

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

**Summary Annual Report to Members 2017**

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	2017	2016	2015	2014
Contribution Date	2019	2018	2017	2016

Employer Contribution Rates as a Percentage of Active Member Payroll

**DIV HA: AFSCME hired after 11/1/12**

Normal Costs	8.24%	8.24%	8.24%	8.76%
Amortization of Unfunded Liability	-1.05%	-0.96%	-1.23%	-0.44%
Phase in Provision	-0.04%	-0.05%	-0.08%	0.00%
Total Contribution Requirement	7.15%	7.23%	6.93%	8.32%
Member Contribution-Average	0.00%	0.00%	0.00%	0.00%
Computed Employer Rate	7.15%	7.23%	6.93%	8.32%

**DIV HB: Non-Union hired after 6/30/13**

Normal Costs	7.69%	7.18%	7.85%	7.01%
Amortization of Unfunded Liability	-0.24%	-0.03%	0.02%	-0.11%
Phase in Provision	-0.03%	-0.04%	-0.08%	0.00%
Total Contribution Requirement	7.42%	7.11%	7.79%	6.90%
Member Contribution-Average	0.00%	0.00%	0.00%	0.00%
Computed Employer Rate	7.42%	7.11%	7.79%	6.90%

Employer Contribution as Flat Monthly Payment

**DIV 01: AFSCME hired before 11/1/12**

Normal Costs	1,051	1,273	1,277	1,565
Amortization of Unfunded Liability	2,584	2,324	1,939	1,210
Phase in Provision	-162	-243	-324	0
Total Contribution Requirement	3,473	3,354	2,892	2,775
Member Contribution	4.75%	4.75%	4.75%	4.75%

**DIV 02: Police hired before 2/1/2009**

Normal Costs	525	518	505	509
Amortization of Unfunded Liability	7,026	7,204	6,465	5,192
Phase in Provision	-270	-405	-540	0
Total Contribution Requirement	7,281	7,317	6,430	5,701
Member Contribution	8.00%	8.00%	8.00%	8.00%

**DIV 10: Non-union hired before 6/30/13**

Normal Costs	1,409	518	1,376	1,521
Amortization of Unfunded Liability	1,663	7,204	1,741	1,347
Phase in Provision	-186	-405	-372	0
Total Contribution Requirement	2,886	7,317	2,745	2,868
Member Contribution	7.00%	7.00%	7.00%	7.00%

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

	2017	2016	2015	2014
<b>DIV HA: AFSCME hired after 11/1/12</b>				
Actuarial Accrued Liability	8290	3,526	0	3,574
Actuarial Value of Assets	13378	9,515	5,677	5,148
Overfunded	5,088	5,989	5,677	1,574
Funded Ratio	161.4%	269.9%		144.0%
<b>DIV HB: Non-Union hired after 6/30/13</b>				
Actuarial Accrued Liability	32365	21,201	7,537	3,811
Actuarial Value of Assets	38826	22,352	8,733	4,495
Overfunded	6,461	1,151	1,196	684
Funded Ratio	120.0%	105.4%	115.9%	117.9%
<b>DIV 01: AFSCME hired before 11/1/12</b>				
Actuarial Accrued Liability	1572002	1,529,381	1,473,349	1,340,978
Actuarial Value of Assets	1140580	1,133,807	1,136,173	1,117,474
Unfunded	(431,422)	(395,574)	(337,176)	(223,504)
Funded Ratio	72.6%	74.1%	77.1%	83.3%
<b>DIV 02: Police hired before 2/1/2009</b>				
Actuarial Accrued Liability	1424332	1,512,129	1,499,506	1,429,484
Actuarial Value of Assets	592649	585,632	598,466	618,287
Unfunded	(831,683)	(926,497)	(901,040)	(811,197)
Funded Ratio	41.6%	38.7%	39.9%	43.3%
<b>DIV 10: Non-union hired before 6/30/13</b>				
Actuarial Accrued Liability	1976465	1,884,754	1,870,277	1,756,692
Actuarial Value of Assets	1694904	1,608,262	1,568,796	1,504,994
Unfunded	(281,561)	(276,492)	(301,481)	(251,698)
Funded Ratio	85.8%	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>
<b>DIV HA: AFSCME hired after 11/1/12</b>					
Active Employees	1	39,566		46.9	2.1
Vested Former Employees	0				
Retirees & Beneficiaries	0				
<b>DIV HB: Non-Union hired after 6/30/13</b>					
Active Employees	4	178,074		42.3	2.1
Vested Former Employees	1	1,133		33.8	1.5
Retirees & Beneficiaries	0				
<b>DIV 01: AFSCME hired before 11/1/12</b>					
Active Employees	4	224,991		40.9	10.5
Vested Former Employees	1	23,863		55.5	22.8
Retirees & Beneficiaries	10	100,601	10,060	69	
<b>DIV 02: Police hired before 2/1/2009</b>					
Active Employees	2	102,814		51.8	16.3
Vested Former Employees	1	14,855		51.4	12.3
Retirees & Beneficiaries	4	106,412	26,603	70.1	
<b>DIV 10: Non-union hired before 6/30/13</b>					
Active Employees	5	303,637		52	15.1
Vested Former Employees	2	17,512		54	4.5
Retirees & Beneficiaries	5	69,957	13,991	65.6	

\*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	13.20%
3 Years	7.45%
5 Years	8.67%
7 Years	8.03%
10 Years	5.56%

**System Administration & Investment Expenses**

Administration	0.19%
Investment Expenses	0.13%
Total	<u>0.32%</u>

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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	15 years	21 years	12 years	21 years
Open or Closed Membership	Open	Open	Closed	Closed	Closed
Health Care Inflation					
Travel Report	N/A				
	N/A				