

**CITY OF LANSING**  
**EMPLOYEES RETIREMENT SYSTEM**

**BRIEF SUMMARY OF BENEFIT PROVISIONS**

New Plan Members (generally employees hired after October 1990)

***Membership***

The Plan covers full-time permanent employees of the City in the following groups: Teamsters, UAW, NonBargaining, District Court (except Judges), Executive Pay Plan. Newly hired elected officials do not become members of the retirement plan.

**Definitions**

***Compensation***

\*Compensation is defined as a member's salary, wages, and longevity bonus. In addition, Compensation may include up to 80 hours of compensatory time for members not eligible for overtime pay.

***Final Average Compensation***

\*Final Average Compensation is generally determined as the average of the highest annual compensation paid a member during a period of two consecutive years of credited service contained within the member's ten years of credited service immediately preceding the date when the member's employment with the City has terminated.

***Eligibility***

\*Members are eligible for Normal Retirement at age 50 with 25 years of service, or at age 58 with 8 years of service.

***Benefit Amount (UAW)***

\*Benefit is determined as 2.75% of Final Average Compensation times years of credited service.

**\*New Hires on or after 10/21/2013** –Benefit is determined as 1.7% of Final Average Compensation times years of credited service

**\*New Hires on or after 1/9/2017** –Benefit is determined as 1.5% of Final Average Compensation

***Benefit Amount (Teamsters 243/City Council Staff)***

\*Benefit is determined as 1.8% of Final Average Compensation times years of credited service.

**\*New Teamsters on or after 5/18/2014** - Benefit is determined as 1.25% of Final Average Compensation

***Benefit Amount (Teamsters 214)***

\*Benefit is determined as 1.8% of Final Average Compensation times years of credited service

**\*New Hires on or after 9/17/2012** –Benefit is determined as 1.25% of Final Average Compensation times years of credited service

***Benefit Amount (Non Bargaining, District Court, Executive Pay Plan)***

\*Benefit is determined as 1.6% of Final Average Compensation times years of credited service.

### ***Duty Disability Eligibility***

Members are eligible for Duty Disability Retirement benefits immediately upon employment.

#### ***Benefit Amount***

The Duty Disability Retirement Benefit payable to members is equal to the accrued Retirement benefit, with additional service credit granted to age 60. During the workers' compensation period, the disability benefit may not exceed the difference between the member's final compensation and the workers' compensation amount.

#### ***Form of Benefit***

The Duty Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement and for the life of the member. Upon the attainment of age 60, disabled retirees are transferred to service retirement status.

### ***Non-Duty Disability Eligibility***

Members are eligible for Non-Duty Disability Retirement benefits after completing ten years of service.

#### ***Benefit Amount***

The Non-Duty Disability Retirement Benefit payable to members is equal to the accrued Retirement benefit, with a minimum benefit equal to 14% of final average compensation.

#### ***Form of Benefit***

The Non-Duty Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement and for the life of the member.

### ***Duty Death Before Retirement Eligibility***

The Death in Line of Duty Benefit is payable to the survivors of a member who died as a result of an injury or disease arising out of and in the course of duty.

#### ***Benefit Amount***

The benefit payable to the survivors is equal to the survivors' weekly workers' compensation, converted to an annual basis.

#### ***Form of Benefit***

The benefit described above shall begin upon termination of the survivors' workers' compensation period, payable as a life annuity. Children's benefits shall terminate upon attainment of the age of 21 years, or death, or marriage, whichever comes first.

### ***Non-Duty Pre-Retirement Death Eligibility***

The Non-Duty Pre-Retirement Death Benefit is payable upon the death of a member after earning eight years of credited service.

#### ***Benefit Amount***

The Non-Duty Pre-Retirement Death Benefit is computed in the same manner as the Normal Retirement Benefit.

#### ***Form of Benefit***

The benefit described above is payable as a 100% Joint and Survivor benefit to the surviving spouse.

### ***Deferred Vested Benefit Eligibility***

A member is eligible for a Deferred Vested Benefit upon termination of employment after earning eight years of credited service.

#### ***Benefit Amount***

The Deferred Vested Benefit is computed in the same manner as the Normal Retirement Benefit, but it is based on credited service and Final Average Compensation on the date of termination.

#### ***Form of Benefit***

The Deferred Vested Benefit will be paid monthly beginning at age 58 for New Plan members, and for the life of the member.

### **Optional Benefit Forms**

Prior to retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the optional forms described below:

- Cash Refund Annuity - If a member dies before receiving the total value of accumulated member contributions, the remaining member contributions are payable to designated beneficiary(ies) at the time of death.
- 50% or 100% Joint and Survivor annuity
- Social Security Level Income ("Equating Pension") - Any member who retires prior to age 65 may elect to have his retirement allowance actuarially equated to provide an increased retirement allowance to age 65, and a reduced retirement allowance payable thereafter. The increased retirement allowance shall approximate the sum of the member's reduced retirement allowance payable after age 65 and the member's estimated Social Security primary insurance amount.

### **Member Contributions New Plan**

Each member contributes a percentage of Compensation to the Plan. The percentages contributed are as follows:  
**UAW ~ 3%; Teamster 214 ~6.5%; Teamster 243~6.35%; District Court Teamsters & District Court Exempt ~5.5%; NonBargaining & Executive Pay Plan ~ 6.5%**