

**City of Williamston
Municipal Employees Retirement System of Michigan (MERS)**

Summary Annual Report to Members 2016

Dear Retirement System Member:

The retirement system, which is managed by Municipal Employees Retirement System of Michigan (MERS) is a financial program through which you and the City save together to help you meet your economic needs for retirement, disability or death.

MERS fiduciary duty to you is to supervise the general administration of the system and invest its assets.

We have prepared this summary report to give you a brief overview of the Retirement System and how it operates. We hope you will find it useful and informative. However, a summary cannot cover all the details of the system, which is governed by the provisions of the MERS plan and Union Contracts/Employee Policies. Additional information is available on the MERS website at [www. mersofmich.com](http://www.mersofmich.com).

Respectfully submitted,

Rachel Piner
Treasurer
City of Williamston

**City of Williamston
Municipal Employees Retirement System of Michigan (MERS)**

Contributions For:

Valuation Date	2016	2015	2014
Contribution Date	2018	2017	2016

Employer Contribution Rates as a Percentage of Active Member Payroll

AFSCME hired after 11/1/12

Normal Costs	8.24%	8.24%	8.76%
Amortization of Unfunded Liability	-0.96%	-1.23%	-0.44%
Phase in Provision	-0.05%	-0.08%	0.00%
Total Contribution Requirement	7.23%	6.93%	8.32%
Member Contribution-Average	0.00%	0.00%	0.00%
Computed Employer Rate	7.23%	6.93%	8.32%

Non-Union hired after 6/30/13

Normal Costs	7.18%	7.85%	7.01%
Amortization of Unfunded Liability	-0.03%	0.02%	-0.11%
Phase in Provision	-0.04%	-0.08%	0.00%
Total Contribution Requirement	7.11%	7.79%	6.90%
Member Contribution-Average	0.00%	0.00%	0.00%
Computed Employer Rate	7.11%	7.79%	6.90%

Employer Contribution as Flat Monthly Payment

AFSCME hired before 11/1/12

Normal Costs	1,273	1,277	1,565
Amortization of Unfunded Liability	2,324	1,939	1,210
Phase in Provision	-243	-324	0
Total Contribution Requirement	3,354	2,892	2,775
Member Contribution	4.75%	4.75%	4.75%

Police hired before 2/1/2009

Normal Costs	518	505	509
Amortization of Unfunded Liability	7,204	6,465	5,192
Phase in Provision	-405	-540	0
Total Contribution Requirement	7,317	6,430	5,701
Member Contribution	8.00%	8.00%	8.00%

Non-union hired before 6/30/13

Normal Costs	518	1,376	1,521
Amortization of Unfunded Liability	7,204	1,741	1,347
Phase in Provision	-405	-372	0
Total Contribution Requirement	7,317	2,745	2,868
Member Contribution	7.00%	7.00%	7.00%

City of Williamston
Municipal Employees Retirement System of Michigan (MERS)
Funded Status

	2016	2015	2014
AFSCME hired after 11/1/12			
Actuarial Accrued Liability	3,526	0	3,574
Actuarial Value of Assets	9,515	5,677	5,148
Unfunded	<u>5,989</u>	<u>5,677</u>	<u>1,574</u>
Funded Ratio	269.9%		144.0%

Non-Union hired after 6/30/13			
Actuarial Accrued Liability	21,201	7,537	3,811
Actuarial Value of Assets	22,352	8,733	4,495
Unfunded	<u>1,151</u>	<u>1,196</u>	<u>684</u>
Funded Ratio	105.4%	115.9%	117.9%

AFSCME hired before 11/1/12			
Actuarial Accrued Liability	1,529,381	1,473,349	1,340,978
Actuarial Value of Assets	1,133,807	1,136,173	1,117,474
Unfunded	<u>(395,574)</u>	<u>(337,176)</u>	<u>(223,504)</u>
Funded Ratio	74.1%	77.1%	83.3%

Police hired before 2/1/2009			
Actuarial Accrued Liability	1,512,129	1,499,506	1,429,484
Actuarial Value of Assets	585,632	598,466	618,287
Unfunded	<u>(926,497)</u>	<u>(901,040)</u>	<u>(811,197)</u>
Funded Ratio	38.7%	39.9%	43.3%

Non-union hired before 6/30/13			
Actuarial Accrued Liability	1,884,754	1,870,277	1,756,692
Actuarial Value of Assets	1,608,262	1,568,796	1,504,994
Unfunded	<u>(276,492)</u>	<u>(301,481)</u>	<u>(251,698)</u>
Funded Ratio	85.3%	83.9%	85.7%

City of Williamston
Municipal Employees Retirement System of Michigan (MERS)
Member & Retiree Data

	<u>Number</u>	<u>Annual Payroll *</u>	<u>Average Annual Benefit</u>	<u>Average Age</u>	<u>Average Benefit Service</u>
AFSCME hired after 11/1/12					
Active Employees	1	37,262		45.9	1.1
Vested Former Employees	0				
Retirees & Beneficiaries	0				
Non-Union hired after 6/30/13					
Active Employees	4	185,260		36.9	1.5
Vested Former Employees	0				
Retirees & Beneficiaries	0				
AFSCME hired before 11/1/12					
Active Employees	5	281,753		42.8	12
Vested Former Employees	0				
Retirees & Beneficiaries	11	103,084	9,371	69.4	
Police hired before 2/1/2009					
Active Employees	2	101,213		50.8	15.3
Vested Former Employees	1	14,855		50.4	12.3
Retirees & Beneficiaries	4	112,982	28,246	68.5	
Non-union hired before 6/30/13					
Active Employees	5	291,804		51	14.1
Vested Former Employees	2	17,512		53	4.5
Retirees & Beneficiaries	5	69,957	13,991	64.6	

*Annual payroll for active employees, annual deferred benefits payable for vested former employees, annual benefits paid for retirees and beneficiaries.

**City of Williamston
Municipal Employees Retirement System of Michigan (MERS)**

Investment Performance Net of Fees

1 Year	10.85%
3 Years	5.32%
5 Years	8.30%
7 Years	8.18%
10 Years	5.11%

System Administration & Investment Expenses

Administration	0.21%
Investment Expenses	<u>0.18%</u>
Total	<u><u>0.39%</u></u>

City of Williamston
Municipal Employees Retirement System of Michigan (MERS)

Assumed Rate of Returns		7.75%				
Projected Long-Term Wage Inflation		3.75%				
Smoothing Method		5 Years				
Actuarial Cost Method	Entry Age Normal Method					
Amortization Method	AFSCME hired after 11/1/12	Non-Union hired after 6/30/13	AFSCME hired before 11/1/12	Police hired before 2/1/2009	Non-union hired before 6/30/13	
Initial	10 years		23 years	16 years	23 years	
Gain/Loss	15 years		22 years	14 years	22 years	
Open or Closed Membership	Open	Open	Closed	Closed	Closed	
Health Care Inflation		5%				
Travel Report	N/A					