

RESOLUTION

NO: 2022-12-188

LIVINGSTON COUNTY

DATE: December 12, 2022

Resolution Requesting Reallocation of Pension Assets Between Divisions – Fiscal Services

WHEREAS, Livingston County has been a participating municipality in the Municipal Employees' Retirement System of Michigan ("MERS"); and

WHEREAS, pursuant to Municipal Employees' Retirement Board requirements, since December 31, 1994, asset accounting is separate for each division, instead of aggregate for the entire municipality; and

WHEREAS, beginning in 2010, Livingston County adopted the MERS Hybrid pension plan for non-union new hires, and in the years following other division also adopted the Hybrid plan as it was bargained in with the unions; and

WHEREAS, Livingston County has chosen to pay pension payments to MERS by division, based on a blended rate charged as a percentage of payroll, rather than a fixed dollar monthly amount by division for closed groups, as a more consistent and equitable method to allocate pension charges to departments that have both DB and Hybrid employees; and

WHEREAS, the blended rate charges back to the departments a lower percentage of the employer share of costs for the DB program and a higher percentage of employer costs for the Hybrid program to reach the annual required contribution, which has naturally caused disparities to arise between the divisions in the County's MERS plan; and

WHEREAS, the blended rate does not in any way affect the employee share of contributions to any of the respective division plans; and

WHEREAS, the reallocation of assets between divisions does not affect the bottom-line funding status in the plan however reallocating the assets from overfunded plans to the surplus division will accelerate the funding of the unfunded plans; and

WHEREAS, continuing to focus on funding the pension liability in the plan, and anticipating an increase in the unfunded liability that is likely to occur in the upcoming year because of diminished investment earnings seen across the County this year, the Board of Commissioners wish to reallocate pension assets between certain over funded divisions to the Surplus division.

THEREFORE BE IT RESOLVED that the Livingston County Board of Commissioners, the governing body of Livingston County, a participating municipality as defined in the Municipal Employees' Retirement Act as recodified by Act No. 427 of Public Act of 1984, as amended, and as the employer, hereby requests MERS to reallocate the plan assets prior to December 31, 2022, which will enable the actuary to prepare the 2022 actuarial valuation with the assets transferred accordingly.

DIVISION NUMBER	DIVISION NAME	DECREASE IN EMPLOYER CONTRIBUTED ASSETS	INCREASE IN EMPLOYER CONTRIBUTED ASSETS
47030122	Sheriff Union after	(\$77,192)	
470301HA	Non-Union Employees	(\$1,333,690)	
470301HB	Court New Hires as of	(\$102,740)	
470301HC	Sheriff Union after	(\$813,313)	
470301S1	Surplus Division		\$2,326,935

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MOVED:
SECONDED:
CARRIED: