CASE STUDY

Wexford County Road Commission

MERS
Municipal Employees' Retirement System



Key Takeaways

- Improved funded status from 62% in 2010 to 111% in 2025.
- Addressed challenges directly rather than postponing decisions.
- Restructuring, plan changes, and additional contributions for long-term strategy.
- Strengthen health benefits while supporting fiscal responsibility.
- Employee education and leadership learning central to retirement readiness.
- Greater financial stability.

MERS IMPACT AWARD
Best-In-Class Retirement Benefits

Municipality Profile

- MERS programs: Defined Benefit (closed), Hybrid, Health Care Savings Program (HCSP), Retiree Health Funding Vehicle (RHFV), 457 Program.
- About 35,000 residents.

Situation

In 2010, the Wexford County Road Commission faced a difficult combination of financial and workforce pressures. The organization was 62% funded, recovering from major storm-related expenses, operating during a severe economic downturn, and anticipating that much of its workforce could retire within approximately five years.

Leadership recognized that without meaningful action, rising retirement costs could threaten the organization's long-term viability and its ability to fulfill commitments to employees. The Commission chose to address the challenge directly, even though doing so required difficult decisions.

Process

The Commission restructured its operations to improve efficiency and create room for long-term investment. Actions included:

- Reducing crew and administrative staffing temporarily during a period of financial hardship.
- Redesigning routes, work structures, and maintenance practices.
- Purchasing equipment to improve efficiency with a smaller workforce.
- Implementing a wage freeze and limiting raises during difficult economic conditions.
- Setting aside resources and making larger pension contributions when financially possible.

Strategy

Retirement funding and employee benefits were treated as parts of one coordinated strategy rather than separate decisions. The Commission:

- Closed the traditional MERS Defined Benefit Plan to new hires and adopted a MERS Hybrid Plan.

- Changed its retiree health care approach by using HCSP and RHFV strategies, including an employer HCSP contribution.
- Adopted the MERS 457 Supplemental Retirement Program.
- Requested billing as though the long-term defined benefit rate of return assumption was 4.75%, resulting in additional pension contributions.
- Consistently attended MERS conferences, roundtables, Pizza & Planning meetings, and other educational events.
- Requested annual MERS education for employees and provided hands-on help using the online portal and MERS resources.

Education supports both informed leadership decisions and employee understanding. Leadership emphasized that employees need a clear view of how pension, defined contribution, HCSP, and other benefits work together.

Results

The Commission's sustained approach produced financial and organizational results:

- Funded status improved from 62% to 111%.
- Retirement obligations no longer create the same ongoing concern for organizational viability.
- The Commission is better positioned to honor benefits promised to employees.
- Employees receive annual education about how their retirement and health care benefits work, thereby helping them understand the benefits and the impact on their long-term financial security.
- Leadership maintains an informed, hands-on approach to MERS programs and resources.
- Employees gain a clearer understanding of the value of their complete compensation and benefits package.

Program Highlights

- Funding approach: Additional pension contributions based on a lower investment return assumption
- Plan design: MERS Defined Benefit and Hybrid retirement coverage
- Retiree health strategy: HCSP and RHFV
- Supplemental savings: MERS 457 Program
- Employee support: Annual education and hands-on assistance
- Leadership development: Consistent participation in MERS educational events
- Guiding principle: Address financial challenges early and seriously

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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