Blackrock Institutional Trust Company, N.A.

> 30.7% Blackrock Institutional Trust Company, N.A. manages more than $4.65 trillion in pension and other similar assets. It manages an equity fund account for the County's Employees' Retirement System which replicates the S&P 500 index.

Dimensional Fund Advisors, INC (DFA)

> 37.8% DFA manages more than $381 billion in assets concentrating about seventy (70%) percent of its efforts in small U.S. corporate stocks. One equity index fund represents the ninth and tenth deciles of the New York Stock Exchange (NYSE) and similar sized firms in the American and NASDAQ (over the counter) exchanges, the second equity fund represents a small cap value fund, the third fund is an international small company fund, and the fourth fund is a Real Estate Securities fund.

Jennison Associates, LLC

25.0% Jennison manages more than $184 billion in assets for equity, fixed income, and balanced funds. It actively manages an Intermediate Bond Fund and a Long Term Bond Fund.

RREEF

2.9% RREEF manages more than $47.6 billion in assets for real estate investments. It manages a Real Estate Mutual Fund.

Vanguard

3.1% Vanguard manages more than $3.0 trillion in assets. This fund invests in real estate investment trusts.

Working Capital

0.5% The balance of the Plan's assets is held in cash and cash equivalents for the purposes of meeting the monthly benefits and periodic administrative expenses. Excess cash is invested in short-term investment funds.

Retirement funds invested with these managers are invested in accordance with the State of Michigan Public Act 307 of 2000, as amended, and the Retirement System's Investment Policy as approved by the County Board of Commissioners.

Investment performance is reviewed and reported annually to the County Board of Commissioners by the Retirement Investment Committee, based upon reports issued by a Master Trustee.

A Master Trustee, State Street Corporation, Boston, Massachusetts, acts as custodian and as a control and monitoring point for the performance and procedures of the managers. In this way, envisioning an organizational chart, the control over the Retirement System's assets is as follows:

COUNTY BOARD OF COMMISSIONERS
RETIREMENT INVESTMENT COMMITTEE
STATE STREET CORPORATION
INDIVIDUAL MONEY MANAGERS

From the County Board of Commissioners' monitoring of procedures to the four managers, performances and control flows from one level to the next.

WHAT THIS MEANS TO YOU

There are four important issues for you:

Strength

If currently drawing benefits from the Retirement System as a retired employee of the County, Road Commission, Community Mental Health, or if a vested active employee, it is important to know that the current style of asset management brings even greater security to future assets to guarantee retirement benefits.

Presently, the County portion of the System is 115.6% funded; the Community Mental Health portion of the System is 119.3% funded, while the Road Commission is 142.3% funded. Overall, the System is 115.6% funded. This level of funding is extremely favorable in the world of pension management.

Employer Contributions

Through a complicated set of actuarial procedures and assumptions, the County, Community Mental Health, and the Road Commission by State law are required to remit annual contributions to the Retirement System. These contributions are expressed as a percentage of payroll of the active members of the System.

Your Contributions

Many employees through the years have made contributions to the System. Since January 1, 1991, the County, Community Mental Health, and the Road Commission have made one hundred (100%) percent of the required contributions.

Your Benefits

The County Retirement System is a defined benefit plan as opposed to a defined contribution plan. That means that benefits are based solely upon Final Average Compensation (FAC) multiplied by a percentage factor multiplied by years of service. Therefore, the interest paid on contributions does not directly affect the level of current or future benefits.

STATISTICAL DATA FOR YOUR PLAN

Exhibit I: Plan Assets At December 31, 2014 - Cash Basis

INVESTMENT	PORTFOLIO COST	MARKET	TOTAL % COST	TOTAL % MARKET
COMMON STOCK				
BGI - S & P 500	$ 17,360,016	$ 62,905,654	30.7%	30.0%
DFA - EMERGING MARKETS	$ 19,734,615	$ 17,991,580	8.8%	10.0%
DFA - LARGE VALUE	$ 5,056,413	$ 10,354,610	5.0%	5.0%
DFA - INT'L SMALL CAP	$ 15,657,925	$ 18,150,559	8.9%	10.0%
DFA - US MICRO	$ 6,419,385	$ 10,419,346	5.1%	5.0%
DFA - SMALL VALUE	$ 12,213,086	$ 20,540,560	10.0%	10.0%
TOTAL EQUITIES	**$ 76,441,440**	**$ 140,362,309**	**68.5%**	**70.0%**
FIXED INCOME				
JENNISON - INTERMEDIATE	$ 48,416,316	$ 51,185,118	25.0%	25.0%
TOTAL BONDS	**$ 48,416,316**	**$ 51,185,118**	**25.0%**	**25.0%**
REAL ESTATE				
RREEF	$ 5,552,417	$ 6,026,462	2.9%	2.5%
VANGUARD	$ 4,756,004	$ 6,387,012	3.1%	2.5%
TOTAL REAL ESTATE	**$ 10,308,421**	**$ 12,143,474**	**6.0%**	**5.0%**
SHORT TERM				
STATE STREET BANK	$ 1,095,028	$ 1,095,028	0.5%	0.0%
TOTAL	**$ 136,261,205**	**$ 205,055,929**	**100.0%**	**100.0%**

During 2014, $ 11,408,049 was distributed to all retirees and beneficiaries. At December 31, 2014, there were 361 benefit payments being made as follows:

Exhibit II: Retirees Receiving Benefits

	GENERAL	ROADS	COMMUNITY MENTAL HEALTH	TOTAL
RETIRED EMPLOYEES	263	30	31	324
DISABLED EMPLOYEES	3	1	0	4
DEATH IN SERVICE	8	3	0	11
SURVIVING SPOUSES	16	6	0	22
TOTAL	290	40	31	361

Other financial transactions are depicted in the following exhibit:

Exhibit III: Statement Of Changes In Plan **Net Assets** At December 31, 2014

MARKET VALUE OF NET ASSETS AT DECEMBER 31, 2013		$200,655,600
RECEIPTS		
Employer Contributions	$ 1,985,340	
Employee Contributions	$ 0	
Investment Income (Loss)	$ 13,528,275	
TOTAL RECEIPTS		$15,513,615
DISBURSEMENTS		
Benefit Payments	$ 11,408,049	
Refunds	$ 0	
Admin/Managerial Expense	$252,272	
TOTAL DISBURSEMENTS		$11,660,321
INCREASE/(DECREASE) IN MARKET VALUE OF ASSETS		$3,853,294
MARKET VALUE OF NET ASSETS AT DECEMBER 31, 2014		$204,508,894

LEGAL MATTERS

The management of assets, contributions to the Plan, and the parameters of the Plan's benefits are closely controlled by laws of the State of Michigan. Contributions by the County, Community Mental Health, and the Road Commission were made in accordance with recommendations in the annual Actuarial Valuation. The County, Community Mental Health, and Road Commission had, by virtue of union contracts, County Board of Commissioners policy, Community Mental Health Board policy, and Road Commission policy, also contributed what in former years were contributions required of the employees.

OTHER MATTERS

Through the County's annual auditing process, the financial statements of the Plan are examined. Likewise, each of the money managers, as well as the Master Trustee, is subjected to independent and various regulatory audits.

A copy of the Retirement Resolution may be obtained by contacting the Office of Finance. Likewise, if there are any questions with this report or with the Plan itself, please call (269) 384-8090.

RETIREMENT INVESTMENT COMMITTEE MEMBERS

Mr. Robert Salisbury, Chairman
Retired- Chief Financial Officer
Pharmacia & Upjohn

Dr. Randall Eberts, Vice-Chair
W.E. Upjohn Institute for Employment Research

Mr. Dan DeMent
DeMent & Marquardt, PLC

Ms. Janice Van Der Kley
Vice President - Business and Finance
Western Michigan University

Dean Bergy
Vice President, CFO
Stryker Corporation

OFFICE OF FINANCE
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(269) 384-8090

**TO: EMPLOYEES OF KALAMAZOO COUNTY,
COMMUNITY MENTAL HEALTH, AND
ROAD COMMISSION**

This section has been prepared to assist General County, Community Mental Health, and Road Commission employees in planning for retirement by outlining the main features of the Kalamazoo County Employees' Retirement System. This retirement program, along with Social Security benefits and employees' other investments, will help meet financial needs with more security during retirement years.

For many employees, the Retirement System is the largest savings plan you may have. The County strongly urges you to study and understand the Retirement System.

Throughout this booklet the term "County" is used. The Retirement System is a coordinated effort between the County of Kalamazoo, Community Mental Health, the Kalamazoo County Road Commission, and as such, speaks to employees of all units. Aside from some differences in benefits, which are explained in the booklet, the Retirement System functions as one in a cost-effective, cooperative effort among the three units.

After reviewing the information contained in this booklet, if you have any questions concerning the System or your participation, please contact the payroll office of the County or the business office of the Road Commission. Remember, this booklet is a summary to help you better understand the Retirement system. Final benefit determinations are subject to the terms of the Retirement Resolution rules. Copies of the complete Retirement Resolution are available from the Office of Finance.

Tracie L. Moored, Director
Office of Finance & Administrative Services

Kalamazoo, Michigan
June 29, 2015

SUMMARY OF BENEFITS

Background

In the past, a retirement system was not a common form of fringe benefit. Today, it is a necessity since it not only provides a benefit to employees, but also is a tool to attract and retain qualified individuals. The County's objective is to maintain a system that is competitive and beneficial to its employees.

There are many types of retirement plans, such as profit sharing, Keogh, tax-sheltered annuities, deferred compensation, or Individual Retirement Accounts (IRA). Each of these may require the employee to contribute actual dollars which provide the benefit of an income tax deferral. There are also other forms of retirement plans with varying combinations of employer/employee contributions and resulting benefits.

The County's Retirement System was created March 1, 1960, and is a Defined Benefit Plan. The Retirement Resolution defines each employee's retirement benefit by a formula based on age, years of service, and final average compensation (FAC). Yearly, as age and service "credits" build, the County contributes dollars for the employees, knowing that at some point in the future each employee will be entitled to receive a benefit. The employee, of course, must be vested in the System, i.e., have eight (8) years of service prior to receiving a benefit and have attained normal retirement age or early retirement age for a reduced benefit. Members may retire with full benefits at the early retirement age after twenty- five (25) years of service based on the provisions in the Retirement Resolution and Collective Bargaining Agreements.

County employees holding regular positions, either full time or part time of twenty (20) hours or more per week are included by law in the County retirement program. Exceptions to that law are Sheriff's Department Fraternal Order of Police (F.O.P.) members, Kalamazoo County Sheriffs' Supervisors Association members, and pursuant to past negotiations, certain District Court employees and Judges elected after March 31, 1997.

The County does not wait until an individual retires to fund his/her benefit. Instead, money is contributed each year, based on a number of statistical assumptions. It is important to know that at the current time, the System for General County, Community Mental Health, and Road Commission is fully funded. In essence, retirement benefits are guaranteed.

Eligibility -- How Much Do I Pay?

When first hired, an individual completes a membership form and returns it to Payroll in the Office of Finance to become a part of the County's Retirement System. As of January 1, 1991, the County, Community Mental Health and Road Commission have made one hundred percent (100%) of the required contributions.

What It Means To Be "Vested"

An employee becomes vested in the Retirement System after eight (8) years of service credit. Once vested, if County service is terminated for any reason, the employee is entitled to retirement benefits. The dollar amount of the benefit will be based on the Final Average Compensation, number of years of service credit, and the multiplier that the service credit was earned under.

Retirement

Before you retire, you should take steps to begin your benefits by:

1. Determining the effective date of your retirement.

2. Making application not less than thirty (30) days before that date.

Applications for the General County and Community Mental Health are submitted to the Office of Finance and applications for the Road Commission are submitted to the business office of the Road Commission.

A "benefit formula" is applied that will determine the actual benefit to be received when the day of retirement arrives. The expected retirement benefit can be estimated by projecting what circumstances are expected to be at retirement age. Three factors make up the benefit formula:

1. Service Credit – Years of Service

2. Final Average Compensation (FAC)

3. Multiplier

Service Credit

Service credit is the total number of years and months of County service and is given to regular employees who are at least a 0.5 FTE (full-time equivalency). General County employees who are at least a 0.5 FTE but are not eligible for other benefits must also be paid at least 1,000 hours during the year in order to earn service credit. Service credit is not given to employees while on a leave of absence without pay (excluding Worker's Compensation and Family Medical leave of absences.) If an employee of the County enters or is called to serve in the military, the time spent in active duty military service will automatically be counted as service credit if the individual again becomes a County employee within one (1) year after leaving the military. This provision does not apply to military service acquired before becoming a County employee. A member must have ten days of service rendered in any calendar month to be credited with a month of service.

Final Average Compensation (FAC)

The Final Average Compensation (FAC) is the average of the compensation received during the highest five (5) consecutive years of the last ten (10) years of service. If less than ten (10) years were worked, the FAC is the average of the highest five (5) years' salary over the past eight (8) years of employment, eight (8) years being the minimum vesting time. For the purposes of calculating FAC, lump sum payments such as sick leave, final vacation pay, etc. are included for Road Commission employees. For General County and Community Mental Health employees, lump sum payments for accrued sick leave earned subsequent to January 1, 1986, and vacation leave are not included for FAC purposes.

Multiplier

The multipliers are as follows:

GENERAL COUNTY SALARY GROUPS		
Union Groups	**Hired on or before 12/31/2014**	**Hired on or after 1/1/2015**
Airport Union	2.2%	1.7%
Animal Services, Buildings and Grounds, & Parks Union Juvenile Court Union	2.5%	2.0%
Juvenile Home	2.4%	1.9%
Non-Union Groups	**Hired on or before 3/31/2014**	**Hired on or after 4/1/2014**
Exempt and Non-Exempt	2.5%	2.0%

COMMUNITY MENTAL HEALTH SALARY GROUPS	
Managerial, Professional and TOPS	2.5%

ROAD COMMISSION SALARY GROUPS	
Non-Union	2.1%
Union	2.2%

The Benefit Formula

To estimate the annual retirement benefit (d), apply the following formula, inserting the numbers that apply for (a) FAC; (b) Multiplier; and (c) Years of Service. This is known as a "Straight Life" benefit.

FAC x Multiplier x Years of Service = Annual Benefit

or: a x b x c = d

The annual benefit may be reduced by one or more of the following:

1. Early retirement (see "Retirement Age" for details)

2. If Option A or Option B is chosen (these options provide a benefit to the spouse in the event of the employee's death (see "Options" for details).

3. If death occurs while the employee is still in County Service, Option A is then assumed.

By law, the employer may only fund a maximum of 75% of your final average compensation (FAC) as a benefit.

Calculate Your Own Benefit

Kalamazoo County Employees' Retirement System offers an online retirement benefit estimator to our members. The web estimator is very easy to use. Members simply log onto the secure web portal, agree to the terms of use and create a new estimate by entering their desired last date of employment and desired retirement date. The web estimator uses your accumulated earnings and service credit information to calculate a retirement estimate based on the dates that you provide. A few items to note about the estimator:

- Future earnings are based on the last posted payroll. Members should keep this in mind when running a calculation after a larger than normal payroll check as this will artificially inflate your retirement benefit.
- Estimates can only be created for a termination date in which the member is vested. Vesting occurs after 8 years of retirement service credit or less if you have Reciprocal Act service credit.
- These estimates assume no unpaid leave of absences and bases your service credit information on this assumption.
- Any estimates prepared by the web calculator will always be more accurate if prepared closer to your estimated retirement date as less information will need to be assumed to calculate the benefit.
- These figures are estimates only and we strongly advise members who are seriously considering retirement to request a reviewed retirement estimate

by emailing retirement@kalcounty.com or by calling 269-384-8086 prior to making the decision to retire.

The web calculator can be accessed at:

https://re.kalcounty.com/

A user guide for the web estimator can be found on the Retirement Information & Forms section of the County website at: http://www.kalcounty.com/rif/

Retirement Age

Retirement age is described as "Normal Retirement Age" and "Early Retirement Age" and is identified in the table below.

If an employee is vested (eight or more years of service), the option is available to retire early and receive a reduced benefit.

GENERAL COUNTY	**NORMAL RETIREMENT AGE**	**EARLY RETIREMENT AGE**
Membership began prior to July 1, 2009	60	55
Membership began on or after July 1, 2009	65	60
COMMUNITY MENTAL HEALTH SALARY GROUPS		
Managerial, Professional and TOPS	60	55
ROAD COMMISSION SALARY GROUPS		
Non-Union and Union	60	55

For each month of early retirement prior to reaching normal retirement age, the Straight-Life benefit is reduced by .4 of one (1%) percent (.004%). Example: If a CMH employee chooses to retire at age fifty-five (55), and does not have twenty-five (25) years of service, the benefit is reduced by twenty-four (24%) percent.

OPTIONS

The option chosen is a personal decision made at the time of retirement. If Option A, Option B, or Single Sum are not chosen, benefits will cease at the retirees death. The actual dollar amounts and the factors that will determine whether to choose Option A, Option B, or Single Sum can be calculated best when actually planning retirement.

Straight Life

This option provides a monthly payment to the retiree which ceases upon his/her death.

Option A: 100% Survivor

This option provides for a continued retirement benefit to a spouse after the death of the retired employee. If this option were chosen, the retiree would receive a reduced benefit depending upon his/her age and the age of the spouse. If the retiree predeceases the spouse, benefits would continue at the adjusted rate until the spouse's death.

Option B: 50% Survivor

If this modification of the Straight Life option is chosen, the reduction in benefit is less than in Option A; but if the retiree predeceases the spouse, the for-life benefit the spouse receives would be reduced by one-half.

Single Sum Benefit

General County Members whose membership began after September 30, 2009 and Community Mental Health members whose membership began after February 5, 2013 are not eligible for payment in the form of a single sum.

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To create the most beneficial tax advantages for those employees who choose this option, the County applied for and received approval from the IRS for the County's Retirement Plan to offer this benefit. Therefore, effective January 1, 1997, employees may elect to receive this benefit instead of the Straight-Life, Option A, or Option B. The Single Sum option represents the present value of future benefits, which an employee can expect to receive. It is calculated using the annual benefit amount (Straight-Life), the expected years of future lifetime as determined by mortality tables, and a discount rate. The discount rate used shall be the investment rate of return actuarial assumption as determined by the Retirement Investment Committee. Effective for retirement dates on or after January 1, 2014, the discount rate will be 7.50%. The discount rate is reviewed on an annual basis and is subject to change. If an employee elects a Single Sum option, there will be no future benefit payments to the employee or spouse.

Also, the Single Sum option may have Federal and State income tax and other implications, so employees considering the election of a Single Sum option are encouraged to contact a tax or financial planning professional before making such election.

ADDITIONAL SERVICE CREDIT

Service credit is simply the total number of years and months worked for the County which were eligible to count towards benefits in the plan. The County does not offer the option of purchasing additional service credit except under the following situations:

<u>Military Service Credit</u>

Members may purchase up to five (5) years of military service credit within one (1) year of vesting under the following guidelines:

- Must have entered the Armed Service of the United States before June 1, 1980 or after June 1, 1980 during a time of war or emergency situation (as described in section 1 of 1965 PA 190, MCL 35.61) and before commencing employment with the County.
- Must have been honorably discharged.
- Must provide proof of military service (copy of discharge paper—Form DD214, or copy of Order to Active Service and Order of Discharge.
- Service cannot be credited if it is credited under any other federal, state, or local publicly supported retirement system.

<u>Prior Forfeited Kalamazoo County Employees' Retirement System Service</u>

Members who leave the County's service and were not vested when they left may repurchase their prior service with payment of an amount equal to the aggregate amount of contributions the Employing Unit made at the time of the previous service plus accrued interest.

DEFERRED RETIREMENT

If an employee leaves the County following vestiture into the Retirement System, the accumulated benefit remains until normal retirement age or early retirement age, unless the individual elects at the time of termination to take any contributions he/she has made to the System. The retirement benefit will be based upon the factors in effect at termination.

Employees who are leaving County employment following vestiture may elect to receive a Single Sum Benefit in lieu of deferring retirement benefits. This option is not available to General County members whose membership began after September 30, 2009 or Community Mental Health members whose membership began after February 5, 2013. Eligible individuals who presently have deferred retirement benefits may elect a Single Sum benefit at any time. The Single Sum benefit represents the present value of the future benefits that the employee is expected to receive.

RECIPROCAL RETIREMENT ACT

The County is a "reciprocal unit" under the provisions of the State Reciprocal Retirement Act. This Act allows employees who have participated in more than one State of Michigan municipal unit to combine years of service for vesting purposes only.

If an employee leaves the County and begins working for another governmental agency that is a member of the Reciprocal Retirement Act, it may be possible to combine the service credit of the two units of government for vesting purposes only.

Also, if an individual has been a County employee for at least thirty (30) months after working for another participating governmental agency and participating in their retirement plan, it may be possible to combine the service credit of the two units of government for vesting purposes only.

DISABILITY

If you become disabled when you are at work:

Road Commission Employee

If a worker became permanently and totally disabled while on duty (Duty Disability), that individual would be entitled to full retirement benefits. There is no vesting period for Duty Disability. There are several factors that affect the computation of the dollar amount of the retirement benefit:

- State law provides that the disability allowance will be no less than fifteen (15%) percent of final average compensation. That assures protection to an employee with little service time.

- It is also possible to receive Workers' Compensation while Duty Disability is being collected. As a result, normal retirement benefits would begin when Workers' Compensation ends; in addition, the years spent collecting Workers ' Compensation are credited to years of service and increase the individual's retirement benefit.

General County and Community Mental Health Employees

No disability benefits are available under the System. Disability is provided by insurance but service credit for Duty Disability is the same as for Road Commission employees.

If you become disabled when you are off duty:

Road Commission Employees

Road Commission employees are entitled to non-duty disability benefits if they become permanently and totally disabled and have at least ten (10) years of service credit. The retirement benefit would be computed in the same way as with normal retirement, and the employee would also have the opportunity to select either Option A or Option B. However, with non-duty disability, credit for time while disabled does not count toward service credit.

General County and Community Mental Health Employees

Non-duty disability insurance is also provided outside the system.

IN THE EVENT OF DEATH

The Retirement System provides death benefits in varying degrees to an employee's spouse if a vested employee dies before retirement (vestiture for death benefits differs from that for retirement benefits -- see below for details).

Unless the employee is normal retirement age or older at the time of death, vestiture is ten (10) years.

Regardless of the ages of the employee or spouse, retirement benefits under this section are calculated as an Option A benefit and referred to as an “assured” Option A benefit.

TERMINATION OF MEMBERSHIP

Membership in the Retirement System will be terminated when an individual leaves the County's service. If vested in the Retirement System, the benefit will be deferred, and retirement benefits will be received based on the “benefit formula” at the time of termination with the exception of the single sum calculation, which is based on the interest rate in effect at the time of retirement. If an individual leaves County service and is not vested, their credited service will be forfeited.

RETIREMENT SYSTEM CHANGES

The Retirement System is controlled by laws set by the State of Michigan. The County Board of Commissioners approves changes to the Retirement Resolution.

For Road Commission employees, the County Road Commission recommends changes to the County Board. For Mental Health employees, the Mental Health Board recommends changes to the County Board.

If there are any questions with this report, please call the Office of Finance at (269) 384-8090.

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