

# 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

Federal law requires that employees only be offered a choice of contribution rate at the time of first eligibility for an employer plan. Generally, this means that only new hires will be given a choice. All others (transfers, rehires, employees previously covered under a non-MERS or different MERS plan) must contribute at the default rate chosen, if any.

Select one:

- Employees are required to contribute per pay period: \_\_\_\_\_ (specify \$ or %)
- Range from \_\_\_\_\_ to \_\_\_\_\_ (specify \$ or %) per pay period
- Choice of contribution amounts per pay period:

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

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

This default will apply only where the eligible employee fails to make a valid election of a mandatory participant contribution prior to first payroll reporting after the participant has satisfied eligibility.

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:** \$ \_\_\_\_\_.