

Category: 200
Number: 225

Subject: **RETIREMENT FINANCING POLICY**

1. PURPOSE: The purpose of this policy is to:
 - 1.1 Formulate a written County Retirement Financing Policy which clearly defines how the Retirement Benefits are financed;
 - 1.2 Assure each employee that there are adequate reserves to pay their retirement when due;
 - 1.3 Accurately charge all funds and activities for their respective retirement costs;
 - 1.4 Identify and report the level of retirement system surpluses and deficits; and
 - 1.5 Communicate to County Elected Officials, Department Heads and the public the formal Retirement Financing Policy for the County of Gratiot.
2. AUTHORITY: Gratiot County Board of Commissioners.
3. APPLICATION: This policy applies to all County Employees and Elected Officials.
4. RESPONSIBILITY: The Administrator shall be responsible for the implementation of this policy.
5. DEFINITION(S): NONE
6. POLICY:
 - 6.1 The Annual Actuarial Report(s) shall be annually conducted and reviewed by the Administrator. The Administrator shall review the report with the Treasurer and others to ascertain the soundness of the MERS retirement system.
 - 6.2 It is the policy of the County of Gratiot that all County funds and activities shall be charged for their respective current retirement cost based on their employee roster at actuarially determined rates, pursuant to the latest actuarial report as approved and supplied to the County by the Municipal Employees Retirement System (MERS) or other actuary, as appropriate. Each fund and activity, as applicable, will receive an "advanced funding credit" for their proportioned share of any surplus, if any, held by MERS which MERS permits to be used to reduce current cash contributions to the retirement system.

- 6.3 The County Administrator shall review and monitor the funding levels of the various retirement funds and make annual reports and more frequent reports, if required, to the Board of Commissioners apprising them of the financial condition and recommend changes in programs or plans. The Administrator shall monitor the collection of all retirement funds.
- 6.4 It is the policy of the County of Gratiot that all County funds and activities shall be charged for their respective retirement cost based on their employee roster, only for employees in the Defined Contribution Plan, at percentages chosen by the employee. These percentages being 5% or 10% with the employee contributing 0% or 5%
7. ADMINISTRATIVE PROCEDURES: The Administrator's Office shall be responsible for developing, updating and implementing any associated administrative procedures not already stated in this policy.
8. ADMINISTRATOR LEGAL COUNSEL REVIEW: The Administrator has determined that this policy as submitted to the Board of Commissioners contains the necessary substance in order to carry out the purpose of the policy. The County Civil Counsel has determined that this policy as submitted complies with all applicable laws, rules and regulations.

Approved as to Substance:

Approved as to Legal Content:

Gratiot County Administrator

Gratiot County Civil Counsel