

## RESOLUTION

36-2016

### **Employee Purchase of Years of Service**

WHEREAS, as a part of the County's Employee Benefits and Compensation System, the County has historically provided employees with an opportunity to participate in the County's Defined Benefit Pension Plan; and

WHEREAS, the County has closed the Defined Benefit Plan to new employees; and

WHEREAS, there are approximately 88 current employees that are enrolled in the Defined Benefit Plan; and

WHEREAS, based upon the County's most recent annual actuarial report and projections through 2016, the County's unfunded accrued liability for Pension Obligations and OPEB amounts to \$58.9 million; and

WHEREAS, due to the significant financial liabilities of the Defined Benefit and OPEB, it is prudent that the County ensure that decisions related to the financial health and stability of the organization are maintained; and

WHEREAS, the Michigan Employee Retirement System (MERS) permits employees to purchase years of service with approval of the local unit of government; and

WHEREAS, the County periodically receives requests from employees to purchase years-of-service through the MERS Defined Benefit Plan; and

WHEREAS, in the past, the County Board has considered requests of employees to purchase years-of-service on a case-by-case basis; and

WHEREAS, the County's Pension and OPEB liabilities are so significant that the County is undertaking significant financial and organizational realignments to become more fiscally sustainable; and

WHEREAS, it would not be financially responsible to incur additional costs to the County as a result of employees purchasing years-of-service as permitted by the MERS Defined Benefit Plan.

NOW THEREFORE IT BE RESOLVED, that the Board of Commissioners will not consider requests from employees to purchase years-of-service because it will increase the County's liability.

APPROVED: March 30, 2016