

CASE STUDY

Ottawa County Central Dispatch



Key Takeaways

- Increasing the employer match and eliminating post-tax contributions in DC plan makes it more attractive.
- Improved retirement benefits aid in the recruitment and retention of employees, addressing a critical challenge faced by the Authority.
- Employee engagement improves, with a noticeable increase in employee interest and understanding of benefits.



Municipality Profile

- Ottawa County Central Dispatch Authority (The Authority) serves all of Ottawa County and a portion of Allegan County
- 34 employees serving approximately 313,000 residents
- In 2023, processed 102,560 emergency calls and dispatched 120,260 police and fire calls.

MERS Programs Used

- Defined Contribution Plan
- 457 Program

Situation

The employee population is predominantly younger, with many working in their first full-time, benefited job. Recruitment and retention of 911 employees is a significant challenge both nationally and within Michigan.

Process

The Authority initiated a project to redesign and enhance their Defined Contribution Plan, implemented on January 1, 2024. The goal was to improve the retirement plan's attractiveness. The previous plan offered a maximum 5% employer match, 3% of which was post-tax. With assistance from MERS personnel, a new plan design was developed to increase the employer match by 1% and fully leverage pre-tax options.

Strategy

The redesigned plan includes the following components:

- **Mandatory Contributions:** Employer and employee each make a mandatory 2% pre-tax contribution to the employee's Defined Contribution account.
- **Voluntary Contributions:** Voluntary employee contributions of 1%-4% to the employee's 457 account receive a matching employer contribution to the Defined Contribution account.
- **Additional Contributions:** Employees can make additional voluntary

contributions to the 457 account either as a dollar amount or a percentage of pay, with the employer contributing an additional 15% (union) or 20% (non-union) of the employee's contribution to the Defined Contribution account.

This strategy provides employees with the flexibility to adjust both the rate and method of their contributions to the 457 plan, whether pre-tax or Roth. By leveraging pre-tax contributions and employer matches, employees can maximize their retirement savings and enhance the overall value of their retirement benefits.

Results

- **Increased Interest:** There has been a noticeable increase in employee interest in understanding the retirement plan.
- **Higher Employer Contributions:** Employer contributions to employees' 401 accounts have increased by 20% based on the new formula.
- **Enhanced Employee Engagement:** The new plan design has made the retirement benefits more attractive, potentially aiding in the recruitment and retention of 911 employees.



Best-in-class team accepting Impact Award at the MERS 2024 Annual Conference



1134 Municipal Way
Lansing, MI 48917
www.mersofmich.com
800.767.6377

Note: This case study may contain a description of MERS benefits, policies or procedures. MERS has made every effort to ensure that the information provided is accurate and up to date. Where the publication conflicts with the relevant Plan Document, the Plan Document controls. For questions related to this document or other MERS products and services, please contact our Service Center at 800.767.6377