

To aid in staff retention, it has been a goal for sometime to switch to the Municipal Employees’ Retirement System of Michigan (MERS) for what we can offer to staff who want to participate in a retirement or supplemental savings account. We finally began having meetings with MERS representatives last year and have been very impressed with what they can do and how they do it.

We really like MERS because of their much lower fees as a non-profit entity, but also because of the attractive options they can provide, their excellent customer service, and their ongoing education opportunities. MERS has annual on-site education for staff, and via their web site and app they have much more financial education and advice for staff than our current provider, Nationwide. We have not had a check-in from Nationwide staff in years, for comparison. MERS even has a podcast to help learn about investing for retirement.

Below is one page from the informational packet provided to us, giving a comparison of fees and performance between our current Nationwide account and what MERS could do:

## Provider Comparison *Nationwide*

| Asset-Weighted Plan Averages<br><i>(Appendix III)</i> | Nationwide | MERS   | Difference |
|---|------------|--------|------------|
| <i>Expense</i>  |            |        |            |
| Asset-Weighted Average Expense                        | 1.60%      | 0.36%  | -1.24%     |
| <i>Total Impact (Performance, Less Fund Fees)</i>     |            |        |            |
| 1-Year Asset-Weighted Average Performance             | 10.92%     | 12.93% | 2.01%      |
| 3-Year Asset-Weighted Average Performance*            | 3.12%      | 3.88%  | 0.76%      |
| 5-Year Asset-Weighted Average Performance*            | 2.91%      | 7.13%  | 4.22%      |
| 10-Year Asset-Weighted Average Performance*           | 5.05%      | 6.75%  | 1.70%      |

*\*Note that assets held in a Nationwide fund that did not have a 3-, 5-, and/or 10-Year performance, and that Nationwide did not provide a benchmark return for the same period that could be used as an alternative, were excluded from the asset-weighted performance calculation and the rate shown is based on a calculation with the remaining assets in the plan for that period. This is shown in Appendix III.*

- 1) *The Asset-Weighted Average is calculated by multiplying expense or performance by the percentage of assets held in each fund.*
- 2) *Branch District Library provided MERS with its Nationwide "Investment Option Summary – 10/1/2024 to 12/31/2024" statement. This report provided the amount of plan assets held in each fund and performance information. These details are shown in Appendix III.*
- 3) *The funds are mapped to the closest "like-style" asset class available on the MERS investment menu. Note that assets (\$47,305) held in the Nationwide Fixed Account could not be included as there is no performance provided over the measurement periods, and MERS does not offer a fixed account option. as shown in Appendix III.*
- 4) *1-, 3-, 5-, and 10-Year Impact (Performance, Less Fund Fees) are used to provide a long-term perspective.*
- 5) *Branch District Library provided MERS with its Nationwide "Investment Option Summary – 10/1/2024 to 12/31/2024" statement, which provided each individual fund's "expense ratio." In addition, it shows the additional "Variable Account Expense Fees" of (0.70% - 0.95%). Each fund's total expense ratio is shown in Appendix I.*
- 6) *The fees reflected for MERS include all operating, custody, recordkeeping, and investment management expense charged by MERS as shown in Appendix II.*
- 7) *The asset-weighted averages shown above are not intended to show actual expense or performance experienced by the plan during the periods shown because the calculation does not account for plan activity (i.e. contributions, distributions, participant transfers between investment options) during the periods. The asset-weighted averages reflect a hypothetical illustration based on assets held in each investment option as reported at a specific point in time.*

The Finance Committee looked at the same full information packet as library staff, which you can also find in this packet, and recommends that BDL drops Nationwide Retirement Solutions and begins offering services to staff through MERS. There is no cost to the library and the bottom line for participating staff should be significantly better over time.

If you choose to proceed, MERS requires from the Board:

1. Resolution Establishing Authorized Signatories: This form designates certain titles at BDL to be able to sign documents, making changes to MERS plans without requiring Board Minutes each time a change is made.
2. Program Resolution: This document will need to be signed and dated at the bottom by an Authorized Signer under Be It Finally Resolved.

Submitted by John Rucker

# Resolution Establishing Authorized Signatories for MERS Contracts and Service Credit Purchase Approvals



1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711

www.mersofmich.com

This Resolution is entered into under the provisions of 1996 PA 220 and the Municipal Employees' Retirement System of Michigan ("MERS") Plan Document, as each may be amended.

This resolution is being adopted by the governing body of the participating entity and applies to all reporting units of said participating entity.

**WHEREAS**, Branch Dist Lib ("Employer") is a participating municipality with the Municipal Employees' Retirement System of Michigan ("MERS") and has adopted one or more retirement, insurance, investment or other post-employment benefit products administered by MERS;

**WHEREAS**, MERS requires signatures of an authorized representative of the Employer to execute contracts with MERS, the entry of which is authorized by the governing body and permitted under the applicable MERS Plan Document(s);

**WHEREAS**, the Employer wishes to designate certain job position(s), the holder(s) of which may sign MERS' contracts relating to the adoption, amendment and termination of MERS' products, and defined benefit service credit purchase approvals on behalf of Employer to implement decisions and actions of the governing body;

**WHEREAS**, this Resolution is not intended to apply to MERS forms or any other MERS document except as specifically mentioned herein,

Therefore, the Governing Body resolves:

The holders of the following job position(s) are hereby *Authorized Officials* that can sign: (1) MERS Adoption Agreements, Resolutions, Participation Agreements, Administrative Services Agreements, Withdrawal Agreements and any other contracts between MERS and the Employer with respect to Employer's participation in any MERS-administered product and any amendments and addendums thereto, and (2) MERS Defined Benefit service credit purchase approvals:

1. \_\_\_\_\_

Optional additional job positions:

2. \_\_\_\_\_

3. \_\_\_\_\_

This Resolution may be revoked in writing or amended by the Governing Body at any time, provided that it will not be effective until such writing or amended Resolution is received by MERS. The Governing Body agrees that MERS may rely upon this Resolution as conferring signing authority upon the holders of the above job position(s) to bind Employer with respect to MERS.

Adopted at a regular/special meeting of the Governing Body on \_\_\_\_\_, 20\_\_\_\_\_.

Authorized signature (must be currently in a position named above): \_\_\_\_\_

Name: \_\_\_\_\_

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

Witness signature: \_\_\_\_\_

Witness name: \_\_\_\_\_

Witness title: \_\_\_\_\_

## MERS Uniform 457 Supplemental Retirement Program Resolution



1134 Municipal Way Lansing, MI 48917 | 800.767.2308 | Fax 517.703.9711

[www.mersofmich.com](http://www.mersofmich.com)

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.

## MERS Uniform 457 Supplemental Retirement Program Resolution

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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.

# MERS Uniform 457 Supplemental Retirement Program Resolution

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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: Branch Dist Lib

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

Dated: \_\_\_\_\_, 20\_\_\_\_ \_\_\_\_\_  
(Authorized MERS signatory)