

Contribution Addendum for MERS Defined Contribution (and DC portion of Hybrid)



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This is an Addendum to the Adoption Agreement completed by _____
Name of Participating Employer

for the following:

Employee Group Name

Division Code: _____

The Addendum accompanies the MERS 401(a) Defined Contribution (DC) Adoption Agreement. Please complete this addendum for each contribution structure associated with the covered employee group.

Section 1: Matching Contributions

The Participating Employer will make matching contributions into the DC Plan based on

(CHECK ALL THAT APPLY):

- ☐ Employee's MERS 457 program election
- ☐ Employee's non-MERS 457 program election
- ☐ Employee's one-time election of MERS Defined Contribution required employee contributions
- ☐ Other _____

For each payroll period in which employee contributions described in Section 1 are made, the Participating Employer will contribute _____% of the employee contribution amount.

For example, if an Employer elects a 50% match, then for every 1% the participant defers to the Program, the Employer will contribute 0.5% to the Program.

Employer Cap: The Employer elects the following matching contribution cap:

- ☐ **Percentage Cap:** In no event will matching contributions made on behalf of a participant exceed _____% of the participant's IRS Section 401(a)(17) includable compensation as defined by the Employers' Adoption Agreement. Match cannot exceed 100% of participant's income.
- ☐ **Flat Dollar Cap:** In no event will matching contributions made on behalf of a participant exceed a flat dollar amount equal to \$_____ per _____.

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Section 2: Required DC Contributions

Select one:

- ☐ Employees are required to contribute per pay period: _____ (specify \$ or %)
- ☐ Range from _____ to _____ (specify \$ or %) per pay period
- ☐ Employee contributions must be in whole numbers
- ☐ Employee contribution election may be in increments of _____% (for example, 0.5% increments)
- ☐ Choice of contribution amounts per pay period:

Employee Contribution (\$ or %)	Employer Contribution (\$ or %)

The Employer designates _____ (specify \$ or %) as the default contribution

Federal law requires employees only be offered a contribution choice at the time of first eligibility. Therefore, the default will apply when an eligible employee fails to make an election prior to the first payroll reporting in which they qualified for the plan, and those employees who are transferred, rehired, or previously covered under a non-MERS plan.

Direct Required Employee Contributions: ☐ Pre-tax ☐ After-tax

Section 3: Non-Matching Contributions

The Employer hereby elects to make contributions to the participants' accounts without regard to a participant's contribution amount (check all that apply):

- ☐ **Annual:** A one-time annual contribution of \$ _____ or _____% of compensation per participant.
- ☐ **Pay Period:** \$ _____ or _____% of compensation per participant for each payroll period.
- ☐ **One time:** \$ _____.