

# Actuarial Valuation Report

for

Lenawee County Board of Commissioners  
Retirement Income Plan

as of

January 1, 2014

Contract Number: PF 473



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# Actuarial Certification

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I have reviewed the calculations performed for this report. They are based on the participant data provided by Lenawee County Board of Commissioners, the plan provisions summarized herein, and asset information provided by MassMutual. While I have not independently audited the participant data I have checked it for reasonableness and believe it is consistent and comparable with data used in prior valuations.

Each prescribed assumption was applied in accordance with applicable law and regulations. Each other actuarial assumption is reasonable, in my opinion, taking into account the experience of the plan and reasonable expectations. All calculations were performed using generally accepted actuarial principles and procedures. To the best of my knowledge, the results presented in this report are complete and accurate and are consistent with all applicable laws.

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



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Richard A. Erickson, ASA, MAAA, MSPA, QKA, RFC<sup>®</sup>  
Enrolled Actuary No. 14-05483

April 14, 2014

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Date

# Executive Summary

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This Actuarial Valuation Report is submitted in conjunction with the January 1, 2014 plan anniversary and reflects the funded position of the plan as of that date. This Executive Summary and the pages that follow provide details regarding the determination of your contribution requirement.

## Analysis and Commentary

The Employer's cost for the 2014 Plan Year is \$1,122,311, or about 18.1% of covered salaries (employees under normal retirement age). This recognizes the change in the employee contribution rate for the Sheriff Deputy from 8.5% to 10.0% effective December 31, 2013. The cost for the 2013 Plan Year was \$1,453,090, or about 22.1% of covered salaries.

2013 was a good year for Plan assets. Assets returned approximately 14.7% on a market-value basis. Because assets are smoothed for funding purposes not all of this was immediately recognized so the return on an actuarial-value basis was approximately 12.0%. (See page 9 of this Report.) The expected return on assets is 8%. If assets had earned the expected rate of return in 2013 the market value on January 1, 2014, would have been about \$62,732,000 rather than the actual value of \$66,408,929. If not for this asset gain the Employer's cost for 2014 would have been \$1,321,000, or about 21.3% of covered salaries. So the favorable asset return last year lowered the Employer's 2014 contribution requirement by about \$198,700, or about 3.2 percentage points of covered salary.

The Plan's Actuarial Value of Assets covers approximately 78% (up from 74% last year) of the Plan's Present Value of Future Benefits and approximately 88% (up from 84% last year) of the Plan's Present Value of Accrued Benefits (the ASC 960, formerly FAS35, liability.) Using the Plan's Market Value of Assets rather than Actuarial Value of Assets these percentages are approximately 86% and 97%, respectively.

If you have any questions or would like any additional information, please do not hesitate to call.

Respectfully submitted,



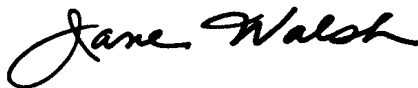
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April 14, 2014

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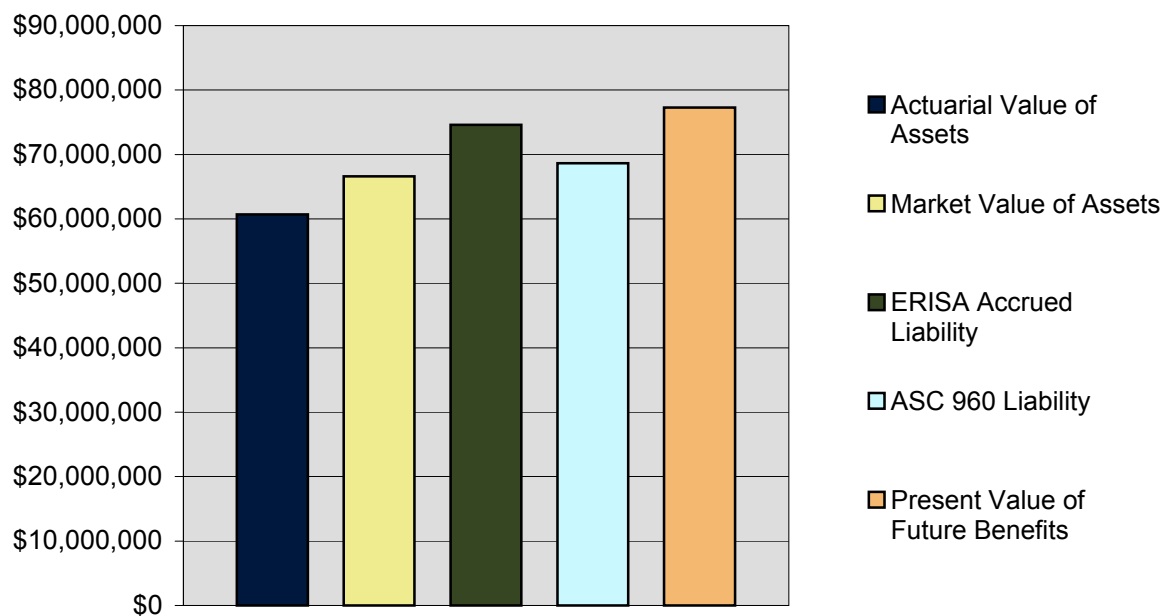
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April 14, 2014

Date

# Measures of Plan Liability and Assets

	ERISA Accrued Liabilities	ASC 960 Liabilities	Present Value of Future Benefits
Active	\$ 30,990,105	\$ 25,061,709	\$ 33,682,161
Terminated Vested	2,751,350	2,751,350	2,751,350
Retired	38,012,971	38,012,971	38,012,971
Disabled Receiving Benefits	1,081,117	1,081,117	1,081,117
Opt-Out Employees	1,749,519	1,749,519	1,749,519
<b>Total</b>	<b>\$ 74,585,062</b>	<b>\$ 68,656,666</b>	<b>\$ 77,277,118</b>
Actuarial Value of Assets:	\$ 60,711,980		
Market Value of Assets:	\$ 66,591,408		



# Measures of Plan Liability and Assets

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## Liability Measurement

Before comparing and contrasting different measures of Plan liability, it is first necessary to briefly discuss how liability is measured. In order to measure any pension plan liability, assumptions must be made pertaining to what may happen in the future. Two important assumptions are the interest rate and the mortality assumptions.

The interest assumption determines the time-value of money. In other words, it determines how much is needed today to grow to a given amount at some time in the future. A pension plan's liability consists of promises to pay benefits at some time in the future, so a measure of that liability is how much money is needed today to provide for those promised benefits in the future.

The mortality assumption predicts how long a participant will live. Since retirement benefits are generally paid for the participant's life, the mortality assumption predicts how long retirement benefits will be paid.

For some purposes, the value of annuities that have been purchased for non-highly compensated employees must be included in the liability measurement.

## Asset Measurement

Actuarial Value of Assets is the asset value used in the determination of the plan's contribution requirements, maximum tax-deductible limits and the plan's funded status. It is either equal to the Market Value of Assets or an average of market values. Please see the Funding Methods section of this Report for a description of the method used to determine the Actuarial Value of Assets.

Either value includes contributions that have been made after the valuation date for the prior Plan Year.

## Present Value of Future Benefits

This is the liability associated with the promise to pay the benefits that participants will be entitled to assuming they work until retirement. Of the four measures of liability discussed here, this is typically the largest because it is based on projected benefits. In other words, it includes not only benefits that have been accrued to date, but also benefits that are expected to be earned in the future. The interest and mortality assumptions are chosen by the plan actuary. The interest assumption is a reasonable long-term expectation of future asset returns given how plan assets are invested, and the mortality assumption is based on a standard, current mortality table.

## ERISA Accrued Liability

This measure of liability is closely related to the Value of Future Benefits. Briefly, it is the portion of the Value of Future Benefits that the Actuarial Cost Method attributes to past service. In other words, it is the portion of the Value of Future Benefits that is deemed to be accrued. The actuarial assumptions used here are the same as those used in the Present Value of Future Benefits. Of the four liability measurements discussed here, this is probably the most difficult to understand. It is common to compare it to saving money to buy a home in cash. How much cash you'll need is analogous to the Present Value of Future Benefits. How far along you are in your schedule to accumulate the necessary cash is analogous to the ERISA Accrued Liability.

## ASC 960 (FASB Accounting Standards Codification Topic 960)

(Formerly Financial Accounting Standards No. 35) Like the Funding Target discussed above, this liability measure is based on accrued benefits. It does not take into account future salary and service increases. The interest assumption is generally the expected long-term return on the plan's assets.

# Contribution History

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The following contributions have been made since January 1, 2013

<u>Date</u>	<u>Amount</u>	<u>For Plan Year</u>	<u>Plan Year's Interest Credited</u> <sup>(3)</sup>
05/30/13 <sup>(1)</sup>	\$ 431,256	2013	\$ 20,417
07/22/13 <sup>(1)</sup>	367,047	2013	13,113
10/02/13 <sup>(1)</sup>	399,954	2013	7,977
12/30/13 <sup>(1)</sup>	366,542	2013	161
04/05/13 <sup>(2)</sup>	229,025	2013	13,603
06/28/13 <sup>(2)</sup>	189,055	2013	7,749
10/16/13 <sup>(2)</sup>	221,756	2013	3,743
01/03/14 <sup>(2)</sup>	182,479	2013	0
<b>Total</b>	<b>\$ 2,387,114</b>		<b>\$ 66,762</b>

<sup>(1)</sup> Employer Contribution

<sup>(2)</sup> Employee Contribution

<sup>(3)</sup> This is interest credited to the contribution(s) at the valuation interest rate. It is not the actual earnings on the contributions.

# Determination of Actuarial (Gain) or Loss for the 2014 Plan Year

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## A. Expected Unfunded Actuarial Accrued Liability

1. Unfunded Actuarial Accrued Liability as of January 1, 2013	\$ 17,146,369
2. Normal Cost as of January 1, 2013	2,073,813
3. Interest at 8 %	1,537,615
4. 2013 contributions plus interest at 8 %	<u>2,453,876</u>
5. Expected Unfunded Actuarial Accrued Liability as of January 1, 2014 (1) + (2) + (3) - (4); but not less than zero	\$ 18,303,921

## B. Actual Unfunded Actuarial Accrued Liability

1. Actuarial Accrued Liability as of January 1, 2014	\$ 74,585,062
2. Actuarial Value of Assets as of January 1, 2014	<u>60,711,980</u>
3. Actual Unfunded Actuarial Accrued Liability as of January 1, 2014 (1) - (2); but not less than zero	\$ 13,873,082

## C. Changes in Unfunded Actuarial Accrued Liability

1. Increase/(Decrease) due to Plan Amendment(s)	\$ 0
2. Increase/(Decrease) due to Assumption Change(s)	0
3. Increase/(Decrease) due to Funding Method Change	<u>0</u>
4. Total Changes: (1) + (2) + (3)	\$ 0

## D. Actuarial (Gain) or Loss

B(3) - C(4) - A(5)	(4,430,839)
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## Contribution Breakdown for the 2014 Plan Year

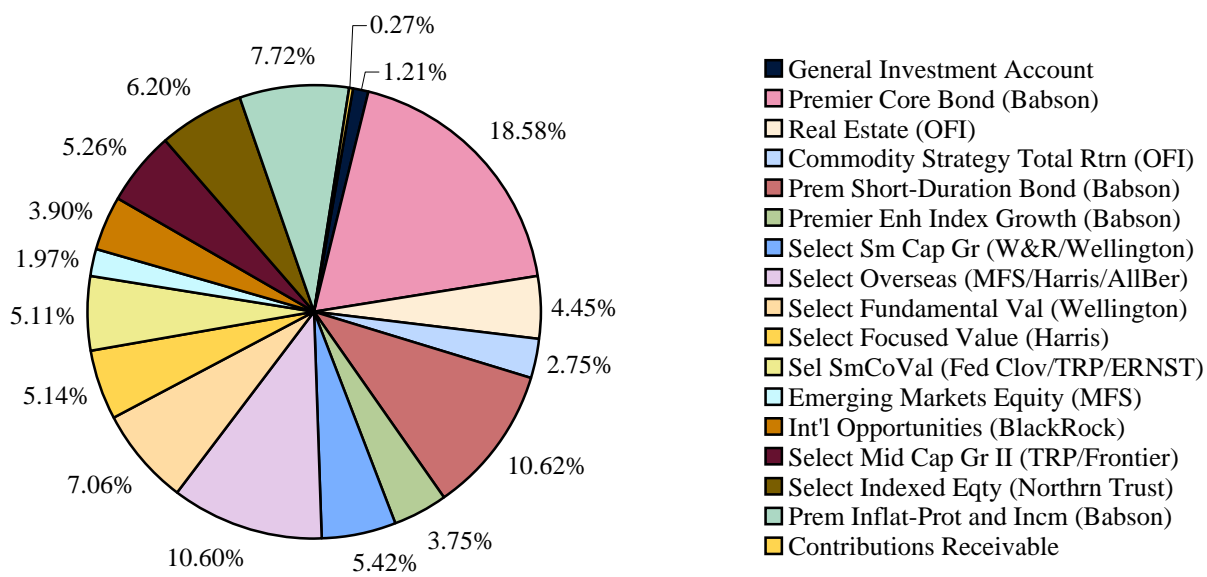
Below is a breakdown of the 2014 plan year contribution. To perform the breakdown, we first subtracted the actuarial accrued liability of the plan's inactive participants from the plan assets, and then allocated the remaining assets among the groups based on the actuarial accrued liability of the active participants. The unfunded actuarial accrued liability of each group was then amortized over a 20-year period. The resulting amortization payment was then added to the Normal Cost of each group to produce the recommended annual cost. Finally, the amount of anticipated employee contributions was subtracted from the total cost, to arrive at the annual contribution due from Lenawee County for each employee group.

	<b>01</b>	<b>02</b>	<b>04</b>	<b>05</b>	<b>06</b>	<b>61</b>	<b>Total of</b>
	<b><u>Sheriff- Command</u></b>	<b><u>Sheriff- Deputy</u></b>	<b><u>G.E.L.C. Union</u></b>	<b><u>County Non-Union</u></b>	<b><u>Steelworkers Union</u></b>	<b><u>Drain Commission</u></b>	<b><u>All Groups</u></b>
<b>Active Employees</b>	12	49	28	80	5	4	178
<b>Average Age</b>	45.71	47.25	50.44	54.06	55.00	51.91	49.86
<b>Annual Salary (excluding employees over NRA)</b>	\$723,588	\$2,247,182	\$840,426	\$2,050,831	\$147,384	\$187,067	\$6,196,478
<b>Actuarial Accrued Liability (Active Employees)</b>	\$3,301,759	\$8,611,412	\$3,883,670	\$14,271,361	\$437,332	\$484,571	\$30,990,105
<b>Assets (Active Employees)</b>	<u>1,823,688</u>	<u>4,756,413</u>	<u>2,145,100</u>	<u>7,882,620</u>	<u>241,555</u>	<u>267,647</u>	\$17,117,023
<b>Liability (Active Employees)</b>	\$1,478,071	\$3,854,999	\$1,738,570	\$6,388,741	\$195,777	\$216,924	\$13,873,082
<b>Entry Age Normal Cost</b>	\$46,384	\$182,488	\$51,201	\$124,381	\$13,818	\$15,350	\$433,622
<b>Amortization Payment (20 yrs)</b>	<u>139,393</u>	<u>363,556</u>	<u>163,960</u>	<u>602,507</u>	<u>18,463</u>	<u>20,458</u>	<u>1,308,337</u>
<b>Total Annual Cost</b>	\$185,777	\$546,044	\$215,161	\$726,888	\$32,281	\$35,808	\$1,741,959
<b>Estimated Employee Contrib. (% salary)</b>	72,359 (10.00%)	224,718 (10.00%)	84,043 (10.00%)	205,083 (10.00%)	14,738 (10.00%)	18,707 (10.00%)	619,648 (10.00%)
<b>Employer Annual Cost (% salary)</b>	\$113,418 (15.67%)	\$321,326 (14.30%)	\$131,118 (15.60%)	\$521,805 (25.44%)	\$17,543 (11.90%)	\$17,101 (9.14%)	\$1,122,311 (18.11%)

# Plan Assets as of January 1, 2014

	<u>Market Value</u>
General Investment Account	\$ 804,011
Separate Investment Account E — Premier Core Bond (Babson)	12,375,283
Separate Investment Account CB — Real Estate (OFI)	2,961,122
Separate Investment Account CE — Commodity Strategy Total Rtrn (OFI)	1,829,010
Separate Investment Account F — Prem Short-Duration Bond (Babson)	7,070,306
Separate Investment Account NU — Premier Enh Index Growth (Babson)	2,494,520
Separate Investment Account SC — Select Sm Cap Gr (W&R/Wellington)	3,607,565
Separate Investment Account SH — Select Overseas (MFS/Harris/AllBer)	7,055,908
Separate Investment Account SK — Select Fundamental Val (Wellington)	4,698,903
Separate Investment Account SV — Select Focused Value (Harris)	3,423,121
Separate Investment Account SY — Sel SmCoVal (Fed Clow/TRP/ERNST)	3,404,335
Separate Investment Account UA — Emerging Markets Equity (MFS)	1,312,409
Separate Investment Account WI — Int'l Opportunities (BlackRock)	2,598,758
Separate Investment Account W9 — Select Mid Cap Gr II (TRP/Frontier)	3,505,104
Separate Investment Account X — Select Indexed Eqty (Northrn Trust)	4,129,491
Separate Investment Account Y6 — Prem Inflat-Prot and Incm (Babson)	5,139,083
Subtotal	<u>\$ 66,408,929</u>
Contribution(s) Receivable	182,479
Total	<u>\$ 66,591,408</u>

## Market Value of Assets



# Asset Reconciliation

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Asset Reconciliation	Actuarial Value	Market Value
Assets as of January 1, 2013	\$ 55,923,059	\$ 59,797,854
Contributions	2,387,114	2,204,635
Investment Income	55,680	55,680
Appreciation/(Depreciation)	6,548,794	8,553,427
Benefit Payments	(4,158,217)	(4,158,217)
Expenses	(44,450)	(44,450)
Assets as of December 31, 2013	\$ 60,711,980	\$ 66,408,929 <sup>(1)</sup>
Rate of Return	12.00%	14.73%

<sup>(1)</sup> Cash basis - does not include contribution(s) receivable.

# Participant Summary and Demographic Statistics

	<u>2013</u>	<u>2014</u>
<b>Classification of Funded Participants as of January 1</b>		
Actives Under Assumed Retirement Age	150	138
Actives Over Assumed Retirement Age	46	40
Terminated Vested	65	66
Retired	288	302
Disabled and Receiving Benefits	13	12
Opt-out Employees	33	31
Total Participants	<u>595</u>	<u>589</u>
<b>Total Monthly Benefits as of January 1</b>		
Actives Under Assumed Retirement Age		
Accrued Benefits	\$ 204,560	\$ 199,578
Projected Benefits to Assumed Retirement	477,603	438,319
Actives Over Assumed Retirement Age	107,905	93,843
Terminated Vested	35,258	37,946
Retired	315,255	347,052
Disabled and Receiving Benefits	12,153	10,803
Opt-out Employees	31,069	28,537
Total Accrued	<u>\$ 706,200</u>	<u>\$ 717,759</u>
Total Projected	<u>\$ 979,243</u>	<u>\$ 956,500</u>
<b>Demographic Statistics as of January 1</b>		
Active Participants		
Average Age	50.6	51.1
Average Compensation	\$ 44,496	\$ 45,282
Terminated Vested Participants		
Average Age	54.2	54.1
Retired		
Average Age	71.2	71.3
Disabled Participants		
Average Age	62.0	63.6
Opt-out Employees		
Average Age	44.2	45.0

# Auditor's Information and ASC 960 Reconciliation

The following information is provided to assist your accountant with the reporting requirements of ASC 960 (formerly FAS 35). The information reported here should not be used for any other purposes. Information reporting for other purposes, such as determining sufficiency in the event of a plan termination, may be significantly different.

Reporting Date	January 1, 2014
Present Value of Accumulated Plan Benefits	
For Participants Receiving Benefits	\$ 39,094,088
For Terminated Vested Participants	2,751,350
For Other Vested Participants	<u>23,302,164</u>
Present Value of Vested Accumulated Plan Benefits	\$ 65,147,602
Present Value of Nonvested Accumulated Plan Benefits	<u>3,509,064</u>
Present Value of Accumulated Plan Benefits	\$ 68,656,666
Present Value of Accumulated Plan Benefits as of January 1, 2013	\$ 66,935,017
Increase Due to Benefit Accruals	881,909
Decrease Due to Disbursements	(4,158,217)
Increase Due to Passage of Time	5,259,025
Other <sup>(1)</sup>	<u>(261,068)</u>
Present Value of Accumulated Plan Benefits as of January 1, 2014 before changes	68,656,666
Effect of Interest Rate Change <sup>(2)</sup>	0
Effect of Assumption Change <sup>(3)</sup>	0
Effect of Plan Change(s) <sup>(4)</sup>	<u>0</u>
Present Value of Accumulated Plan Benefits as of January 1, 2014 after changes	\$ 68,656,666
Fair Market Value of Assets <sup>(5)</sup>	\$ 66,591,408

The Present Value of Accumulated Plan Benefits is measured using the Unit Credit Actuarial Cost Method. The actuarial assumptions used are shown in the Actuarial Assumptions section of this Report, and the Plan provisions are summarized in the Plan Summary section of this Report.

<sup>(1)</sup> Effect of miscellaneous gains/losses and other demographic changes.

<sup>(2)</sup> None

<sup>(3)</sup> None

<sup>(4)</sup> None

<sup>(5)</sup> Includes accrued contributions and the adjusted market-value of any GIA assets (if applicable).

# Actuarial Assumptions

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Many of the factors affecting the funding cost and liability cost of the Plan are variables which cannot be predicted with certainty. The following actuarial assumptions have either been mandated by statute and regulation or selected to reasonably anticipate future experience with respect to these variables.

## Funding and ASC 960 Liabilities

Interest:	8.00%
Preretirement Mortality:	RP-2000 Mortality Tables for Non-Annuitants, Fully Generational With Scale AA
Postretirement Mortality:	RP-2000 Mortality Tables for Annuitants, Fully Generational With Scale AA
Assumed Retirement:	Plan Normal Retirement Age
Termination:	Termination Table T-5 from the Actuary's Handbook with a 5-year setback for females
Incidence of Disability:	1952 Disability Table, Period 2, Benefit 5, with six month waiting period
Salary Scale:	4.0%
Marriage:	It is assumed that 80% of participants are married and that a male is 3 years older than his female spouse.
Expenses:	Interest rate is assumed to be net of plan expenses.
Optional Forms:	Liabilities include no load to account for the value of optional annuity forms.

# Actuarial Cost and Asset Valuation Methods

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## Actuarial Cost Method

### Individual Entry Age Normal

The Normal Cost is the level dollar premium necessary to fund the benefit projected to assumed retirement date over the working lifetime of each participants. The Accrued Liability is the excess of the present value as of the valuation date of the benefit projected to assumed retirement age over the present value of future Normal Costs. Or, equivalently, the accumulated value of all past Normal Costs. The benefit projected to assumed retirement date uses projected service, compensation if applicable, and any other components that would be used in the calculation of the benefit. The difference between the Accrued Liability and the Actuarial Value of Assets is the Unfunded Actuarial Accrued Liability. Each year the difference between the expected Unfunded Actuarial Accrued Liability (based on actuarial assumptions being realized exactly) and the actual Unfunded Actuarial Accrued Liability is the Actuarial Gain or Loss.

## Asset Valuation Method

For assets held in the General Investment Account, the Actuarial Value is assigned by the Insurance Company.

For assets held in the Separate Accounts listed below the Actuarial Value is equal to the prior year's Actuarial Value plus the net deposit and investment income, minus withdrawals, plus (or minus) 50% of the unrecognized appreciation (or depreciation) during the year. The Actuarial Value is not greater than 120% of the Market Value, or less than 80% of the Market Value.

Separate Investment Accounts E, CB, CE, NU, SC, SH, SK, SV, SY, UA, W1, W9, X and Y6

For assets held in the Separate Accounts listed below the Actuarial Value is equal to the market value.

Separate Investment Account F

# Summary of Plan Provisions

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The provisions shown here are only summaries. In the interest of space and simplicity, many of them have been abbreviated, simplified, or paraphrased. In matters of Plan interpretation or application, the actual Plan Document should be consulted.

**Plan:** Lenawee County Board of Commissioners Retirement Income Plan

**Employer Identification Number / Plan Number:** 38-6005798 / 001

**Effective Date:** January 1, 1976

**Plan Year:** Calendar Year

**Employer:** Lenawee County Board of Commissioners

**Employee:** Any person who is employed by the Employer. An individual who performs services for the Employer pursuant to an agreement between the Employer and an employee leasing organization shall not be considered to be an Employee.

**Participation:** Each person employed by the County in a position normally requiring 1,000 hours or more per year is eligible to join the plan on date of hire. Except that Participation has been frozen for the following Groups:

**Group 02: Sheriff Deputy (Police Officers Association of Michigan) - Employees hired after September 1, 2005**

**Group 03: Nurses M.N.A. Union - Employees hired after January 31, 2002**

**Group 04: Government Employees' Labor Council - Employees hired after May 1, 2003, except**

**Group 05: Lenawee County Employees (Non-union) - Employees hired after January 1, 2001**

**Group 06: Steelworkers Union - Employees hired after August 1, 2002**

**Group 61: Drain Commission - Employees hired after January 1, 2002**

**Group 08: Medical Care Facility (Non-union) - Employees hired after January 1, 2008**

**Service:** The period of an Employee's employment with the Employer, as determined by the Employer from its personnel records.

**Vesting Service:** All years of Service with the Employer from Date of Employment

**Benefit Service:** All years of Service with the Employer from Date of Employment

**Average Monthly Earnings:**

**Group 01: Sheriff Command and Group 02: Sheriff Deputy -** The average of Monthly Earnings in the period of 48 consecutive months with respect to which such sum is the greatest

**All Other Groups -** The average of Monthly Earnings in the period of 60 consecutive months with respect to which such sum is the greatest



# Summary of Plan Provisions

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## **Normal Retirement Date:**

**Group 01: Sheriff Command and Group 02: Sheriff Deputy** - First day of the month coincident with otherwise next following the earlier of 1) age 55 and 25 years of service, and 2) age 65 and 8 years of service

**Group 04: Government Employees' Labor Council (GELC), Group 05: Lenawee County Employees (Non-union), Group 06: Steelworkers Union, Group 03: Nurses M.N.A. Union, and Group 61: Drain Commission Employees** - the earlier of 1) date age and years of service equal 85, and 2) age 62 and 8 years of service

**All other Groups** - Age 65 and 8 years of service

**Early Retirement Date:** Any Participant who has attained age 55 and completed 10 years of Benefit Service may elect early retirement on the first day of any calendar month following the termination of Service.

**Disability Retirement Date:** Any Participant who has completed 10 years of Benefit Service may elect disability retirement on the first day of any calendar month following the determination of total and permanent disability.

## **Normal Retirement Benefit:**

**Group 01: Sheriff Command** - 2.50% of average monthly earnings times all years of benefit service. The maximum monthly benefit is 80% of average monthly earnings.

**Group 02: Sheriff Deputy** - 2.50% of average monthly earnings times all years of benefit service.

**Group 03: Nurses M.N.A. Union** - 2.00% of average monthly earnings times all years of benefit service.

**Group 04: Government Employees' Labor Council** - 2.00% of average monthly earnings times all years of benefit service.

**Group 05: Lenawee County Employees (Non-union)** - 2.00% of average monthly earnings times all years of benefit service.

**Group 06: Steelworkers Union** - 2.00% of average monthly earnings times all years of benefit service.

**Group 61: Drain Commission** - 2.00% of average monthly earnings times all years of benefit service.

**Group 07: Medical Care Facility (Union)** - 1.00% of average monthly earnings times all years of benefit service.

**Group 08: Medical Care Facility (Non-union)** - 2.50% of average monthly earnings times all years of benefit service.

# Summary of Plan Provisions

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**Termination Benefit:** A Participant who has at least eight years of Vesting Service has a nonforfeitable right to 100% of his or her Accrued Benefit. Benefit is payable at Normal Retirement Date.

**Early Retirement Benefit:** The accrued benefit reduced 1/15 for the first five years, and 1/30 for the next five years for each year the Retirement Date precedes the Normal Retirement Date.

**Disability Retirement Benefit:** The accrued benefit reduced by any amounts payable under any worker's compensation or salary continuance program.

**Normal Form:** Single: Modified Cash Refund; Married: Qualified 50% Joint and Survivor Annuity.

**Optional Forms:** Joint and Survivor Annuity, Life Annuity with 60 or 120 monthly payments

## **Death Benefits:**

### **For all employees except Group 7: Medical Care Facility (Union)**

**Pre-retirement:** If the Participant is not vested, no death benefits are payable. If the participant is vested, then the death benefit is 50% of the amount that would have been payable to the Participant under the 50% Joint and Survivor option.

**Post-Retirement:** None except as provided by the annuity form elected.

**Employee Contributions:** (picked up by the Employer under IRC §414(h)(2))

**Group 01: Sheriff Command** - 10.00% of pay

**Group 02: Sheriff Deputy** - 10.00% of pay

**Group 03: Nurses M.N.A. Union** - 10.00% of pay

**Group 04: Government Employees' Labor Council (GELC)** - 10.00% of pay

**Group 05: Lenawee County Employees (Non-union)** – 10.00% of pay

**Group 06: Steelworkers Union** - 10.00% of pay

**Group 61: Drain Commission** - 10.00% of pay

**Spin-off of Medical Care Facility employees:** Effective January 1, 2008, all non-retired employees of the Lenawee Medical Care Facility (Formerly Group 7 and Group 8 of this plan) were transferred to successor plans.

**Opt-out Elections:** Active participants in groups 03, 04, 05, 06, and 61 may elect to opt-out of participation in this plan for purposes of benefit accruals only. Vesting service and service for purposes of the Rule of 85 Retirement Age will continue to be credited. Each year the election period will run from November 15th to December 15th, and such election will take effect the following January 1st. At that time, the participant will commence participation in the County's Defined Contribution Plan.