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TO: Al Robinson, Chair
Ways & Means Committee

THROUGH: Robert E. Guenzel
County Administrator

FROM: Verna McDaniel
Human Resources Director

DATE: September 1, 1999

SUBJECT: Request to Amend the Washtenaw County Employees Retirement System (WCERS) Ordinance—Membership in Retirement System, Section 4

BOARD ACTION REQUESTED

Authorization to amend the Washtenaw County Employees Retirement System (WCERS) Ordinance to allow reentry of former members who are active Money Purchase Pension Plan participants.

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 is similar to the previous modification approved by the Board of Commissioners in November 19, 1997, Resolution No. 97-0264, which allowed non-union employees, who were former members of WCERS to reenter the Retirement System. There will be a new two-month window for non-union employees and other union employees as specified in their current collective bargaining agreement or by way of letter of understanding. The AFSCME Local 2733 unit contracts specify that their members will have from January 1, 2000 until June 30, 2001 for reentry into the Washtenaw County Employees Retirement System. This is incorporated by reference.

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IMPACT ON HUMAN RESOURCES

None.

IMPACT ON BUDGET

A special study was conducted by Gabriel, Roeder, Smith & Company on July 23, 1999 to determine the actuarial cost for this benefit. There does not appear to be an increase in liability as a percentage of payroll, primarily because the size of membership payroll increases. The Money Purchase Pension Plan employer liability is reduced by the number of members that elect to transfer plans.

CONFORMITY TO COUNTY POLICIES

This resolution conforms to Washtenaw County Policies & Procedures.

ATTACHMENTS

Results of the Actuarial study performed by GRS dated July 23, 1999.

Washtenaw County Employees' Retirement System Plan Document

A RESOLUTION AMENDING SECTION 4 - MEMBERSHIP IN RETIREMENT SYSTEM AND RESTATING SECTION 4. (b) OF THE ORDINANCE TO THE WASHTENAW COUNTY EMPLOYEES RETIREMENT SYSTEM TO ALLOW RE-ENTRY OF FORMER NON-UNION MEMBERS AND TO CONFORM TO APPLICABLE PROVISIONS OF STATE AND FEDERAL LAWS BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF WASHTENAW

WASHTENAW COUNTY BOARD OF COMMISSIONERS

SEPTEMBER 15, 1999

WHEREAS, the Washtenaw County Employees Retirement System was established on February 1, 1948 in order to provide pensions to certain employees; and

WHEREAS, the Washtenaw County Board of Commissioners has approved recent pension enhancements brought before the Board of Commissioners; and

WHEREAS, this ordinance amends the sections effected by these pension enhancement to the Washtenaw County Employees Retirement System; and

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

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners hereby adopts the following amendment to Section 4.(b) the Ordinance of the Washtenaw County Employees Retirement System to allow re-entry of former non-union members be it

ordained by the Board of Commissioners of the County of Washtenaw.

AN ORDINANCE AMENDING SECTION 4 MEMBERSHIP IN RETIREMENT SYSTEM AND RESTATING SECTION 4. (b) OF THE ORDINANCE TO THE WASHTENAW COUNTY EMPLOYEES RETIREMENT SYSTEM TO ALLOW RE-ENTRY OF FORMER NON-UNION MEMBERS AND TO CONFORM TO APPLICABLE PROVISIONS OF STATE AND FEDERAL LAWS BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF WASHTENAW:

That Section 4.(b) of the Washtenaw County Employees' Retirement System is hereby amended and restated in its entirety to read as follows:

(b) Any former member (vested or non-vested) who elected to withdraw from the membership of the Retirement System and is an active member in the Washtenaw County Money Purchase Pension Plan, shall have the option to reacquire membership in the Retirement System subject to the following:

- i. The individual must be employed in an included position;
- ii. An individual not represented by a collective bargaining association must submit a complete membership application to the Retirement System during the period January 1, 1998 through December 31, 1998 **November 1, 1999;**
- iii. An individual represented by a collective bargaining association must submit a complete membership application to the Retirement System during the period as provided pursuant to the applicable collective bargaining agreement;
- iv. The individual must pay to the Retirement System in a lump sum the total amount of accumulated contributions previously withdrawn by the individual from the Retirement System, if any;
- v. ***The individual must transfer all amounts standing to his/her credit in the Washtenaw County Money Purchase Pension Plan to the Retirement System. An individual must complete the appropriate documentation to authorize and effectuate said transfer of funds.***

Upon approval of the individual's application for membership by the Retirement Commission, (1) the individual shall become a member as of the first pay period 14 days following satisfaction of the foregoing requirements; (2) the member shall be credited with that amount of service credit previously forfeited; and (3) the member shall receive credit for the period of time

he/she was a member of the Washtenaw County Money Purchase Pension Plan. An individual who becomes a member of the Retirement System in accordance with this provision and has met the eligibility requirements for retirement may retire from the Retirement System no earlier than 30 days after becoming a member of the Retirement System.