

## Employer Reporting Updates – Frequently Asked Questions

### 1) What is this “DocuSign via MERS Data Collection Project” link I received from MERS? How do I know it is safe?

Data security is of the utmost importance to MERS. We have adopted extensive and best-practice cybersecurity processes and measures, including employing a full-time, dedicated cyber-security expert, requiring mandatory organization-wide training, and engaging outside vendors to test cyber-vulnerabilities. We will never request personally identifiable information about your organization or about your participating employees without first consulting with you. This request for documentation is about provisions you are currently using to administer your MERS benefit; it is not requesting personal information about your employees or financial information about your organization. If you are received information that appears to be from MERS but is asking for personal information that is not prompted by a request from you with a MERS representative, please report that request to your internal technology team for review and alert your regional manager or benefit plan coordinator.

Our request using DocuSign to your organization will include contact names we have on file, your MERS municipality number and division information. If that information is not appearing in the link, please contact MERS for confirmation.

### 2) Is there a default option if no day of work is selected?

There is no default option. We want to know how you are defining this at your municipality rather than imposing an arbitrary number. This information allows us to understand how you define eligibility and supports our internal auditing efforts – including when employees apply to retire. If we understand how you have been defining this, we can better explain to employees why they may or may not have met eligibility requirements. Our objective is to align more with your day to day rather than imposing a default that you may not be following.

### 3) Is there a default if I don't send back the addendum?

We are requiring the form be returned to MERS to complete the provisions on file for your municipality. Completing this information provides details about your plan administration we may not have, or may not have immediate access to.

If you need more time to complete the form, we can adjust your due date. Please submit a request for an extension to your benefic plan coordinator by emailing: [DataCollectionProject@mersofmich.com](mailto:DataCollectionProject@mersofmich.com).

If you would like to have your benefit plan coordinator complete the form while you talk through responses, we can adjust the DocuSign tool to make the BPC the first reviewer, and then they can submit it to the Primary or Authorized Signature contact on file for final approval.

### 4) What if I don't want to complete the form electronically? Can I send in paper?

Due to the high volume of data we will be collecting over the next few months from hundreds of employers, combined with the fact that MERS operations are currently 100% remote, it is required that all information be submitted electronically to ensure tracking and accuracy of your data and provision elections.

Additionally, electronic submission provides a seamless follow-up process that paper submission does not allow. Once the signed off documents are completed electronically, MERS will send an electronic version back to your named contacts for your records. MERS will also have this electronic documentation on file should a reference be needed in the future.

#### 5) **What service credit qualification and number of hours should I choose?**

This is a matter of preference and may be amended later if your unique workforce needs change. Things to consider: what does a normal work day look like at your organization? Do you have other benefits – like health care – that defines who is “eligible” to participate? It may be helpful to be consistent.

If you have identified classifications of employees that do not participate in the MERS benefit, be mindful of situations where part-time employees may step in to support a heavy workload or when a full-time employee is on leave. While service credit qualification is using “*hours in a month*,” excluded employees may require a more specific definition. For example, you may define part-time employees as those who generally work 20 hours in a week. However, due to heavy workload, you occasionally ask part-time employees to work 25 hours in a week. As part-time is *excluded*, defining this as *80 hours in a month* may be out of sync with actual hours worked per month on occasion. Consider defining this more broadly, such as *part-time employees work no more than 1,200 hours in a calendar year*.

#### 6) **Can I get a walk-through of the addendum and how to complete it?**

Yes. Your benefit plan coordinator or regional manager can walk you through the document with the employer reviewing in DocuSign, or by sharing the form in a PDF. A MERS representative can also arrange for a Go-To or Zoom meeting with a screen-share option to walk through the document. Additionally we are working to provide more resources such as webinars and pre-recorded videos to assist you in completing your form.

#### 7) **Can I get a copy of my adoption documents so I know what is currently in effect?**

MERS can share the provisions currently on file. However, it is important to note that the reason we are currently requesting employers submit an adoption agreement addendum is because we know the provisions we have on file do not always align with how you may be administering your MERS benefits today. Through our ongoing administrative and auditing processes, we have discovered many employer plans are out of sync with the provisions on file with MERS. This addendum is a method of asking for information that MERS does not have or has not requested in the past. For example, whether part-time employees are eligible for participation in MERS. While we share what we have, we also encourage you to consult your internal documentation to respond with what you are doing today, i.e., when you report “yes” to service credit – how are you defining? When you submit wages and contributions, what do you *include* in that wage amount; i.e., base wages only, W-2 where deferral rates are added back in to determine contributions and report wages to MERS, etc. **This is not the opportunity to change what you are doing, it is an opportunity to share so that MERS' records are in alignment with your records.**

### 8) Can I determine who will sign off?

MERS has communicated to the contacts that have been designated by your municipality to review and sign off on binding documents. The designated HR contact has a “reviewer” role and the Authorized Signatory or Primary contact have been identified as the “approver” role. The electronic sign-off tool may be reassigned by those individuals, if your internal process requires someone other than who MERS has on file.

If there is a change in your organization’s contact list, please reach out to MERS let us know.

### 9) For divisions specific to Elected/Appointed officials, what service credit qualification should I choose?

You may elect ‘0’ hours for the SCQ requirement, which would signify complete inclusion and zero hours are required to earn a month of service credit.

### 10) Public Safety Employees

#### a. The definition on the addendum refers to “public safety” as more than police and firefighters and emergency responders, why is that?

The expanded definition was meant to collect additional insight of the “make-up” of the group. This supports administration of certain benefit provisions and provides data intelligence to MERS relative to customer and plan participation. If employers have divisions that contain any of the classifications of employees outlined in the definition, that box should be checked. Additional clarification on employees that are part of that division should be inserted in the “Division name” as requested.

#### b. What might be the impact to my defined benefit assumptions by checking this box? What about defined contribution?

For Defined Benefit: The selection of this box may lead to adjusted actuarial assumptions that are typically experienced by divisions that are largely composed of public safety participants. For Defined Contribution: The selection of this box will help MERS identify those groups where specific distribution rules may apply that are allowed for public safety employees.

### 11) What does the below section of the form mean regarding Mandatory contributions?

Types of Benefits	
Nontaxable Fringe Benefits of Employees apply: YES <input type="checkbox"/> NO <input type="checkbox"/>	
<input type="checkbox"/> Health plan, dental, vision benefits	<input type="checkbox"/> Group term or whole life insurance < \$50,000
<input type="checkbox"/> Workers compensation premiums	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Short- or Long-term disability premiums	
Mandatory Contributions apply: YES <input type="checkbox"/> NO <input type="checkbox"/>	
<input type="checkbox"/> Defined Benefit employee contributions	<input type="checkbox"/> Other: _____
<input type="checkbox"/> MERS Health Care Savings Program: employee contributions	
Taxable Fringe Benefits apply: YES <input type="checkbox"/> NO <input type="checkbox"/>	

If you elect to customize your definition of compensation, you should first indicate if you have DB employee contributions or HCSP employee contributions in effect in the division (Yes/No), then if you select Yes, you would have to indicate if you want these contributions to still be part of the FAC

or not. The standard definition includes these mandatory contributions in the FAC but you can choose to exclude them.

**12) Where will I see these provisions in the future?**

MERS is working on system modifications to store these provisions on portals and in other system-supported reporting. Understanding how our customers are responding will help us make those system improvements.

**13) How would I complete the form if I want to define definition of compensation as “Medicare Wages” (also referred to as “Box 5 wages for W2 reporting)?**

Select the “Custom definition” and using the option for Box 1 as your guide, complete the corresponding rows as outlined in the Box 1 definition, when it comes to the section on Types of Deferrals select to “include” the applicable type of deferral; e.g., 457 deferred comp (and any other deferrals that your municipality participates in).

**For More Information**

View the [Employer Reporting Updates resource page](#).

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