

**MINUTES OF
JACKSON COUNTY EMPLOYEES' RETIREMENT SYTEM**

Thursday, May 5, 2016
6th Floor Room 604

The May 5, 2016 Regular Meeting of the of the Jackson County Employee's Retirement System Board of Trustees was called to order at 8:30 a.m. by Chairperson Shotwell. The following Trustees were present: Best, Elwell, Huttenlocker, Johnson, Maurer, Shotwell, and Wandell. Absent: None. Also in attendance: Matt Augustine – Morgan Stanley; Stephanie Drumhiller – Pension Coordinator Assistant; Debby Gorz - Pension Coordinator; James Latham, Director of Finance; Richard Martonchik, Human Resource Manager; Michael Overton - Administrator and Jack Timmony – Vanoverbeke Michaud and Timmony.

Approval of Agenda:

MOTION: Moved by Best, supported by Elwell to approve the Agenda with the addition of Michigan Association of Public Employee Retirement Systems Delegates under 8A. Motion carried.

PUBLIC COMMENT: None

Francois Pieterse of Gabriel Roeder Smith & Company presented the Jackson County Employees' Retirement System 2015 Annual Actuarial Valuation Report to the Board.

MOTION: Moved by Best supported by Elwell to receive the 2015 Annual Actuarial Valuation as presented by Gabriel Roeder Smith & Company and to certify to the three employer units the employer contribution rates due effective January 1, 2017 per the Valuation. Motion carried.

MOTION: Moved by Maurer, supported by Best that the Board of Trustees of the Jackson County Employees' Retirement System confirms that the System provides for payment of the required contribution on page A-2 as described in Section 20m of Michigan Public Act No. 314 of 1965, as amended by Public Act No. 728 of 2002 and adopts the contribution rates in the actuarial report for the fiscal year beginning January 1, 2017. Roll call vote. Motion carried unanimously, 7 – yes.

MOTION: Moved by Best, supported by Elwell to approve the transfers from the Reserve for Employer Contributions to the Reserve for Retirement Benefit Payments in the amounts of \$11,084,827 for General County. \$ 1,746,972 for Medical Care Facility, and \$ 4,670,215 for Jackson County Department of Transportation as recommended by the Actuary on page A-5 of the December 31, 2015 Annual Actuarial Valuation. Roll call vote. Motion carried unanimously, 7 – yes.

MOTION: Moved by Maurer, supported by Elwell for ***Benefit Group Medical Care Facility*** interest rate is as provided in the applicable collective bargaining agreement for union employees and in the Bylaws, section 10.3, for non-union employees. For ***Benefit Group Jackson County Department of Transportation*** interest rate is as provided in the applicable collective bargaining agreement for union employee and in the Bylaws, section 10.3, for non-union employees. For ***Benefit Group General:*** Non-union Members enrolling on or after 2/17/2010 and union Members enrolling on or after 1/1/2010 will earn a minimum of 4.0% up to a maximum equal to the actual annual rate of return of the pension system minus 1.0%. Rate of return based on the asset summary from the annual actuarial valuation specifically the nominal rate of return on smoothed value as reported in the most recent received and approved actuarial report. Roll call vote. Motion carried unanimously, 7 – yes.

MOTION: Moved by Huttenlocker, supported by Maurer to receive the Minutes of March 24, 2016. Motion carried.

MOTION: Moved by Best, supported by Wandell to receive the Financials as presented by James Latham for March 2016. Motion carried.

Consent Agenda:

MOTION: Moved by Elwell supported by Huttenlocker to concur with the Consent Agenda:

- A. Comerica Bank Custodial Statements of Account for *March* (►)
- B. Purchase of Service
- C. Refunds of Contributions
- D. Distribution of DROP Balances
- E. Approve Application for Retirement
-Cindy Koski – Union, General, Effective 6/1/2016
- F. Approve Application(s) for entrance into the Deferred Retirement Option Plan (DROP):
-Mary Bendele – Union, General, Effective 6/1/2016
- G. Statements Paid
- H. Correspondence:
 - 1. *Clearbridge 1st Qrt 2016*
 - 2. *Polen Capital Article* (Reprinted from *Morningstar* magazine February/March 2016)
 - 3. *Robbins Geller Settlement/Monitor Rpt. (3/25/2016)*
 - 4. *House Bill No. 5438 Memorandum (4/6/2016)*
 - 5. *NWQ Investment Management Company 1st Qrt Review*
 - 6. *State Street Quarterly Investment Commentary*
 - 7. *State Street Forecasts 2nd Qrt 2016*
 - 8. *Calamos 1st Qrt 2016*
 - 9. *Class Action (4/20/16 In Re Merck & Co)*

Roll call vote. Motion carried unanimously, 7 – yes.

Policy Committee:

MOTION: Moved by Shotwell, supported by Maurer to approve Policy #11; Refund of Accumulated Contributions:

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
POLICY RESOLUTION**

Adopted: October 25, 2007
Reviewed: February 26, 2015
Amended: September 24, 2015
Reviewed: May 5, 2016

Re: Refund of Accumulated Contributions

WHEREAS, the Board of Trustees is vested with the authority and fiduciary responsibility for the proper administration, management, and operation of the Retirement System, and for interpreting and making effective its provisions, and

WHEREAS, the last sentence of Article 16, Section 16.3 of the Retirement System Rules provides: "The former member shall furthermore be informed that his/her failure to request a refund may ultimately result in said funds being escheated to the State of Michigan", and

WHEREAS, according to the May 26, 1995, minutes of the regular meeting of the Retirement Board of Trustees, the Board received information that the principal amount of employee contributions together with interest thereon must escheat to the State of Michigan when unclaimed, such information having been provided pursuant to a state statute which the Michigan legislature has since repealed, and

WHEREAS, this matter has been discussed with legal counsel to the Retirement System, who has informed the Retirement Board of Trustees that, the Escheat Code has been repealed and replaced by the Uniform Unclaimed Property Act (Public Act 29 of 1995; “the Act”). MCL §567.221 et seq.; it is this law that applies to the funds held by the Retirement System, and

WHEREAS, there is no requirement that unclaimed employee contributions and interest thereon escheat to the State of Michigan; rather, it is entirely appropriate for said funds to remain Retirement System assets, and that the funds transfer to the pension reserve fund when unclaimed after a determined period of time, and

WHEREAS, the Board of Trustees is desirous of abolishing Article 16 of the Retirement System Rules, and further desires to replace it with this Policy Resolution and to provide that unclaimed accumulated contributions become assets of the Retirement System after a certain period of time, therefore it is

RESOLVED, that Article 16 of the Retirement System Rules be and the same is hereby abolished, and it is further

RESOLVED, that it is the Policy of the Retirement System concerning Refunds of Accumulated Contributions as follows, effective as of the date of this Policy Resolution:

REFUNDS OF ACCUMULATED CONTRIBUTIONS

Refunds of Accumulated Contributions shall be submitted for approval by the Board of Trustees at the first regular meeting following receipt of the *Application for Refund of Accumulated Contributions* in the Retirement Office. Following approval by the Board, vouchers shall be submitted to the Custodian for payment.

An individual who ceases to be a Member of the Retirement System, for any reason other than retirement or death, prior to satisfying the applicable age and service requirement for retirement provided in Section 8 of the Bylaws or in the applicable collective bargaining agreement at the time, shall be notified of the former member's entitlement to a refund of the former member's accumulated contributions plus interest standing to the former member's credit at the time. Additionally, the Retirement System shall inform the former member of the option to elect that the taxable portion of the refund be rolled over to a qualified plan as the applicable Internal Revenue Service rules define the term “qualified plan,” and of the Retirement System's obligation to withhold 20% of the taxable portion of any refund for federal income tax purposes if not rolled over to a qualified plan. The Retirement System shall further inform the former member within 60 days upon notice to the Retirement System of Employment termination that the failure to request a refund of accumulated contributions plus interest will result in the funds being forfeited to the Retirement System upon the expiration of six years after the Retirement System first notifies the former member of entitlement to the refund.

If the former member or the former member's beneficiary does subsequently request a refund of the former member's contributions, the amount forfeited shall be reinstated. However, no interest will be credited on these amounts following the date of forfeiture.

and it is further

RESOLVED, that Pension Office staff shall notify terminated employees within 60 days of their leaving employment of the requirements for requesting a refund or transfer of their eligible contribution amount, and that the Pension Coordinator shall report annually to the Board of Trustees regarding former member contributions that have been forfeited to the Retirement System and/or reinstated.

RESOLVED, that copies of this Policy Resolution be forwarded to: (a) the applicable and appropriate County and Union representatives; (b) Members upon request or application for Refund of Accumulated Contributions; and, (c) the Retirement System Actuary, Legal Counsel, and Custodian Bank.

RESOLVED, that a copy of this Resolution be posted on the Jackson County Employees' Retirement System webpage in the normal manner.

Roll call vote. Motion carried unanimously, 7 – yes.

MOTION: Moved by Elwell, supported by Huttenlocker to approve Policy #14; Administrative Hearings and Appeals Procedure:

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
POLICY RESOLUTION**

Re: Administrative Hearings and Appeals Procedures

Adopted: February 28, 2008

Reviewed: May 5, 2016

WHEREAS, the Retirement Board of Trustees ("Board") is vested with the general administration, management and operation of the Retirement System and for making effective the provisions thereof, and

WHEREAS, at times Retirement System Members submit requests for certain matters which the Board of Trustees considers from time to time, and

WHEREAS, it is consistent with the concept of due process of law for the Board to establish Administrative Hearings and Appeals Procedures, and

WHEREAS, it is the policy of the Board of Trustees to provide a fair administrative review process, therefore it is

RESOLVED, that the following Administrative Hearings and Appeals Procedures are hereby established and implemented.

I. Hearings

- A. All hearings before the Board shall be conducted in accordance with these procedures. The Board shall serve as a quasi-judicial body in all such hearings.
- B. The Board may schedule an administrative hearing for review and consideration of any matter before the Board.
- C. The Pension Coordinator shall notify a benefit claimant in writing within 30 days of a denial of a claim for such benefits by the Board. The notification shall contain the basis for denial.

II. Request for Hearings

- A. A benefit claimant may appeal the denial of claim for benefits and request an appeal hearing before the Board. The Appeal shall be in writing and filed with the Pension Coordinator within 90 days of the date of notification of denial.
- B. The request for appeal shall be in writing to the Board. The request shall include the member's, retirant's or beneficiary's full name, address and contain a statement of the claimant's reasons for believing the denial to be improper.

III. Notice / Place of Hearing

- A. Any member, retirant or beneficiary requesting a hearing shall be given an opportunity for hearing which shall be scheduled by the Board within 60 days of receipt of the request for appeal.

B. Unless otherwise specified, the hearing shall be held at the normal meeting place of the Board.

C. Notice of any hearing scheduled by the Board shall be by certified mail to all appropriate parties at least two weeks prior to the date of the hearing.

IV. Representation of Parties

A. Any member, retirant, or beneficiary may be represented by an attorney or other representative or may appear in person. A representative with appropriate authority may appear in the absence of the interested party.

B. A representative of a party shall be deemed to control all matters respecting the interests of that party in the proceedings.

C. The Board's legal counsel shall be present during any appeal to the Board.

V. Defaults

A. If a party fails to appear at the hearing after service of notice by certified mail, the Board, if no adjournment was granted, may proceed with the hearing and make its decision in the absence of the party.

VI. Adjournment / Continuance

A. No hearing shall be adjourned or continued, except upon approval of the Board. All motions and requests for an adjournment, or continuance, shall be accompanied by a statement of the reasons therefor. No motion or request for an adjournment or continuance will be considered unless same is filed with the Board at least five days prior to the date assigned for the hearing, except that the Board may accept such request during a hearing or may waive the five day notification if proper showing is made that for reasons not within the control of the person or parties making the motion or request, the motion or request could not be filed within same time limit.

VII. Evidence

A. The petitioner and representative of the Board shall be given an opportunity to present oral and written arguments and an opportunity to present evidence on issues of fact. Written arguments shall be given to the Board at least 10 days in advance of the hearing.

B. A petitioner or representative of the Board may cross-examine witnesses and may submit rebuttal evidence.

C. In a hearing the rules of evidence as applied in a non-jury civil case in circuit court shall be followed as far as practicable, but the Board may admit and give probative effect to evidence of a type commonly relied upon by reasonably prudent individuals in the conduct of their affairs. Irrelevant, immaterial or unduly repetitious evidence may be excluded. Effect shall be given to the rules of privilege recognized by law. Objections to offers of evidence may be made and shall be noted in the record,

D. Evidence at a hearing, including records and documents in possession of the Board of which it desires to avail itself, shall be offered and made a part of the record.

E. Hearings shall be recorded, but need not be transcribed, unless requested by a party who shall pay for the transcription of the portion requested except as otherwise ordered by the Board.

VIII. Factfinder [Optional]

- A. The Board may appoint an attorney factfinder to make finding of fact surrounding the question(s) in dispute. The factfinder shall be a disinterested, neutral person appointed by Board resolution based upon a list of names considered by the Board. The factfinder will report his/her findings to the Board in written form for final deliberation and decision.
- B. The factfinder will base the factual determinations on any and all of the following:
 - 1. Testimony of the parties or their witnesses
 - 2. Documentary evidence
- C. The conclusions of fact made by the factfinder may not be conclusive and on good cause shown, be subject to rebuttal at final hearing by the Board.
- D. Factfinder will record the proceedings.

IX. Official Notice of Facts

The Board may take official notice of judicially cognizable facts, and may take notice of general, technical, or scientific facts within the Board's specialized knowledge.

X. Presiding Officer

The Chairperson shall be the presiding officer in the hearing. In the Chairperson's absence, the Board shall designate a presiding officer from the Board members present. Hearings shall be conducted in an impartial manner.

XI. Presiding Officer's Power and Duties

- A. A presiding officer may do all of the following:
 - 1. Administer oaths and affirmations.
 - 2. Sign and issue subpoenas in the name of the Board, requiring attendance and giving of testimony by witnesses and the production of books, papers, and other documentary evidence.
 - 3. Provide for the taking of testimony by deposition.
 - 4. Regulate the course of the hearings, set the time and place for continued hearings, and fix the time for filing documents.
 - 5. Direct the member, retirant, or beneficiary to appear and to confer with representatives of the Board to consider simplification of the issues.
- B. The presiding officer or his/her designee shall notify the member, retirant, beneficiary, or his/her representatives of any continuance to the hearing granted pursuant to this section.

XII. Final Decisions

A final decision or order of the Board in a hearing shall be made, within a reasonable period, in writing and based upon the Plan provisions applicable to the Member's, Retirant's or Beneficiary's claim. A decision or order shall further be made upon consideration of the record as a whole or such portion thereof as may be cited by any party to the proceedings and as supported by and in accordance with the competent material and substantial evidence. A copy of the decision or order shall be delivered by certified mail within seven days of its entry to the member, retirant, beneficiary or his/her representatives.

XIII. Rehearing / Review

A. The Board may order a rehearing in a contested case on its own motion or on request of a party.

B. A request for a rehearing shall be filed within 15 days after the date of mailing notice of the final order of the Board. A rehearing shall be noticed and conducted in the same manner as an original hearing. The evidence received at the rehearing shall be included in the record for the Board reconsideration and for judicial review. A decision or order may be amended or vacated after the rehearing.

C. Findings of fact made by the Board acting within its powers shall, in the absence of fraud, be conclusive, but the Circuit Court for the county shall have the power to review questions of law involved in any final decision or determination of the Board; provided, that application is made by an appropriate superintending control/mandamus action, or by any other method permissible under the rules and statutes of such court or the laws of this state and to make such further orders in respect thereto as justice may require.

and it is further

RESOLVED, that a copy of this Resolution be posted on the Jackson County Employees' Retirement System webpage in the normal manner.

Roll call vote. Motion carried unanimously, 7 – yes.

MOTION: Moved by Johnson, supported by Best to approve Policy #22; Committee Structure:

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
POLICY RESOLUTION**

Adopted: November 19, 2015

Adopted: May 19, 2015

Reviewed: May 5, 2016

Re: Committee Structure

WHEREAS, the Jackson County Employees' Retirement System (JCERS) Board of Trustees is vested with the general administration, management and proper operation of the Retirement System, and for construing and making effective provisions of the Retirement System, and

WHEREAS, the Board of Trustees shall adopt its own rules of procedure and shall keep a record of its proceedings, now therefore be it

RESOLVED, that the Board of Trustees hereby formalizes its committee structure as follows:

1. The primary duty of each committee is accomplishing an assigned purpose on behalf of the JCERS Board.
2. Standing committees will include the Investment Manager Review Committee and the Policy Committee. Other committees may be established by the Board on a temporary or permanent basis.
3. Committee meetings will be in accordance with the Open Meetings Act.
4. Committees will make recommendations to the Board based on JCERS Bylaws, collective bargaining agreements, JCERS Policies, and applicable laws.
5. Committees will make recommendations to the Board with action solely the responsibility of the Board of Trustees.
6. The Board Chair will appoint a Trustee to Chair a committee, and appoint Trustees to serve on a committee based on the Trustee's committee preference.
7. Minutes will be recorded for each committee meeting and included in the Board Agenda for the next regularly scheduled Board meeting.
8. Responsibilities of Standing Committees are as follows:

- a. **The Investment Manager Review Committee** shall perform regular due diligence and in-depth performance reviews for each Investment Manager employed by the JCERS Board. The JCERS Statement of Investment Objectives, Policies and Guidelines shall be followed.

The JCERS Investment Consultant shall attend Investment Manager Review Committee meetings to assist with coordinating Investment Manager Reviews. The JCERS Board shall be informed of the committee's findings.

The Investment Review Committee shall establish an Investment Manager review schedule and shall inform the Investment Consultant of the kinds of information to be assembled for the committee's review. The committee's review shall include, but not be limited to, the following:

- The Investment Manager's investment performance quarterly reports;
- How the Manager's performance compares with a representative peer group of Managers of similar investment style;
- Compliance with agreed upon Manager investment objectives, and
- Review of any organizational changes or change to the Manager's investment process.

The committee may make recommendations to the JCERS Board that an Investment Manager be placed on watch or terminated. The decision to terminate or hire an Investment Manager shall be made by the JCERS Board.

- b. **The Policy Committee** shall review current Board Policies, recommend new policies, and write policies requested by the Board.

Legal counsel to the Retirement System will attend Policy Committee meetings to provide insight and recommendations to the committee as necessary.

And it is further

RESOLVED, that a copy of this Resolution be posted on the Jackson County Employees' Retirement System webpage be posted in the normal manner.

Roll call vote. Motion carried unanimously, 7 – yes.

MOTION: Moved by Johnson, supported by Best to approve Policy #23; DROP Participant Ineligible to Service as Retirement System Trustee:

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
POLICY RESOLUTION**

Adopted: April 22, 2010
Amended: May 5, 2016

Re: DROP Participant Ineligible to Serve as Retirement System Trustee

WHEREAS, the Retirement Board of Trustees ("Board") is vested with the general administration, management and operation of the Retirement System and for making effective the provisions thereof, and

WHEREAS, Section 27.2. of the Retirement System Bylaws provides for the composition of the Board of Trustees as follows:

- a. Three members who shall be appointed by the Chairperson of the Jackson County Board of Commissioners. No less than two of the appointees by the Chairperson shall be members of the Jackson County Board of Commissioners. The third appointee must be a member of the Jackson County Retirement System and not be a commissioner;
- b. Three members, two union and one non-union, covered by the Jackson County Retirement System who shall be elected by the Members employed by the Employers

participating in the System. No more than one shall be from any one County department, and;

c. An elector of Jackson County who is neither a Member, Retirant nor Beneficiary of the Retirement System, shall be appointed for a one-year term by mutual agreement of the three representatives elected by Member employees and the three representatives appointed by the Chairperson of the Board of [County] Commissioners. Such appointment shall be made annually with the term commencing July 1st or within sixty days of any vacancy in such position.

and

WHEREAS, Section 10.3. of the Bylaws provides for a Deferred Retirement Option Plan (“DROP”), and

WHEREAS, the Board of Trustees notes that Section 10.3.f. of the Bylaws provides in pertinent part: “A member who elects to participate in the DROP is considered to have terminated active service on the effective date of the member’s DROP election *for purposes of computing and providing service pension benefits and for purposes of computing and providing death benefits under Section 16 or 17 of the bylaws*” [emphasis added], and

WHEREAS, the Board of Trustees further notes that Section 10.3.k. of the Bylaws provides in pertinent part: “A member who has made a DROP election is classified as retired”, and

WHEREAS, Section 3.1. of the Bylaws defines “member of the Retirement System” as “An individual who is employed by the County for personal service in a membership position”, and further provides at Section 3.3.: “A member who ceases to be employed in a membership position shall thereupon cease to be a Member.”, and

WHEREAS, there exists a past practice of DROP participants not being eligible to serve on the Board of Trustees, now therefore it is

RESOLVED, that the Board of Trustees interprets the provisions of the Retirement System Bylaws to prohibit a DROP Participant from serving on the Board of Trustees, and it is further

RESOLVED, that a copy of this Resolution be posted on the Jackson County Employees’ Retirement System webpage in the normal manner.

Roll call vote. Motion carried unanimously, 7 – yes.

MOTION: Moved by Johnson, supported by Best to approve Policy #24; Deferred Retirement Option Plan (DROP) Procedure:

**JACKSON COUNTY EMPLOYEES RETIREMENT SYSTEM
POLICY RESOLUTION**

Adopted: October 28, 2010

Re: Deferred Retirement Option Plan (DROP) Procedure

Amended: May 5, 2016

WHEREAS, the Retirement Board of Trustees of the Jackson County Employees Retirement System is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

WHEREAS, the Retirement System provides benefits in accordance with the applicable provisions of the County Pension Plan Act (MCL 46.12a et seq.), the Retirement System’s Bylaws, collective bargaining agreements, and state and federal law, and

WHEREAS, the Board is in receipt of collective bargaining agreements that have amended the established Deferred Retirement Option Plan (“DROP”) for each bargaining unit, and

WHEREAS, the Board is of the opinion that the establishment of a formal policy with respect to the administration of the DROP, and in particular the crediting of interest to DROP Accounts, is in the best interest of the Retirement System, therefore be it

RESOLVED, that the Board shall administer the DROP consistent with the following:

1. A member shall submit an application in writing to the Board requesting to participate in the DROP. The Member must have filed with the Pension Coordinator prior to the desired effective retirement written application for retirement setting forth the desired effective retirement date.
2. The Board, upon receipt of the application, shall verify the member's eligibility for the DROP and calculate the appropriate benefit amounts based upon the compensation and benefit provisions in effect as of the member's effective DROP date.
3. Upon receipt of the estimated benefit report, DROP participants are required to elect a form of retirement (i.e., Straight Life, Option A, Option B, etc.)
4. The DROP participant may elect to continue to make employee contributions. Such contributions will be made based upon the rate in effect at the time of the election. The employee contributions will also accrue directly to each participant's DROP account. The Board will continue to recognize the payroll of DROP participants for actuarial funding purposes.
5. On the effective DROP date, membership in the Retirement System shall cease and the individual shall become a DROP Participant.
6. The Retirement System shall establish a DROP account for each participant in which the participant's monthly benefit shall be credited. A participant's DROP account shall be credited with interest at the interest rate in effect for the employee group.
 - a. Benefit Group Medical Care Facility interest rate is as provided in the applicable collective bargaining agreement for union employees and in the bylaws, section 10.3, for non-union employees.
 - b. Benefit Group Jackson County Department of Transportation interest rate is as provided in the applicable collective bargaining agreement for union employee and in the bylaws, section 10.3, for non-union employees.
 - c. Benefit Group General: Non-union Members enrolling on or after 2/17/2010 and union Members enrolling on or after 1/1/2010 will earn a minimum of 4.0% up to a maximum equal to the actual annual rate of return of the pension system minus 1.0%. Rate of return based on the asset summary from the annual actuarial valuation specifically the nominal rate of return on smoothed value as reported in the most recent received and approved actuarial report.

The interest is to be credited to the individual accounts on 12/31 of each year, and following the final DROP payment credited to the account when the DROP participant exits the DROP. The Board shall provide each DROP participant with an annual statement.

7. The DROP Interest Rate based upon the Nominal Rate of Return in the Actuarial Valuation will become effective each year on the first of the month after the Retirement Board receives and approves the Annual Actuarial Valuation.
8. DROP participation may not exceed three (3) years from the effective DROP date. Upon termination of employment, death or disability the participant shall cease to be a participant in the DROP.
9. Upon termination of DROP participation, the individual may commence receipt of monthly retirement benefit. The monthly retirement benefit shall be in the amount previously credited to the DROP account.
10. Upon termination of DROP participation, the individual may begin to receive payments from the participant's DROP account in accordance with the DROP. The individual must make an election within 30 days of separation of employment to receive a payment from the individual's DROP Account, and may do so in the form of one of the following distributions: (1) a total lump sum distribution to the recipient; (2) a lump sum direct rollover to another qualified plan to the extent

- allowed by Federal law and in accordance with the Retirement System's rollover procedures; or
(3) a combination of a partial lump sum distribution to the recipient and direct rollover.
11. In the event of participant's duty-related disability or death, the individual's participation in the DROP may be revoked in accordance with the DROP.

RESOLVED, that benefits be paid consistent with the provisions of the DROP, and further

RESOLVED, that participation in the DROP must be approved by the Board and the Board shall resolve any disputes with respect to benefits under the DROP, and further

RESOLVED, that the application for DROP participation shall be made via a form approved by the Board of Trustees, and further

RESOLVED, that by making the election, the member fully acknowledges and agrees that the election to participate in the DROP is irrevocable; except as specifically provided for in the DROP program in instances of duty-related disability or death, and further

RESOLVED, that a copy of this resolution shall be forwarded to the appropriate County and Union representatives.

RESOLVED, that a copy of this Resolution be posted on the Jackson County Employees' Retirement System webpage in the normal manner.

Roll call vote. Motion carried unanimously, 7 – yes.

MOTION: Moved by Johnson, supported by Best to approve Policy #27; HEART Act – Internal Revenue Code Compliance:

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
R E S O L U T I O N**

Adopted: November 15, 2012

Re: HEART Act – Internal Revenue Code Compliance

Reviewed: May 5, 2016

WHEREAS, the Board of Trustees is vested with the fiduciary responsibility for the administration, management and operation of the Retirement System and has the authority to make rules and regulations necessary for the proper conduct of the Plan, and

WHEREAS, the Retirement System is a governmental pension plan as defined in Internal Revenue Code ("IRC") Section 414(d), and is a qualified plan and trust pursuant to IRC Sections 401(a) and 501(a), and

WHEREAS, the Heroes Earnings Assistance and Relief Tax Act of 2008, amended Sections 401(a) and 414(u) of the IRC with regard to benefits payable to qualified Retirement System members entering active military service, and

WHEREAS, the Board of Trustees has a fiduciary duty to administer the Retirement System consistent with plan provisions and applicable law, including applicable provisions of the IRC and related authority to maintain the qualified status of the Plan, therefore be it

RESOLVED, that the Retirement System shall continue to be administered in accordance with Sections 401(a) and 414(u) of the IRC, as amended, and is hereby amended to incorporate the death benefits required by Section 104(a) of the HEART Act as follows:

Death benefits.

In the case of a death occurring on or after January 1, 2007, if a member dies while performing qualified military service (as defined in Code § 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.

and be it further

RESOLVED, that a copy of this Resolution be posted on the Jackson County Employees' Retirement System webpage in the normal manner.

Roll call vote. Motion carried unanimously, 7 – yes.

MOTION: Moved by Johnson, supported by Best to approve Policy #29; Service Retirement Policy and Procedure:

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
POLICY RESOLUTION**

**Adopted: June 27, 2013
Updated: August 28, 2014
Reviewed: May 5, 2016**

RE: Service Retirement Policy and Procedures

The purpose of this procedure is to outline the pension calculation process when a Member applies to receive retirement or disability pension, enter Deferred Retirement Option Plan (DROP), or request refund of accumulated contributions.

“Service Retirement Policy” information appears in text boxes; procedures to carry out the policy appear as lettered paragraphs.

1. Member completes and forwards to the Pension Coordinator an **Application for Retirement**. Pension Coordinator notifies the Board of Trustees of the Jackson County Employees' Retirement System (“Board of Trustees”). Members are to notify their employer of their intention to retire per applicable agreements or policy. The application will follow EDRO requirements.
2. A Member's intended retirement date must be at least 30 days, but not more than 90 days following submission of the application.
3. *A Member may be eligible for previously acquired credited service as an employee of another governmental unit. Documentation from a previous governmental unit is required. See Reciprocal Retirement Act Policy # 35 for more information.*
4. The Pension Coordinator will calculate the Member's estimated service credit, final average compensation, and accumulated contributions. This calculation is preliminary in nature and is subject to change upon the Member's effective retirement date.
 - a. The recognition of service credit will be made consistent with Public Act 156 of 1851, as amended (MCL 46.12a), the Retirement Ordinance, applicable collective bargaining agreements, Retirement Board policies/procedures, and applicable laws, specifically the Reciprocal Retirement Act, Public Act 88 of 1961, as amended (MCL 38.1101 et. seq.)
5. The Pension Coordinator will provide the Member an **Estimated Benefit Report** and **Explanation of Optional Forms of Payment of a Retirement Allowance**.
6. Upon receipt of the Estimated Benefit Report, the Member is required to elect a form of retirement (i.e., Option A, B, C, D, SL, PC, or G).
7. An **Option of Election Form** will be prepared by the Pension Coordinator according to the Member's Election. The Member will review the information, select the Option Election, and designate his or her beneficiary.
8. Members must notify the Board of Trustees of their form of benefit election prior to their effective retirement date. Once retired, retirants may not change their pension benefit election nor their beneficiary nomination, except as otherwise specified by applicable law (i.e. MCL 46.12a(31)).
9. After the Member's effective retirement date, his/her final retirement data will be processed and provided to the Retirement System's Actuary.

10. The Retirement System's Actuary will complete and forward the **Final Benefit Report** to the Pension Coordinator. This information will be used for the **Authorization for Monthly Retirement Benefit** approved by the Board of Trustees.

11. The Board of Trustees, at its next regular meeting following receipt of completed forms, will take formal action to commence payment of retirement benefits.

The Pension Coordinator will:

- A. Verify the Member is eligible for retirement according to the Retirement Bylaws, non-union policy, and applicable union contracts.
- B. Provide an estimate of pension benefits and explanation of optional forms of payment of a retirement allowance based on the Member's anticipated last paid day of employment. This estimate is given to the Member with the explanation it is an estimate only.
- C. Meet with the Member applying for retirement or disability pension.
- D. Instruct the Member to complete the **Application for Retirement Form** or **Disability Retirement Form**.

The Member will:

- E. Instruct the Pension Coordinator what Option of Election they have chosen.
- F. Sign the **Option of Election Form** verifying option and beneficiary chosen.

The Pension Coordinator will:

- G. Assign a Retirement Number for the Member.
- H. At the time of Application for Retirement and Option Election, verify identity and age by making a copy of the Member's birth certificate; driver's license, or both passport and social security card as an alternate form, and if applicable a copy of beneficiary birth certificate; driver's license, or both passport and social security card as an alternate form.
- I. Authenticate the Member's time of service by
 - a. sending a memo to the Member's employer requesting verification of the Member's name, effective retirement or DROP date, and years of service worked and purchased (if any), and
 - b. verify eligibility as documented in the employer's union agreements or non-union policies, and viewing the **Membership Form** that was completed when the Member was hired.

The Member will:

- J. Indicate agreement with the estimated benefit calculation and option chosen by signing the **Estimated Pension Benefits** report prior to the Member's name being placed on the Board Agenda for approval of retirement or DROP.

Authorization for Monthly Retirement Benefit

- K. After the Pension Coordinator receives **Receipt of Payment for Payroll Deposit** from the Treasurer's Office for each of the employers, and payroll information for the previous two weeks from each employer, she/he will import Jackson County Human Resources Payroll provided payroll data into the pension software. The Pension Coordinator will check that information verified by the employer (see I. above) is entered correctly in the pension software. Pension software calculates the Monthly Retirement Benefit. See Bylaws Section 10 for Amount of Retirement Allowance details.
- L. Pension Coordinator will send the Final Retirement allowance to the Retirement System's actuarial provider after the final Member's pay is imported to the pension software. The Actuary will confirm

the retirement amount, certify (signs) the final Retirement Allowance calculation, and return the certification to the Pension Coordinator.

M. Two of the Board's authorized signatories will sign the **Authorization for Monthly Retirement Benefit**. The original form will go in the Member's file and a copy will be given to the Member.

N. **Deferred Retirement Option Plan Election (DROP)**

The Member will complete the **Application for Retirement** per the above. The Member will sign the **Deferred Retirement Option Plan Election**. See Bylaw Section 10. The original form will be placed in the Member's file and a copy given to the Member. The Board will approve a list of "Application for Entrance into the DROP".

See also Lump Sum Distributions section below.

O. Should a Member have questions about the Estimated or Final Benefit calculation, the Member should first discuss the calculation with the Pension Coordinator. If a Member wants a review of the calculation, they may send a written request to the Board of Trustees within 10 business days after receipt of the **Authorization for Monthly Retirement Benefit**. The Board will review the request at the next regularly scheduled Board meeting.

Board Notification

P. The Pension Coordinator will notify the Board of Trustees about the following incidents at the next regularly scheduled meeting: applications for retirement, refund of contributions, DROP enrollment, DROP distribution, purchase of any service credit, repayment of previously withdrawn employee contributions for prior Jackson County employment, and requests for and verification of credited service from a preceding governmental unit. Special Board meetings may be convened if circumstances warrant Board approval prior to the regularly scheduled Board meeting.

The Human Resources Department may submit a list of the above applications to the County Administrator for County Board of Commissioners informational purposes.

12. The Retirement System will process pension payments on a monthly basis. Retirants should anticipate that pension benefits will be payable on the first of the month following one full month of retirement (Bvlaw Section 8 and Policv Resolution 16).

Q. **Authorization For Payment of Benefits**

Pension Coordinator will send the Retirement System's Fund Custodian (the bank) an **Authorization To Pay Retirement Benefits**. The authorization includes benefit starting date, retirement benefit option chosen, retirant birthdate, beneficiary birthdate (if applicable), employer group, insurance deduction (provided by the Member's Human Resources Department), the pension software calculated monthly non-taxable and taxable amounts.

R. **Confirming Calculations With Pension Payments**

Monthly the Pension Coordinator will:

- a. Confirm that Jackson County Treasurer's Office deposits to the pension program equal the amount needed for pension fund payments.
- b. Using monthly statements from the Retirement System's Fund Custodian, verify that deposits and pension software calculated amounts for monthly retirement benefit payments, refunds of accumulated contributions, and distribution of DROP account balances are correct. The Pension Coordinator will send a monthly **Retirement Benefits Paid** report to the Jackson County Finance Director.

13. The Member or Beneficiary must notify the Board of Trustees of any changes in retirement status (i.e., death or divorce).

S. **Annual Verification of Eligibility to Receive Retirement Benefits**

The Pension Coordinator will annually complete “Verification of Retiree and Beneficiary Data” by means of a letter mailed to all Retirees and Beneficiaries requiring written confirmation of benefit eligibility; see Policy Resolution 10.

Purchase of Service Credit

Members may request purchase of service credit, as allowed by Bylaws, union contracts, or nonunion personnel policies. The Member will contact their employer Human Resources department regarding purchase of service credit. Human Resources will calculate service credit cost. Human Resources will give the Pension Coordinator a copy of the purchase of service credit authorization, which will be signed by the Member and a witness. Pension Coordinator will verify the employee’s eligibility of said service credit.

After authorization is received, the Member will make arrangements with the Pension Coordinator and their employers’ Human Resources department to arrange for payment.

After authorization is received, the Member will pay for service credits by 1) giving a check to the Pension Coordinator, payable to the Jackson County Employees’ Retirement System, (see Deposit Procedure for deposit details); 2) a trustee-to-trustee transfer from an IRS Code Section 403(b) plan or an IRS Code Section 457(b) governmental plan or a rollover from such a plan or another qualified retirement account to the Jackson County Employees’ Retirement System; or 3) via payroll deduction during the allowed timeframe. When purchase of service credit is completed, the Pension Coordinator will verify completion of Member purchase of service credit using the Jackson County accounting system, update the pension software, and notify Human Resources.

If a Member terminates employment prior to full payment for purchased service credits, such Member shall receive service credits only for the amount actually paid for at the time of termination.

Lump Sum Distributions

Lump Sum Distributions (refund or DROP distribution) require a minimum 30-day notice. See Lump Sum Distribution Policy Resolution 26.

Refund of Accumulated Contributions

See Policy Resolution 11. Human Resources will instruct Members to complete an **Application for Refund of Accumulated Contributions** request. The request will be signed by the employee and Pension Coordinator. Employer payroll data will be imported by the Pension Coordinator to the pension software for refund calculation.

Two of the Board’s authorized signatories will sign the **Authorization to Refund of Accumulated Contributions**.

Deferred Retirement Option Plan Election (DROP) Distribution

The Member will complete a **DROP Application for Refund of Accumulated Contributions and Distribution**. Two of the Board’s authorized signatories will sign the application. The original will go in the Member’s file and a copy will be given to the Member.

RESOLVED, that a copy of this Resolution be posted on the Jackson County Employees’ Retirement System webpage in the normal manner.

Roll call vote, Motion carried unanimously, 7 – yes.

MOTION: Moved by Elwell, supported by Johnson to approve Policy #39; Purchase of Universal Service Credit and Prior County Service Credit and Non-Intervening Military Service Credit:

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
POLICY RESOLUTION**

**Re: Purchase of Universal Service Credit and
Prior County Service Credit and Non-Intervening Military Service Credit**

Adopted: May 5, 2016

WHEREAS, the Board of Trustees of the Jackson County Employees' Retirement System is vested with the authority and fiduciary responsibility for the administration, management and operation of the Retirement System, and

WHEREAS, the Retirement System provides benefits in accordance with the County Pension Plan Act MCL 46.12a, the Jackson County Employees' Retirement System Bylaws, collective bargaining agreements, and state and federal laws, and

WHEREAS, certain Members of the Retirement System, pursuant to the terms of the Retirement System Bylaws and collective bargaining agreements, are permitted to purchase universal service credit, prior qualifying service credit, and non-intervening military service credit if they so desire, and

WHEREAS, Members of the Retirement System, pursuant to the Retirement System Bylaws and federal law are allowed to purchase intervening military service credit pursuant to the provisions of The Uniformed Services Employment and Reemployment Rights Act of 1994, 38 USC section 4301 ("USERRA"), and

WHEREAS, the Board of Trustees is of the opinion that the establishment of a formal policy with respect to the administration of the purchase of service credit is in the best interest of the Retirement System, therefore be it

RESOLVED, that the Board of Trustees shall administer the purchase of service credit consistent with the following:

1. A Member shall submit an application in writing to the Retirement System requesting to purchase service credit. The Member shall make application prior to the Member's separation/termination of employment with the County.
2. Where the nature of the service credit to be purchased is that which was earned in prior governmental employment, the Member shall provide the Retirement System with appropriate documentation from the prior entity in support of such request. Service which may not be reasonably certified will not be eligible for purchase. It is the Member's responsibility to contact the former entity to obtain appropriate documentation in support of a request to purchase service.
3. The Retirement System, upon receipt of the application and supporting documentation, shall verify the amount of service time the Member may purchase. The Board shall be vested with the authority to determine what service constitutes eligible service.

"Military Service" [Bylaws Section 6]. Military service of Members who spent non-intervening time in the armed service of the United States as indicated as active service on the Member's military service separation papers (DD-214 or equivalent form) shall qualify for purchase.

"Prior County Forfeited Service"[Bylaws Section 4]. The service credit of Members who worked for Jackson County who previously forfeited such service credit and have since been re-employed by the County shall qualify for purchase.

"Universal Credited Service"[Bylaws Section 4]. Only eligible Members may purchase Universal Credited Service as defined in the Bylaws and applicable collective bargaining agreements.

4. A Member may purchase up to the applicable maximum amount of service credit as defined in the Bylaws and applicable collective bargaining agreements. For Universal Service Credit, the maximum shall be four (4) years. For Military Service Credit, the maximum shall be five (5) years pursuant to Article 6(1)(a) of the Retirement System's Bylaws.
5. Service shall not be creditable if it is or would be creditable under any other federal, state, or local publicly supported retirement system, but this restriction shall not apply to those persons who have or will have acquired retirement eligibility under the federal government for service in the Military Reserves.
6. In the event a Member served concurrently in more than one entity, the Member may not receive more than one month of service credit for each month of service.
7. Service which is concurrent with service rendered to the County and which is already credited in the Retirement System shall not be eligible for purchase.
8. For the purchase of Military Service, the purchase amount shall be calculated based upon the applicable percentage of full time compensation (i.e., base wage), multiplied by the number of years that the Member elects to purchase, up to the maximum number of years. Compensation shall be calculated as of the date the Member makes application to purchase the time. The applicable percentage for the purchase of Military Service shall be 5% of base wage. For the purchase of Universal Credited Service, the purchase amount shall be as stated in the Retirement System's Bylaws or applicable collective bargaining agreement.
9. In the event a Member elects to purchase the service credit in one lump-sum payment, payment must be made to the Jackson County Employees' Retirement System in the full amount within thirty (30) days of Board approval. Upon the Retirement System's receipt of the total purchase amount, the Member shall receive credit for said time.
10. In the event of separation from employment for reasons other than retirement, the former Member (or beneficiary as may be appropriate) may complete the purchase and pay all amounts due via a lump-sum payment within the original 30 day period or within 30 days following termination.
11. Members must make payment in full for all service credit purchased prior to their effective date of retirement. If a Member elects to purchase the service by way of payroll deduction, the purchase will be deemed complete once the total purchase amount has been paid, which must be within three years according to the following schedule:

<u>Cost of Service</u>	<u>Maximum Payment Completion Period</u>
0 - \$2,500	One Year
\$2,501 - \$5,000	Two Years
Above \$5,000	Three Years

- a. The Member must begin payroll deductions within thirty (30) days of Board approval. Members must indicate their elected method of payment on their application and their intention to use payroll deduction at least thirty (30) days before the date deductions are to begin.
- b. No interest shall be charged for making installment payments.
- c. The amount of payroll deduction shall not be less than the amount required to make payment in full within the schedule above.
- d. Service shall not be credited to the Member until payment has been received and acknowledged by the Retirement System.

- e. Once determined, the payment schedule cannot be changed. The Member must continue the payment schedule as calculated at the time of purchase; however, the Retirement System will accept a lump sum payment if such payment will satisfy the remainder of the balance of the purchase amount.
 - f. Payroll deductions will only be taken from bi-weekly payroll payments, and will not include special pays.
12. The Retirement System will accept direct trustee-to-trustee transfer of assets from an eligible IRS Section 401(a), 403(b), or 457 Plan for the purpose of purchasing service credit.
13. Non-intervening military service credit time which has been purchased shall not be credited towards the satisfaction of a Member's vesting requirement.
- Universal Service Credit time which has been purchased shall be credited towards the satisfaction of a Member's vesting requirement.
14. Payments made to the Retirement System for the purchase of service credit shall be made to the Retirement System trust fund and are final transactions, and may only be withdrawn upon termination of employment in the event the Member is not eligible for a retirement allowance. Purchases of service credit are irrevocable.
15. Members are herein advised that any assets transferred into the Retirement System from another qualified plan (such as described in Paragraph 12 above) for the purchase of service credit may not be withdrawn.
16. All purchases of service credit shall be reported to the Actuary and shall be included in future actuarial reports and determinations.

RESOLVED, all purchases of service credit must be approved by the Board and shall be contingent upon the Retirement System's receipt of all appropriate purchase amounts and requisite documentation, and further

RESOLVED, that the Board of Trustees shall determine the Member's eligibility and the amount of service eligible for purchase, and shall resolve any disputes with respect to amount of service claimed by the Member, and further

RESOLVED, that the application for the purchase of service credit shall be made via form(s) as approved by the Board of Trustees, and further

RESOLVED, that by making the election, the Member fully acknowledges and agrees to the terms and conditions of purchase and that the purchase of service credit is irrevocable, and further

RESOLVED, that a copy of this Resolution be posted on the Jackson County Employees' Retirement System webpage in the normal manner.

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
APPLICATION FOR PURCHASE OF SERVICE CREDIT**

**SECTION 1. TO BE COMPLETED BY MEMBER
AND SUBMITTED TO RETIREMENT SYSTEM**

I hereby apply to the Retirement System for the purchase of Service Credit pursuant to the terms and conditions provided by the Jackson County Employees' Retirement System Bylaws, as amended, and the applicable collective bargaining agreement.

Name: _____ Date of Birth: _____

Address: _____

Phone Number: _____

Department: _____ Position: _____

Collective Bargaining Unit: _____ Date of Hire: _____

I understand that all purchases of Service Credit are subject to satisfaction of the terms and conditions of the applicable collective bargaining agreement(s), Retirement System provisions, and the approval of the Board of Trustees. All purchases of Service Credit shall be contingent upon the Retirement System's receipt of all appropriate purchase amounts and requisite documentation. Attached please find a copy of my signed authorization to verify the records.

I have reviewed a copy of the applicable collective bargaining agreement provisions regarding the purchase of service credit and agree to its terms and conditions. I understand that by making this election, I fully acknowledge and agree that the purchase of the service credit is irrevocable. I further acknowledge that representatives of the Retirement System do not give financial or tax advice and that I have had an opportunity to consult with a professional advisor.

I hereby certify that the information submitted on this application is correct.

Member Signature

Member Signature

Date

NOTICE TO APPLICANT: The Pension Coordinator will inform you of the cost of purchasing your Service Credit.

SECTION 2. TO BE COMPLETED BY RETIREMENT SYSTEM ADMINISTRATOR

TYPE OF SERVICE:

___ Military Service (No more than 5 years may be purchased)

___ Prior County Forfeited Service

___ Universal Credited Service (No more than 4 years may be purchased)

Amount of Service to Be Purchased: ___ Years ___ Months

Amount of Member's Base Wage (Full-time Compensation) \$ _____

Amount of Member's Employee Contribution % _____

Cost of Purchase: \$ _____

Total Service:

I hereby certify that the above applicant is eligible to purchase service credit at the above calculated cost.

Pension Coordinator

SIGNATURE

SECTION 3. TO BE COMPLETED BY MEMBER
AND SUBMITTED TO RETIREMENT SYSTEM

I am in receipt of the cost calculations to purchase Service Credit and I hereby elect to purchase the Service Credit through the following payment method:

___ **Payroll Deduction.**

I request that the amount of \$_____ be deducted from my paycheck for each pay period until the cost of the purchase is paid in full, which shall be _____ of pay periods. I acknowledge that such payment shall be made in accordance with the Maximum Payment Completion Period contained in the Retirement System's Service Credit Purchase Policy at Paragraph 11.

___ **Single Lump-Sum Direct Payment.**

I request that _____ years _____ months _____ days be purchased by the lump sum payment of \$_____.

(Note: All lump-sum payments must be received within 30 days of notification by the Retirement System).

Please make checks payable to the:

Jackson County Employees' Retirement System

Direct Qualified Plan Transfer.

I request that _____ years _____ months _____ days be purchased by the direct transfer of \$_____ from the following Qualified Plan:

Name of Plan: _____
Account No.: _____
Address: _____

Plan's Federal Identification No.: _____
Type of Qualified Plan: 401(a): _____ 457: _____ 403(b): _____ Other: _____

In making this selection, I certify that the transferring plan is a qualified plan.

(Note: All direct qualified plan transfer payments must be received within 30 days of notification by the Pension Coordinator. It shall be the Member's responsibility to contact and coordinate the transfer of assets from the transferring plan to the Jackson County Employees' Retirement System.)

TRANSFERRING PLAN SHALL PROVIDE PRIOR WRITTEN NOTICE OF ANY TRANSFER AMOUNT TO:

Jackson County Employees' Retirement System
Attn: Board of Trustees
120 W. Michigan Ave., 7th Floor
Jackson, MI 49201

TRANSFERRING PLAN MAY FORWARD PURCHASE AMOUNTS TO:

Jackson County Employees' Retirement System
c/o Comerica Bank
for the benefit of: [APPLICANT'S NAME]
Routing Transit No.: _____
Account No.: _____

I have reviewed the Retirement System provisions regarding the purchase of Service Credit and agree to the terms and conditions. I understand that by making this election, I fully acknowledge and agree that the purchase of the Service Credit is irrevocable. I further acknowledge that representatives of the Retirement System do not give financial or tax advice and that I have had an opportunity to consult with a professional advisor.

Member Signature Date

SECTION 4. TO BE COMPLETED BY RETIREMENT SYSTEM

A payroll deduction in the amount of \$ _____ for each pay period will be deducted for _____ of pay periods totaling \$ _____ for the payment of _____ years _____ months _____ days of Service Credit.

A lump-sum payment of \$ _____ was received on _____ for the payment of _____ years _____ months _____ days of Service Credit.

A qualified plan transfer payment of \$ _____ was received on _____ for the payment of _____ years _____ months _____ days of Service Credit.

Retirement System Representative Signature Date

AUTHORIZATION FOR RELEASE OF RECORDS

To Whom It May Concern:

I authorize the Board of Trustees of the Jackson County Employees' Retirement System, or the Board's designated representative(s), to receive and review copies of information contained within my personnel records for purposes of verifying my prior employment history.

Signature of Member: _____

Print Name of Member: _____

Social Security Number: _____

Roll call vote. Motion carried unanimously, 7 – yes.

Legal Counsel:

Legal Counsel Jack Timmony discussed the Memorandum dated April 6, 2016 regarding House Bill No. 5438. HB 5438 proposes the enactment of a new law to be known as the “public employee retirement benefit calculation act” which would prescribe the compensation utilized to calculate pension benefits for employees of certain public employees. If enacted as proposed, would take effect on January 1, 2017. The provisions set forth in HB 5438 would not affect existing collective bargaining agreements in effect as of January 1, 2017.

Investment Manager Review Committee:

Trustee Bryan Huttenlocker presented a summary overview for the Investment Manager Review Committee from the March meeting. He reported the Committee discussed Calamos reporting it has done very well. He went on to say the Committee will continue the discussion including reallocating assets from the fixed income manager at the next meeting.

Morgan Stanley Wealth Management Update:

Matthew Augustine and Steve Lutenski of Morgan Stanley Wealth Management; shared comments and outlooks regarding the current markets.

Steve Lutenski reported as of 5/4/2016, the fund is valued at \$141,862,581.15 up \$2,250,331.94 from March 2016.

Matthew Augustine stated the market for February was down 15% YTD, but has since recovered the 15%. He reported the market will continue to be volatile because of the higher dollar and lower commodity prices.

MOTION: Moved by Elwell, supported by Johnson to elect Trustee Best and Trustee Huttenlocker as delegates to the 2016 Spring MAPERS Conference. Motion carried.

MOTION: Moved by Wandell, supported by Johnson to adjourn. Motion carried.

Chairperson Shotwell adjourned the meeting at 10:06 a.m.

Chairperson

Pension Coordinator