

MERS Defined Contribution (DC) Adoption Agreement



1134 Municipal Way Lansing, MI 48917 | 800.767.6377

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I. EMPLOYER INFORMATION

Municipality Name: City of Gladstone

Municipality Address:

Street: _____

City: _____ Zip: _____

Municipality Phone: _____ Municipality Number: 2106

Plan Number: 6121061-01 Reporting Unit: 01

Payroll Frequency: Select an item

If **Other** is selected, provide details here: _____

II. EFFECTIVE DATE

☐ New Plan
Effective Date: _____

☒ Amended Plan
The agreement is a substitution and amendment of an existing MERS Defined Contribution Plan.
Note: You only need to mark **changes** to your plan throughout the remainder of this Agreement.
Effective Date: 7/1/2026

This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible employee shall be credited as follows (choose one):

- ☐ Vesting credit from date of hire
- ☐ No vesting credit prior to initial MERS effective date

Plan Transfer, Merger, or Closure (select below if applicable)☐ To separate employees from an existing DC division into a new one:

Effective Date: _____

Existing Plan Numbers: _____

☐ To merge existing divisions:

Effective Date: _____

Existing Plan Numbers: _____

Merged Plan Number: _____

☐ This division is the open plan receiving new hires, rehires, transfers from a closed division:

Effective Date: _____

Closed (Defined Benefit or Hybrid) Division/Plan Number(s) : _____

III. PLAN ELIGIBILITY

Only those employees eligible for MERS membership may participate in the MERS Defined Contribution Plan. If an employee classification is included in the plan, then employees that meet this definition are required to participate in the plan and earn time toward vesting. All eligible employees must be reported to MERS and earn time toward vesting. Some excluded classifications require additional information below. Please describe the specific classifications that are eligible for MERS within the division:

Eligible Employees (examples: Full-Time, Clerical, Union Employees participating in XXXX Union):

This plan will be named:

Probationary Period (Note: Vesting begins with Date of Hire regardless of the selection below.)☐ No probationary period. Contributions begin with date of hire, at which point, all wages and associated contributions must be submitted to MERS☐ Contributions will begin after the probationary period has been satisfied. Probationary periods are allowed in one-month increments, no longer than 12 months. Participant wages must be reported to MERS from the time of hire, including during the probationary period.

Probationary months: _____

Public SafetyThis division includes public safety employees: ☐ Yes ☐ No

Employee Classification

	Included	Excluded	Not Employed
Temporary Employees: Those who will work for fewer than ____ months in total			
Part-Time Employees: Those who regularly work fewer than ____ per _____			
Seasonal Employees: Those who are employed for tasks that occur at specific times of the year			
Voter-Elected Officials			
Appointed Officials: Official position not elected by voters			
Contract Employees: Municipal or judicial employees working under an employment contract with the municipality (excluding a collective bargaining agreement) and whose wages are reported under IRS Form W-2			
Other: _____			
Other: _____			

IV. VESTING**Vesting Crediting**

Vesting in employer contributions will occur on the following schedule (check one below):

- ☐ Elapsed Time Method – Employees will be credited with one vesting year for each 12 months continuous employment from date of hire.
- ☐ Hours Reported Method – Employees will be credited with one vesting year for each calendar year in which they meet a minimum number of hours worked. Hours: _____

Vesting Schedule

Vesting will be credited using (check one below):

- ☐ **Immediate**
- ☐ **Cliff Vesting** – Fully vested after specific number of whole years, not to exceed 15 years. Years: _____
- ☐ **Graded Vesting** – The % of vesting acquired after employment for the designated number of whole years, not to exceed 10 years; or, where full vesting is attained between 10 and 20 years, graded vesting must begin no later than 3 years of service. (Fill out the table provided.)

Note: All mandatory pre-tax employee contributions are immediately 100% vested.

% Vested	Years of Service

Vesting Acceleration

In the event of disability or death of an active employee, their (or beneficiary's) entire employer contribution account shall be 100% vested, to the extent that the account balance hasn't previously been forfeited.

If an employee is still employed with the municipality at the age specified here, their entire employer contribution balance will become 100% vested regardless of years of service.

Normal Retirement Age (Must be a whole number): ____ (MERS' default for normal retirement age is 60)

V. CONTRIBUTIONS

Definition of Compensation

This must be used when determining both employer and employee contributions.

Check one below.

- ☐ Base Wages
- ☐ Box 1 Wages of W-2
- ☐ Gross Wages
- ☐ Box 5 Medicare Wages of W-2
- ☐ Custom Definition. If selected, you must submit a [Custom Definition of Compensation Addendum \(MD-008\)](#)

Mandatory Contributions

Required Employee and Employer Contributions are outlined within the [Contribution Addendum \(MD-070b\)](#) for MERS Defined Contribution.

VI. LOANS

Loans are permitted:

- ☐ No
- ☐ Yes – If Yes, your signature on this document confirms you have received and reviewed the [Defined Contributions & 457 Loan Addendum \(MD-071\)](#). Also, the election of loans for any plan automatically applies to all divisions of your DC Plan.

VIII. APPOINTING MERS AS THE PLAN ADMINISTRATOR

The Employer hereby agrees to the provisions of this MERS Defined Contribution Plan Adoption Agreement and appoints MERS as the Plan Administrator pursuant to the terms and conditions of the Plan. The Employer also agrees that in the event of any conflict between the MERS Plan Document and the MERS Defined Contribution Plan Adoption Agreement, the provisions of the Plan Document control.

IX. MODIFICATION OF THE TERMS OF THE ADOPTION AGREEMENT

If the Employer desires to amend any of its elections contained in this Adoption Agreement, including attachments, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Adoption Agreement. The amendment of this Agreement is not effective until approved by MERS.

X. ENFORCEMENT

1. The Employer acknowledges that the Michigan Constitution of 1963, Article 9, Section 24, provides that accrued financial benefits arising under a public Employer's retirement plan are a contractual obligation of the Employer that may not be diminished or impaired.
2. The Employer agrees that, pursuant to the Michigan Constitution, its obligations to pay required contributions are contractual obligations to its employees and to MERS and may be enforced in a court of competent jurisdiction;
3. The Employer acknowledges that employee contributions (if any) and employer contributions must be submitted in accordance with the MERS Reporting and Contribution Enforcement Policy, the terms of which are incorporated herein by reference;
4. The Employer acknowledges that late or missed contributions will be required to be made up, including any applicable gains, pursuant to the Internal Revenue Code;
5. Should the Employer fail to make its required contribution(s) when due, MERS may implement any applicable interest charges and penalties pursuant to the MERS Reporting and Contribution Enforcement Policy and Plan Document Section 79, and take any appropriate legal action, including but not limited to filing a lawsuit and reporting the entity to the Treasurer of the State of Michigan in accordance with MCL 141.1544(d), Section 44 of PA 436 of 2012, as may be amended.
6. It is expressly agreed and understood as an integral and non-severable part of this Agreement that Section 43 of the Plan Document shall not apply to this Agreement and its administration or interpretation. In the event any alteration of the terms or conditions of this Agreement is made or occurs, under Section 43 or other plan provision or law, MERS and the Retirement Board, as sole trustee and fiduciary of the MERS plan and its trust reserves, and whose authority is nondelegable, shall have no obligation or duty to administer (or to have administered) the MERS Defined Contribution Plan, to authorize the transfer of any defined benefit assets to the MERS Defined Contribution Plan, or to continue administration by MERS or any third-party administrator of the MERS Defined Contribution Plan.

XI. EXECUTION

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

This Adoption Agreement is hereby approved by (municipality/court):
City of Gladstone

Dated (MM/DD/YYYY): _____

Authorized signature: _____

Name (printed): _____

Title: _____

Approved by the Municipal Employees' Retirement System of Michigan

Dated (MM/DD/YYYY): _____

Authorized MERS Signature: _____

Contribution Addendum for MERS Defined Contribution (DC)



1134 Municipal Way Lansing, MI 48917 | 800.767.6377

mersofmich.com

This is an addendum to the MERS Defined Contribution Adoption Agreement completed by the following municipality.

Municipality Name: City of Gladstone

Plan Number: 6121061-01

The details below apply to ☐ **ALL** covered employees –OR– a specific group of covered employees (specify here): City Manager

MANDATORY PARTICIPANT CONTRIBUTIONS

Select one below:

☒ **Required Fixed Contribution** – Employees are required to contribute (specify % or \$) 4.0% per pay period.

☐ **One-Time Elective Contribution** – Up to 99% (or IRS limit) per pay period.

Default Contribution Rate – (only applicable if One-Time Elective Contribution is selected). Federal law requires employees only be offered a contribution choice at the time of first eligibility in any plan of the employer, and that choice is irrevocable and unchangeable. Therefore, the default employee contribution rate will apply when an eligible employee fails to make an election prior to their first payroll reporting in which they qualified for any plan of the employer, or in certain transfer situations.

☐ The plan's standard default contribution rate of 10%

☐ An amount of (specify % or \$) _____

☐ **Both** – Employees are required to contribute (specify % or \$) _____ per pay period as well as making a one-time irrevocable election for an additional employee contribution up to 99% (or IRS limit) per pay period.

☐ **No Employee Contributions** – No mandatory or one-time elective pre-tax employee contributions permitted.

EMPLOYER CONTRIBUTIONS

Select at least one employer option in Section 1 below:

1 Employer Matching Contributions

☐ No – If No, skip to Section 2.

☐ Yes – If Yes, complete 1.1 through 1.3 below.

1.1 Employer will make matching contributions into the DC Plan based on (Check all that apply):

☐ Employee's 457 election (MERS or non-MERS)

☐ Employee's MERS DC mandatory participant contributions

☐ Other: _____

1.2 Employer Match Calculation

The employer elects the following matching contribution formula (check one):

☐ **Percentage:** The employer will match ____% of the participant contributions (as selected in 1.1) at a rate of ____% (minimum) up to ____% (maximum).

For example, if an employer chooses a 50% match, they contribute 0.50% for every 1% the participant defers. For a 100% match with a 5% minimum and 10% maximum, the employer matches contributions dollar-for-dollar on amounts above 5% and below 10%.

☐ **Flat Dollar:** The employer will match ____% of the participant contributions (as selected in 1.1) as a flat dollar rate of \$_____ (minimum) up to \$_____ (maximum) per _____.

1.3 Employer Match Frequency

Employer match contributions will be made (check one):

☐ Per Payroll ☐ Quarterly ☐ Annually ☐ Other: _____

2 Non-Matching Contributions

☐ No

☐ Yes – If Yes, complete 2.1 to 2.2 below.

2.1 Employer Non-Match Calculation

The employer hereby elects to make contributions to the participants' accounts without regard to a participant's contribution amount (check all that apply).

☒ **Compensation:** a contribution of \$_____ or 12.0%

☐ **One-Time:** \$_____

2.2 Employer Non-Match Frequency

Employer non-matching contributions will be made (check one):

☒ Per Payroll ☐ Quarterly ☐ Annually ☐ Other: _____