August 13, 2020

NOTICE OF MEETING

There will be a meeting of the Board of Trustees of the Police and Fire Retirement System Board & Employees Retirement System Board as follows:

Date: August 18, 2020
Time: 8:30 a.m.
Location: Dial from your phone: +1 312 626 6799 US (Chicago) OR +1 646 876 9923 US (New York)
Topic: Meeting ID: 832 1988 8216

Join Zoom Meeting
https://us02web.zoom.us/j/83219888216

Meeting ID: 832 1988 8216

With Executive Order 2020-4, Governor Whitmer declared a statewide state of emergency due to the spread of the novel coronavirus (COVID-19). To mitigate the spread of COVID-19 and to provide essential protections to vulnerable Michiganders and this state’s health care system and other critical infrastructure, it is crucial that all Michiganders take steps to limit in-person contact, particularly in the context of large groups. Therefore, this meeting will be conducted via audio/video conference.

https://us02web.zoom.us/j/83219888216

This meeting is being held electronically in accordance with the Open Meetings Act in an effort to protect the health and safety of the public. Members of the public wishing to participate in the meeting may do so by logging into or calling into the meeting using the website or phone number, and meeting id provided above. Michigan Executive Order 2020-129 provides temporary authorization of remote participation in public meetings and hearings. You may direct any questions or comments to the Retirement Board via email at karen.williams@lansingmi.gov.

Persons with disabilities who need accommodation to fully participate in this meeting should contact the Retirement Office at (517) 483-4508. 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

“Equal Opportunity Employer”
Public Participation Notes

To Make Public Comment?

Join Zoom Meeting from Computer https://us02web.zoom.us/j/83219888216

(Note: this option requires downloading Zoom software. If you have not already installed the software, this may take a few minutes.)
Meeting ID: 832 1988 8216

Dial from your phone: +1 312-626-6799 US (Chicago) OR +1 646-876-9923 US (New York)
Meeting ID: 832 1988 8216

Written public comments may be submitted to Karen.Williams@lansingmi.gov by the end of the public period.

Persons with disabilities who need accommodation to fully participate in this meeting should contact the Retirement Office at (517) 483-4508. 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

“Equal Opportunity Employer”
CITY OF LANSING
JOINT EMPLOYEES’ RETIREMENT SYSTEM
AND POLICE AND FIRE RETIREMENT
SYSTEM BOARDS AGENDA

Joint Meeting
Via Zoom Meeting
https://us02web.zoom.us/j/83219888216

August 18, 2020
Tuesday, 8:30 a.m.

Meeting Dial-In Number: +1 312 626 6799 US (Chicago) OR +1 646 876 9923 US (New York)
Meeting ID: 832 1988 8216

1. Call to Order.

2. Roll Call:

   ERS: Bahr, Cahill, Dedic, Fox, Kraus, D. Parker, Sanchez-Gazella, Schor, Spadafore. – 9

   P&F: Fox, Lewandowsky, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert, Wood. – 8

3. Excusing of Board Members (Police and Fire)

4. Excusing of Board Members (Employees’ Retirement System)


6. Reading of the Official Minutes of the Employees’ Retirement System Board Regular Meeting of July 21, 2020. (Employees’ Retirement System)

7. Public Comments for Items on the Agenda

   Those wishing to make public comments will need to raise their hands or submit written comments to karen.williams@lansingmi.gov by the end of the public comment period:
   To Raise Your Hand: On the phone: Dial *9; On a Mac: Option Y; Windows: Alt Y

8. Secretary’s Report (Police and Fire):

   0 new sworn fire member(s), 0 new sworn police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total: Active membership: 375. 2 death(s): Ted Barger, Police, died 7/11/2020, age 73, no beneficiary; Carroll Lee, Police, died 8/4/2020, age 91, surviving spouse to receive 50%. Refunds made since the last regular meeting amounted to $0.00. Reimbursements to the System year-to-date amount to $19,644.35. Retirement allowances paid for the month of July 2020, amounted to $2,924,008.08. Total retirement checks printed for the P&F System: 760. Total retirement checks printed for both systems: 1,707. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified: 0.
9. Secretary’s Report (Employees’ Retirement System):

4 new member(s), 0 reinstatement(s), 0 refund(s), 0 transfers, 2 retired. Total active membership: 482. Total deferred: 76. 2 death(s): Violet Clark, died 7/11/2020, age 82, beneficiary of UAW retiree; Joseph Swanson, Parks, retired 7/24/1993, died 7/28/2020, age 90, no surviving beneficiary. Refunds made since the last regular meeting amounted to $0. Retirement allowances paid for the month of July 2020, amounted to $2,022,919.08. Total retirement checks printed for the ERS System: 947. Total Retirement checks printed for both systems: 1,707. Eligible domestic relations orders received: 0. Domestic relations orders pending: 0. Eligible domestic relations orders certified: 0.

10. Applicant for Regular Age & Service Retirement (Police and Fire):

11. Applicant for Regular Age & Service Retirement (Employees’ Retirement System):

Kevin Lytle (Public Service – UAW), 25 years, 3 months of service credits, age 58, effective 9/30/2020

Sid Scrimger (Public Service – T580 SUP), 8 years, 8 months of service credits, age 62, effective 8/15/2020

Aaron Winchell (Public Service – UAW), 25 years, 8 months of service credits, age 50, effective 8/14/2020

12. Request for Duty Disability Retirement (Police and Fire):

Applicant #2020 – PO818

13. Request for Non Duty Disability Retirement:

14. Training and Education

Pension and Retiree Health Care (OPEB) Local Government Retirement Webinar-August 18 (2:00 p.m. – 3:30 p.m.)
MAPERS Online Seminars/Training
MAPERS Fall Conference – CANCELLED

15. Request for Refund of Accumulated Contributions
Meeting Dial-In Number: +1 312 626 6799 US (Chicago) OR +1 646 876 9923 US (New York)
Meeting ID: 832 1988 8216

16. Public Comments for items not on the Agenda

Those wishing to make public comments will need to raise their hands or submit written comments to karen.williams@lansingmi.gov by the end of the public comment period:
**To Raise Your Hand: On the phone: Dial *9; On a Mac: Option Y; Windows: Alt Y**

17. Police and Fire Business:

Legal Counsel Report
Retirement Audit
Service Credit Contribution Repayment
Pension Beneficiary Change

18. Employees’ Retirement System Business:

Legal Counsel Report
Trustee Election update

19. Joint Business:

Zoom License
Quarterly Expenses Reports

20. Lazard Presentation – Tom Franzeze & Mike Powers


22. Actuarial Valuation update – Greg Stump, Boomershine Consulting Group

23. Asset Consulting Group – Nathan Burk

2nd Quarter Investment Performance
July Investment portfolio performance
Quarterly Cash Flow Withdrawals

24. Adjourn
Dear Karen E.,

Due to the COVID-19 global pandemic, the State of Michigan’s emergency and disaster declarations, the Executive Orders issued by Michigan’s Office of the Governor, and for the safety and wellbeing of all, the 2020 Fall Conference scheduled for September has been cancelled.

Hotel reservations at the Grand Hotel have been canceled and a full refund will be issued to your original form of payment. The Grand Hotel is offering a special discounted rate of $179 per person over our conference dates if you still wish to visit the island, mention 2020 MAPERS outing when calling: (906) 847-3331.

We have requested that our plan members allow us to transfer their conference registration payment to our 2021 Spring or Fall Conference. A detailed credit invoice will be sent to your plan administrator later this month.

Due to the conference cancelation we will host our Annual Business Meeting virtually on Monday, September 14th at 11:00 AM. At this meeting we will review our business and programming plans for the coming year and provide a legislative update from MAPERS lobbyists from Capitol Services and a legal update from MAPERS attorneys from VanOverbeke, Michaud & Timmony. Watch the events page of our website and your email for registration information for this event.

Two four-year MAPERS Board Member positions, currently held by Chairman James Haddad and Secretary-Treasurer Lauri Siskind, are up for election this year. Both candidates will be seeking re-election. We are currently accepting nominations for any additional Plan members interested in serving on the MAPERS board. Board members are expected to attend meetings on a semi-monthly basis (typically 4-6 per year); keep abreast of legislative issues pertaining to public employee retirement issues; assist in planning annual conferences and seminars; attend and serve as moderator at conferences; suggest and obtain speakers for conferences; be available to attend national conferences; keep informed of current, former, and potential Corporate members; adhere to MAPERS Board policies and procedures; perform other related duties as assigned.

Interested members should mail/email a formal letter of interest along with a resume of pension related experience to the MAPERS office by August 24, 2020. Please include your current job position, position on your plan member board, and any other information you think we might find important (other organizations you belong to, conferences you attend, etc.). Individuals should also plan to be available for a virtual interview by the nominating committee. Results of the board election will be announced at the Business Meeting on 9/14/20.

Plan Administrators will be asked in a separate email message to submit the names of two individuals to serve as delegates for the business meeting and board member election.

Please contact our office if you have any questions regarding this message.

MAPERS
525 E. Michigan Ave. #409
Saline, MI 48176
Phone: 734-944-1144
TO: BOARD OF TRUSTEES OF THE CITY OF LANSING POLICE AND FIRE RETIREMENT SYSTEM  
FROM: AARON L. CASTLE  
RE: LEGAL REPORT FOR AUGUST 18, 2020 MEETING  
DATED: AUGUST 12, 2020

This Legal Report was prepared for distribution to the Board prior to the referenced meeting date. Additional legal items not appearing in this Report but which may require immediate attention may be presented and discussed at the meeting under Section VII of this Report. New matters and/or updates to continuing matters are indicated in bold type.

I. INVESTMENT RELATED MATTERS

II. PLAN & BENEFITS ADMINISTRATION MATTERS
   A. Disability Retirement Offsets
      See draft Certification of Earnings Form, attached as Addendum A.
   B. Intervening Military Service
      See draft Policy, attached as Addendum B.

III. NEW LEGAL MATTERS
   A. Designated Pension Beneficiary
      A Memo from this office addressing the ability to change designated pension beneficiaries is attached hereto at Addendum C, for review and discussion with the Board.

IV. ONGOING LEGAL MATTERS

V. LEGISLATIVE UPDATE
ADDENDUM A

CITY OF LANSING POLICE AND FIRE RETIREMENT SYSTEM
CERTIFICATION OF ANNUAL EARNINGS RECEIVED BY DISABILITY RETIREES
FOR YEAR ENDING DECEMBER 31, 2019 -AMENDED

NAME: ___________________ SOCIAL SECURITY # __________

Employer: ___________________ Employment Position: __________

Line

Please attach a copy of your current Federal Tax Return W-2 Form. Also, attach your Form 1099 if applicable.

Please provide on this form earnings reported on Federal Tax Return Form 1040, Page 1, as follows:

Line 1 - Wages, salaries, tips, etc. $____________

Attach front page of your 1040 Form (See Note 1)

Other Income - Items found on Schedule 1, Part 1

Line 3 - Business Income or (loss).

(See Note 2)

Line 5 - Rents, royalties, partnerships

Line 6 - Farm income or (loss).

Please disclose any non-taxable income received in the form of weekly Workers’ Compensation Wage Loss benefits:

$____________

TOTAL EARNINGS OF RETIREE $____________

I hereby certify that during the calendar year ending December 31, 2019, I earned $____________ as the result of work or services performed by me. I hereby certify that the earnings reported by me as detailed above, is in conformity with the amount of income I have reported on my annual Federal Income Tax Return. I have provided a copy of my Federal Income Tax Return for the 20__ calendar year as verification of the foregoing reported income.

(Signature of Retiree)

Subscribed and sworn to before me this ___ day of ___________, 2020.

Note 1: Do not include retirement allowance
Do not include income earned by spouse, except as indicated in Note 2.
Do include current earnings being sheltered in deferred compensation arrangements such as 457 plans, 401(k) plans, etc., but not distributions therefrom. Attach copy of the front page of your 1040 Form

Note 2: Do include income from a business that is only nominally in your spouse’s name, but which is in fact operated in whole or in part by you without pay.
If you have any questions concerning this form, please feel free to contact the Retirement Office, Eighth Floor, City Hall, at (517) 483-4508.

City Ordinance Charter Section 19.1.07(c)(3)(e). “It shall be the duty of each disability retiree to file, at least annually, a statement of earnings on forms furnished by the Board of Trustees, together with such supporting schedules as may be requested by the Board to establish a basis for determining earnings for operations of this section. The Board may from time to time adopt rules and regulations for defining remuneration for purposes of application of this section. Refusal by a disability retiree to submit required information upon written request of the Board may, at the discretion of the Board, subject the disability retiree to suspension of allowance payments.”
ADDENDUM B

CITY OF LANSING POLICE & FIRE RETIREMENT SYSTEM

INTERVENING MILITARY SERVICE CREDIT POLICY

Adopted:

I. Purpose

The Board of Trustees of the City of Lansing Police Officers’ and Firefighters’ Retirement System is vested with the authority and responsibility for the general administration, management, and proper operation of the Retirement System and for construing and making effective the provisions of the Retirement Ordinance. Section 294.02(h)(2) recognizes that Members of the Retirement System may be entitled to Credited Service for periods of Intervening Military Service as if the Member had remained continuously employed by the City during the period of such military service. This Policy is intended to establish the Retirement System’s administrative procedures with respect to recognition of Credited Service for periods of Intervening Military Service.

II. Definitions

“Board” or “Board of Trustees” shall mean the Board of Trustees of the City of Lansing Police Officers’ and Firefighters’ Retirement System as established and set forth at Section 294.02(c) of the Retirement Ordinance.

“City” means the City of Lansing, Michigan.

“Credited Service” shall have the meaning ascribed to it at Section 294.02(a) of the Retirement Ordinance.

“Intervening Military Service” shall mean voluntarily or involuntary service in the Army, Navy, Marine Corps, Air Force, Coast Guard, National Guard and Public Health Service commissioned corps, and the reserve components of these services, that occurs during a Member’s term of employment with the City.

“Member” shall have the meaning ascribed to it at Section 294.02(a) of the Retirement Ordinance.

“Retirement Ordinance” means Chapter 294 of the City of Lansing Code of Ordinances, as the same may be amended from time to time.

“Retirement System” means the City of Lansing Police Officers’ and Firefighters Retirement System.

ADDENDUM B

Intervening Military Service Credit Policy
Adopted:

III. Policy

A. Generally

1. This Policy shall be interpreted and administered in accordance with the provisions of USERRA governing the rights of individuals reemployed by the City after a period of Intervening Military Service.

2. All Members of the Retirement System returning to employment with the City within one (1) year of termination of a period of Intervening Military Service may be entitled to recognition of Credited Service towards retirement as if the Member has remained continuously employed by the City during the period of Intervening Military Service.

   (a) Recognition of Credited Service shall be contingent upon the Member’s repayment of all employee contributions to the Retirement System that would have been required had the Member remained continuously employed during the period of Intervening Military Service.

B. Return to Employment

1. Pursuant to Section 294.02(h)(2)A., Members must return to employment with the City within one (1) year of termination of any period of Intervening Military Service.

   (a) Members returning to employment with the City beyond this one (1) year timeframe will not be eligible to receive Credited Service under this Policy, but may be eligible to purchase such prior military service pursuant to Section 294.02(h)(3) of the Retirement Ordinance.

C. Repayment of Missed Contributions

1. A Member must submit to the Retirement Office a written application to repay missed contributions on account of a period of Intervening Military Service.

   (a) The Member’s application shall indicated the dates of Intervening Military Service, the date the Member returned to employment with the City, and shall be submitted with available documentation that will allow the Retirement Office to verify the Intervening Military Service, including Form DD-214 or its equivalent.

   (b) Upon receipt of a written application, the Retirement Analyst shall forward a copy of the application and all supporting documentation to the Board’s legal counsel for review.

      i. The Board’s legal counsel shall review the application and supporting documentation for compliance with the Retirement Ordinance and USERRA, and
ADDENDUM B

Intervening Military Service Credit Policy

Adopted:

shall notify the Retirement Analyst in writing if the application is insufficient in any way.

(c) All applications to repay missed contributions during a period of Intervening Military Service shall be irrevocable once approved by the Board.

2. Members electing to repay their missed employee contributions to the Retirement System shall be given the option to make repayment via a one-time lump sum payment or in installments via payroll deduction.

(a) The Member shall be required to repay the amount that he or she would have been required to contribute had he or she remained continuously employed with the City throughout the period of Intervening Military Service, in accordance with the number of year(s) and fraction or a year for which the member wishes to receive Credited Service.

(b) The Member shall make payment(s) during the period beginning with the Member’s reemployment by the City and the duration of which is three (3) times the length of the period of the Intervening Military Service sought to be recognized, up to a maximum of five (5) years from the date of the Member’s reemployment.

i. The amount of payroll deduction, if any, shall not be less than the amount required to make payment in full within the time limits for repaying the missed contributions.

(c) No interest shall be charged to a Member making installment payments.

3. Credited Service shall be recognized only to the extent of the payment(s) made prior to the expiration of the applicable payment period and/or the Member’s separation/termination of employment with the City.

(a) Members wishing to retire must make payment in full prior to their effective retirement date or otherwise forfeit their right to receive Credited Service for any period of Intervening Military Service for which contributions have not been made to the Retirement System.

D. Reporting

1. All Credited Service recognized on account of Intervening Military Service under the Policy shall be reported to the Board’s actuary so that such information may be included in future actuarial valuations in determining the City’s required contribution to the Retirement System.
ADDENDUM B

Intervening Military Service Credit Policy

Adopted:

IV. Review and Modification

1. The Board shall periodically review and propose any needed modifications to this Policy as it deems necessary.

V. Effective Date

This policy shall take effect immediately upon its adoption by the Board.
MEMORANDUM

TO: BOARD OF TRUSTEES OF THE CITY OF LANSING POLICE AND FIRE RETIREMENT SYSTEM

FROM: AARON L. CASTLE

RE: CHANGE OF BENEFICIARY

DATE: AUGUST 18, 2020

This memorandum is presented to address a recent request from a current retiree to change her beneficiary under the City of Lansing Police Officers’ and Firefighters’ Retirement System (“Retirement System”). More specifically, this memorandum will address the request from Susan Rouse (formerly Baylis) to change her designation of beneficiary with the Retirement System on account of her divorce and remarriage.

By way of background, Susan Rouse retired on November 15, 2016, and elected to receive an Option I retirement benefit from the Retirement System. Based on representations made by Ms. Rouse, she was subsequently divorced and remarried. As the Option I benefit elected by Ms. Rouse at the time of retirement provides for a 50% surviving spouse benefit in the event of her death, she has requested to change her nomination of beneficiary from her ex-spouse to her current spouse. The following analysis is provided.

Analysis

The Retirement System is operated and administered pursuant to the provisions of Chapter 294 of the City of Lansing Code of Ordinances (the “Retirement Ordinance”), applicable collective bargaining agreements, and applicable state and federal laws and regulations. The Board of Trustees of the Retirement System (“Retirement Board”) is vested with the authority and fiduciary responsibility for the proper administration, management, and operation of the Retirement System. Accordingly, the Retirement Board has a legal and fiduciary duty to administer the Retirement System in accordance with the Plan provisions and to ensure that each retiree and/or beneficiary receives those benefits to which he or she is legally entitled.

The Retirement Ordinance, at Section 294.02(k)(3)A., provides police officer members with four (4) retirement benefit options, stating in pertinent part as follows:
ADDENDUM C

Re: Change of Beneficiary
August 18, 2020

A police officer member, within 30 days prior to retirement, may select one of the following four survivor election options by making an election on a form agreed upon by the collective bargaining unit for which the employee is a member and the City:

Option I. Under this option, the member at retirement shall receive the full retirement allowance as provided in subsection (k)(1)(A) and upon the retiree’s death, his or her surviving spouse, who was his or her legally married spouse at the time of retirement, shall receive a retirement allowance equal to 50 percent of the retiree’s retirement allowance until the spouse’s death.

[Emphasis added].

Additionally, in anticipation of her impending retirement, Ms. Rouse was provided and acknowledged receipt of the Retirement Office’s Commonly Asked Questions (attached hereto as Exhibit A) which specifically states that a member’s nomination of beneficiary becomes irrevocable upon the member’s retirement. In light of the foregoing, it is my considered opinion that Ms. Rouse’s request to change her retirement beneficiary is legally impermissible for the following reasons:

1. The election of a survivor election option (and corresponding designation of survivor beneficiary) must be made within thirty (30) days prior to a member’s retirement, not thereafter;

2. The election of an Option I retirement allowance provides for a 50% surviving spouse benefit to the retiree’s legal spouse at the time of retirement, not a post-retirement spouse. Accordingly, even if Ms. Rouse were permitted to change her nomination of beneficiary, her current spouse would remain ineligible to receive a 50% surviving spouse pension as he was not her legally married spouse at the time of her retirement; and

3. Ms. Rouse acknowledged in writing that her nomination of beneficiary was irrevocable upon her retirement.

Notwithstanding the foregoing, it should be noted that Section 294.02(k)(1)E. of the Retirement Ordinance provides as follows:

If a retiree dies before he or she has received in retirement allowance payments an aggregate amount equal to his or her accumulated contributions standing to his or her credit in the employees’ savings fund at the time of his or her retirement and does not have a beneficiary who will receive a retirement allowance under this chapter, the difference between his or her accumulated contributions and the aggregate amount of retirement allowance payments received by him or her shall be paid from the retirement reserve fund to such person or persons as the retiree has nominated by written designation, duly executed and filed with the Board of Trustees. If there is no such designated person or persons surviving the retiree, such difference, if any, shall be paid to the retiree’s legal representative. No benefits shall be paid under this section on account of the death of a retiree if a
ADDENDUM C

Re: Change of Beneficiary
August 18, 2020

[survivor] retirement allowance becomes payable under subsections (k)(3) and (k)(4) heretof on account of his or her death.

In light of the fact that, as a result of her divorce, Ms. Rouse no longer has a beneficiary who is eligible to receive a survivor retirement allowance from the Retirement System, she may still be eligible to designate a beneficiary for purposes of receiving a refund of her accumulated contributions under the foregoing section of the Retirement Ordinance. It is acknowledged that this may be a moot point if Ms. Rouse has already received aggregate retirement allowance payments in excess of her accumulated contributions standing to her credit at the time of retirement. However, I bring this to the Board’s attention as there is nothing in the Retirement Ordinance or applicable law that would prohibit Ms. Rouse (or any other retiree) from changing, after the member’s effective date of retirement, the designated beneficiary eligible to receive a refund of residual accumulated contributions. In fact, the ability to change such designated beneficiary would seem to be consistent with the spirit of the Retirement Ordinance which recognizes the applicability of such a refund only in the event that a survivor retirement allowance is not payable (which is only likely to occur in the event of a divorce or a preceding death of a survivor beneficiary).

Conclusion

Based on the foregoing, it is my considered opinion that Ms. Rouse’s request to change her nomination of retirement allowance survivor beneficiary is legally impermissible under the provisions of the Retirement System. However, pursuant to Section 294.02(k)(1)E. of the Retirement Ordinance, it is my further considered opinion that Ms. Rouse may be eligible to designate a new beneficiary for purposes of receiving a refund of any remaining accumulated contributions in the event of her death prior to receiving aggregate retirement allowance payments equal to the accumulated contributions standing to her credit at the time of retirement.

This office in rendering this opinion has reviewed and relied upon the facts as presented and stated herein and is of the understanding that there are no past practices which may serve to modify and/or amend the Retirement System provisions relating to the consideration of this issue. Based on the foregoing and in accordance with the Retirement Board’s fiduciary responsibility for the proper administration of the Retirement System, it is also recommended that the Retirement Board consider the adoption of a formal written policy and procedure regarding service retirement that further specifies the irrevocability of retirement survivor beneficiaries and the ability, if any, to change such beneficiaries on a post-retirement basis.
ADDENDUM C
EXHIBIT A

January 2014

EMPLOYEE RETIREMENT PLANS
(Defined Benefit Plans)

COMMONLY ASKED QUESTIONS OF THE RETIREMENT OFFICE
(all information is subject to change)

WHAT HAPPENS TO MY MEDICAL AND DENTAL INSURANCE WHEN I RETIRE?

The following medical coverages are currently offered to City retirees (Please note that your Union Contract governs your benefit plan in retirement. Generally, in many contracts, eligible retirees shall be covered by the same insurance as active bargaining unit members):

Blue Cross/Blue Shield – Will normally be exactly what you currently have as an employee.

Physicians Health Plan – If you have PHP upon retirement and PHP consider you to be retiring early, you may continue coverage. Remember this contract is with the Lansing area PHP only.

Delta Dental Insurance – Coverage remains the same as it was during employment with the City (one exception: in some cases, orthodontia is no longer a benefit). Union members please consult your contracts; non-union members should refer to personnel rules. There currently is no cost to the retiree for this coverage.

Premiums – You will be required to pay for all premiums for health care in excess of your eligible base plan. You will be subject to premium sharing as described in your Union Contract.

The criteria used to determine dependent eligibility is the same for retirees as for employees. You must be able to claim individuals according to the IRS dependence test in order for them to remain on your medical or dental insurance.

Open Enrollment – You can make changes to your medical insurance coverage during Open Enrollment which is normally held in May of each year.

Medicare Reimbursement – If you or your spouse are eligible for Medicare (age 65), be sure to sign up and immediately upon receipt of the card, mail a copy to the Benefit Office. At this time, you will be transferred to the City's supplemental coverage, currently United American. You will be reimbursed by the City for the basic Medicare premium which is deducted from your Social Security check, as long as the City's cost for Supplemental coverage is less than Medicare. THE CITY WILL REIMBURSE FOR MEDICARE EXPENSES ONLY AFTER RECEIVING VERIFICATION THAT THE EMPLOYEE OR DEPENDENT IS ENROLLED IN MEDICARE, and following completion of enrollment for the City of Lansing Supplemental coverage. If you are not eligible for Social Security, you may pay directly for Medicare.
ADDENDUM C
EXHIBIT A

Remember that the City of Lansing has the "exact fill" clause on its Supplemental policy. The City of Lansing advises that this means supplemental insurance along with Medicare pays exactly what would have been paid had coverage been under regular City of Lansing insurance. If any family member covered under your policy has disability Medicare, be sure to advise the Retirement Office when you sign up for retirement.

COBRA (Comprehensive Benefits and Retirement Act – continuation of coverage) – 1) If you should divorce your spouse or 2) you should elect a retirement option that does not provide a spousal retirement allowance or 3) you have a previous dependent who can no longer be claimed on your income tax return as a dependent, then those individuals may elect to remain on the city's medical and dental policies by paying directly to the City for up to a three-year period. There are, however, some restrictions. If it becomes necessary to apply for COBRA benefits, please ask the Payroll and Benefits office about the restrictions.

WHAT HAPPENS TO MY LIFE INSURANCE WHEN I RETIRE?

You will be offered $3,000 life insurance on yourself. Retiree pays for the cost of this insurance (unless union contract provides otherwise), and the cost is subject to change as the City's insurance policy is experience-rated. (Police-Supervisory and UAW members are offered $5,000 with cost adjusted according to contract provisions.) Your spouse and children will not be covered through the City for life insurance when you retire. Should you elect to convert the present life insurance on yourself or your family, you may do so with Aetna (ING) thirty days before or after retirement to avoid being required to submit to a physical examination. Those converting must pay the same rate as anyone else of that age who would apply for group conversion to Aetna. Please check with Brogan, Reed and Van Gorder, 320 W. Lake Lansing Road, Suite 2, East Lansing, telephone (517) 351-4400 in order to determine the exact cost. The City recommends this be reviewed as you might for any private term life insurance coverage. This is a highly competitive market.

Important: If you are retiring due to total disability (as defined in this instance by AETNA) and this disability may cause your death, you will want to check with Aetna for possible conversion for nine months. Nine months following retirement, it will be your responsibility to contact the Retirement Office and request the Retirement Office to initiate the paperwork for Aetna to consider waiver of premium for those under age 60. You will be advised at that time about the procedure used in filing for waiver of premium.

Deferred Retirement – It is your responsibility to contact the Retirement Office when you are eligible to receive retirement after a deferral period. The City will not automatically initiate payments to you.

If you qualify for medical, dental or life insurances coverage, they will be available when you commence drawing your retirement allowance (or when you attain age 55, 58 or 65 points of age and service credit in the defined contribution plan). During the time your retirement is on deferred status, you will not have medical, dental or life insurance through the City of Lansing.
ADDENDUM C

EXHIBIT A

What Happens in the Event of my death? – Your beneficiary will need to provide a death certificate to the Retirement Office. The Retirement Office will advise your beneficiary of all benefits available through your retirement for the beneficiary. Only if you elect an option leaving a pension to a beneficiary will the beneficiary continue to receive medical and dental insurances.

If you do not elect an option providing a continued retirement allowance for your spouse, he/she any remaining dependents will NOT be allowed to remain on the City’s insurance except for the period of time specified under the COBRA law, and only if the beneficiary makes payments to the City for those coverages.

What Happens if my Beneficiary Should Die? – You will need to contact the Retirement Office to adjust your insurance accordingly. Once you retire, your nomination of beneficiary becomes irrevocable.

Is my retirement taxable income? – Yes! Anyone who retires after July 1, 1986, is responsible for Federal Income Tax on the employer’s portion of retirement income beginning on the first day of retirement. The City will provide an exclusion letter one time only based on IRS tables. You will need to save the exclusion letter for income tax purposes. (Disability retirees should consult their tax consultants as they will not receive the exclusion letters until reaching normal age and service retirement.) At the time of retirement, you will elect a withholding option for Federal Income Tax to be withheld from your retirement check. You may change the withholding option at any time.

The State of Michigan phases out certain pension and retirement income subtractions based on date of birth, beginning for tax year 2012. The City of Lansing currently does not require payment of income tax on your retirement allowance. Please see specific instructions on your State and City tax returns, or consult your tax advisor. The City currently does not withhold City of Lansing income tax from your retirement check.

Social Security – If you are eligible to draw Social Security during the year in which you retire, it is your responsibility to report to the Social Security Administration the amount for lump sum vacation and sick leave that you earned in a prior year. This information is generally located on your last payroll check upon separation from the City of Lansing.

Bank Deposits – The City of Lansing will be happy to electronically deposit your entire check to any bank or credit union in the United States that you designate. The account number and routing number must be provided to the Retirement Office as bank and credit unions require it to receive direct deposits.

Deductions – If you have any miscellaneous deductions for Aflac, United Way, deferred compensation or credit union deposits, these will not continue upon retirement.

Payments – Remember payments are made once a month and are dated for the last business day of the month. Remember no check can be cashed until the date of the check. If you retire on the first day of a month, your first retirement check will be issued the last day of that same month.

is directly out of check
ADDENDUM C

EXHIBIT A

Ideally, the City of Lansing prefers the that payroll follow this procedure: the last regular check should include only hours worked in the last pay period, pro-rate longevity, for accrued sick leave (at one-half accumulated total as subject to contract or personnel rules), lump sum vacations and personal leave days. Checks are either mailed to employee’s home address or directly deposited in the employee’s account.

The Retirement Office calculates your final average compensation and your monthly retirement allowance. The Finance Department mails or electronically sends your checks.

HOW DO I BEGIN THE PROCESS?

When you come to the Retirement Office to initiate paperwork for retirement, please bring your Beneficiary’s Social Security Number, Date of Birth and Place of Birth.

Please contact the Retirement Office 4-6 weeks in advance to set up an appointment. You will need your dependents social security numbers and dates of birth to complete medical insurance paperwork. New medical and dental insurance cards will be issued approximately six to eight weeks after your official retirement date. It is OK to use the old card until the new one is received. The provider of services may get a rejection; however, by the time the provider receives the rejection, you should have your new cards in order to resubmit the claim.

If you are retiring on disability retirement, be sure to get a copy of the ordinance that governs the Retirement System in order to understand the difference between regular retirement and disability retirement. For instance, differences include income reporting, offset against earnings and how your worker’s compensation may be affected, if applicable, as well as reexamination and reinstatement. Please review your retirement book and your union contract, if applicable, and ask questions.

This data is strictly designed to assist retirees and potential retirees with a few basic answers, and is subject to change, and is not a representation of all your rights. For more detailed information, please refer to applicable union contracts, health care brochures, etc.

THIS INFORMATION DOES NOT APPLY TO EMPLOYEES IN THE DEFINED CONTRIBUTION PLAN.

________________________________________________________________________

I acknowledge receipt of a copy of the Commonly Asked Questions of the Retirement Plan, and I acknowledge that all decision I have made relative to my retirement and benefits are done with an understanding of their implications.

Date 10/3/16

[Signature]

Employee Signature
OFFICIAL PROCEEDINGS OF THE BOARD OF TRUSTEES CITY OF LANSING POLICE AND FIRE RETIREMENT SYSTEM

Special Meeting July 21, 2020
Via Zoom Meeting Tuesday, 8:30 a.m.

The Board was called to order at 8:30 a.m.

Present: Trustees Fox, Lewandowsky, Rose, Schor, C. Wilcox, R. Wilcox, Wohlfert (8:38), Wood– 8.
Absent: 0

Trustee Ryan Wilcox presided.

Others: Karen E. Williams, Human Resources Department; Attorney Aaron Castle (legal counsel).

It was moved by Trustee Rose and supported by Trustee C. Wilcox to approve the Official Minutes of the Police and Fire Retirement System Board meeting of June 16, 2020.

Adopted by the following roll call vote: yes: Lewandowsky, Rose, Schor, C. Wilcox, R, Wilcox, Wood. 6 . No: 0.

Secretary's Report.

10 new sworn fire member(s); 0 new sworn police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 7 retired. Total: Active membership: 374. 1 death(s): Clara Zuk, died 6/21/2020, age 92; spouse of Police retiree. Refunds made since the last regular meeting amounted to $0.00. Reimbursements to the System year-to-date amount to $0.00. Retirement allowances paid for the month of June 2020, amounted to $2,855,633.92. Total retirement checks printed for the P&F System: 752. Total retirement checks printed for both systems: 1,696. Domestic relations order received: 0. Domestic relations orders pending: 0. Eligible Domestic Relations Order Certified: 0.

There were no regular age and service retirements.

There were no requests for duty disability retirement.

There were no requests for non-duty disability retirement.

There were no requests for refunds of accumulated contributions.
Karen Williams reported that MAPERS has scheduled its Fall Conference, September 12 -15 on Mackinac Island. She requested that members who wished to attend contract the Retirement Office regarding registration.

Attorney Aaron Castle provided a legal counsel report regarding other income offsets in response to questions asked by trustees and retirees. Attorney Castle reviewed his opinion that additional income received through an inheritance or federal stimulus packages does not constitute pay or remuneration from a gainful occupation, business or employment, and the Retirement Board is not required to reduce such amounts from disability retirement allowances being paid by the Retirement System.

Attorney Castle provided a copy of the policy that clarifies other income. The policy included, the purpose and definitions. The policy outlined the income verification process, workers’ compensation offset and other income offset.

It was moved by Trustee Rose and supported by Trustee Wood to adopt the City of Lansing Police and Fire Retirement System Disability Offset policy.

Adopted by the following roll call vote: Kehler, Lewendowsky, Rose, C. Wilcox, R. Wilcox, Wohlfert. – 6. No. – 0.

Trustee Ryan Wilcox inquired about the reciprocal retirement act on behalf of members. Trustee Ryan Wilcox explained that members asked if they could use the reciprocal retirement act if they removed their monies from preceding system. The members have 30 months with the City of Lansing. Trustee Wilcox requested direction from legal counsel.

Attorney Castle explained the provisions of the reciprocal retirement act. Attorney Castle opined that as long as the members are active within the City of Lansing Police and Fire Retirement System, those members can utilize the reciprocal retirement act to meet age and service requirements. He further opined that those members could have removed their monies from the preceding system, but still use the service for eligibility. The members would not be able to use the previous reciprocal unit service for benefit calculation.

Attorney Castle reported that new trustee orientation and training was held June 24, 2020. Attorney Castle inquired if the Police and Fire Retirement System wanted to have July 22, 2020 orientation, because most of the new trustees attended the June training. He stated that he would arrange one-to-one orientation with new trustees.
Karen Williams reviewed the monthly investment report for the month ending June 30, 2020.

Karen Williams read into the minutes the following letter from the Office of Mayor regarding staffing changes.

July 14, 2020
City of Lansing Police and Fire Retirement Board
c/o Ms. Karen Williams
124 W. Michigan Ave. 8th Floor
Lansing, MI 48909
Dear Board Members:
Please note some of the changes in our staffing and the corresponding effect on your board membership.
I have named Judy Kehler as the new Chief Strategy Officer to fill the spot left by Shelbi Frayer's resignation.
Cheryl Fox will serve as the interim Treasurer and will fill the Treasurer role on the ERS board as required by ordinance.
Jake Brower is the interim finance director and will fill the role of non-voting secretary for the July meeting.
In August, Rob Widigan will come on board as the Finance Director and take the non-voting Secretary spot.

Please let me know if you need further information regarding these positions, or if there are any concerns.

Sincerely,
Andy Schor
Mayor

It was moved by Trustee Rose and supported by Trustee Wohlfert to adjourn the meeting.

Adopted by the following vote: unanimous

The meeting adjourned at 9:02 am.
Minutes approved on ____________

Jake Brower, Secretary
Police & Fire Retirement System

Ryan Wilcox, Vice Chairperson
Police & Fire Retirement System