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TO: Al Robinson, Chair
Ways & Means Committee

THROUGH: Robert E. Guenzel
County Administrator

FROM: Verna McDaniel
Human Resources Director

DATE: March 10, 1999

SUBJECT: Washtenaw County Employees Retirement System (WCERS) Ordinance
Amendment

BOARD ACTION REQUESTED

It is requested that the Board of Commissioners authorize two amendments to the Washtenaw County Employees Retirement System (WCERS) Ordinance to conform employee contribution rates to collective bargaining agreements and to conform policy payment of employee contributions to the Employees Retirement System and VEBA.

BACKGROUND

On February 1, 1948, the Washtenaw County Board of Commissioners adopted an ordinance "authorizing the establishment of the Washtenaw County Employees Retirement System under the authority of Section 12a of Act No. 156, of the Public Acts of 1851, as added by Act No 249 of the Public Acts of 1943, as amended.

DISCUSSION

This amendment contains two essential changes:

First, is to bring the ordinance into conformity with the collective bargaining agreements.

The amended modification is found in Section 43 Member Contributions – Amounts; Procedures.

Section 43. (a) Member contributions to the Retirement System **and/or the County's retiree health care VEBA Plan and Trust** shall be deducted from each member's paychecks and shall be the following percentage of the member's annual compensation.

(1) Benefit Group A. 5%

(2) Benefit Group B. (Reserved)

(3) Benefit Group C. 3% of 1st \$4,200 annual gross income and 5% thereafter

(4) Benefit Group D. 5%

Secondly, the amendment gives the Administrator authority to direct/redirect member contributions to VEBA and/or the Employees Retirement System allowing flexibility to fund all retirement systems at the necessary and appropriate levels.

Effective January 1, 1997, the County in its sole discretion shall direct member contributions to be credited to the Retirement System and/or the VEBA Plan and Trust. An individual's member contribution to the Retirement System shall be credited to that individual's accumulated member contributions.

(b) Continuation of employment by the member shall constitute consent and agreement to the deduction of the member contributions where applicable. Payment of compensation less the deduction shall be full and complete discharge of all claims and demands for compensation for personal service rendered the County.

(c) The person responsible to preparing the County payroll shall cause the member contributions to be deducted from the compensation of each member on each and every payroll. The deducted contributions shall be **when** paid to the Retirement System, and shall be credited to the members' individual accounts in the reserve for member contributions.

These modifications to the Plan are necessary to ensure that Washtenaw County, through the County Administrator shall have the ability to direct/re-direct contributions as necessary. This will allow the County the ability to fund all retirement systems at the necessary and appropriate levels.

IMPACT ON HUMAN RESOURCES

None.

IMPACT ON BUDGET

None.

CONFORMITY TO COUNTY POLICIES

This resolution conforms to Washtenaw County Policies & Procedures.

A RESOLUTION AUTHORIZING THE AMENDMENT TO THE WASHTENAW COUNTY EMPLOYEES RETIREMENT SYSTEM ORDINANCE SECTION 43 MEMBER CONTRIBUTIONS - AMOUNTS; PROCEDURES

WASHTENAW COUNTY BOARD OF COMMISSIONERS

MARCH 10, 1999

WHEREAS, the Washtenaw County Board of Commissioners approved the establishment of the Washtenaw County Employees Retirement System (WCERS) effective February 1, 1948; and

WHEREAS, additional amendments were made and authorized by the Washtenaw County Board of Commissioners effective January 1, 1994 restating the ordinance in its entirety; and

WHEREAS, this resolution amends the WCERS Ordinance to allow Washtenaw County, through the County Administrator, the necessary flexibility to direct contributions as necessary depending on union contracts and funding levels of other retirement systems; and

WHEREAS, this matter has been reviewed by Corporation Counsel, Finance, Human Resources, County Administrator's Office and the Ways & Means Committee

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby authorizes the amendment to the Washtenaw County Employees Retirement System Ordinance Section 43 Member Contributions - Amounts; Procedures to conform employee contribution rates to collective bargaining agreements, as attached hereto and made a part hereof

BE IT FURTHER RESOLVED that the Board of Commissioners hereby authorizes the amendment to the Washtenaw County Employees Retirement System Ordinance Section 43 Member Contributions - Amounts; Procedures to give the Administrator the authority to direct/redirect member contributions to VEBA and/or the Employees' Retirement System allowing flexibility to fund all retirement systems at the necessary and appropriate levels, as attached hereto and made a part hereof

BE IT FURTHER RESOLVED that the Board of Commissioners directs the Administrator to update the Washtenaw County Employees Retirement System Ordinance in compliance with this action to be filed with the County Clerk

AN ORDINANCE AMENDING SECTION 43 OF THE WASHTENAW COUNTY EMPLOYEES RETIREMENT SYSTEM TO PROVIDE COUNTY AUTHORITY TO DIRECT EMPLOYEE CONTRIBUTIONS TO THE RETIREMENT SYSTEM AND/OR TO THE VEBA PLAN AND TRUST, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF WASHTENAW

That Section 43 of the Washtenaw County Employees Retirement System Ordinance is hereby amended as follows:

Member Contributions – Amounts; Procedures.

Section 43. (a) Member contributions to the Retirement System **and/or the County's retiree health care VEBA Plan and Trust** shall be deducted from each member's paychecks and shall be the following percentage of the member's annual compensation.

(1) Benefit Group A. 5%

(2) Benefit Group B. (Reserved)

(3) Benefit Group C. 3% of 1st \$4,200 annual gross income and 5% thereafter

(4) Benefit Group D. 5%

Effective January 1, 1997, the County in its sole discretion shall direct member contributions to be credited to the Retirement System and/or the VEBA Plan and Trust. An individual's member contribution to the Retirement System shall be credited to that individual's accumulated member contributions.

(b) Continuation of employment by the member shall constitute consent and agreement to the deduction of the member contributions where applicable. Payment of compensation less the deduction shall be full and complete discharge of all claims and demands for

compensation for personal service rendered the County.

(c) The person responsible to preparing the County payroll shall cause the member contributions to be deducted from the compensation of each member on each and every payroll. The deducted contributions shall be **when** paid to the Retirement System, and shall be credited to the members' individual accounts in the reserve for member contributions.

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