



What is the Defined Benefit retirement plan?

The MERS Defined Benefit (DB) Plan, sometimes referred to as a *pension*, is a retirement plan that provides guaranteed and predictable lifetime income to vested participants throughout retirement, regardless of investment market fluctuation or inflation.

The amount of income is based on 3 factors: **final average compensation**, **years of service**, and your employer's **benefit multiplier**. Those can be found in your myMERS account.



Scan or click resources and information about our Defined Benefit Plan.

Try a quick estimate

Enter your information below to get an idea of your Defined Benefit future:

| | | | | | | |
|----------------------------|---|----------------|---|--------------------|---|-------------------|
| FINAL AVERAGE COMPENSATION | | SERVICE CREDIT | | BENEFIT MULTIPLIER | | \$ ANNUAL BENEFIT |
| FOR EXAMPLE → \$50,000 | X | → 25.75 | X | → 0.02 | = | → \$25,750.00 |

Final average compensation (FAC) is the average of your highest consecutive wages earned over a period of time determined by your employer.

Service credit is the total years worked at the time of retirement.

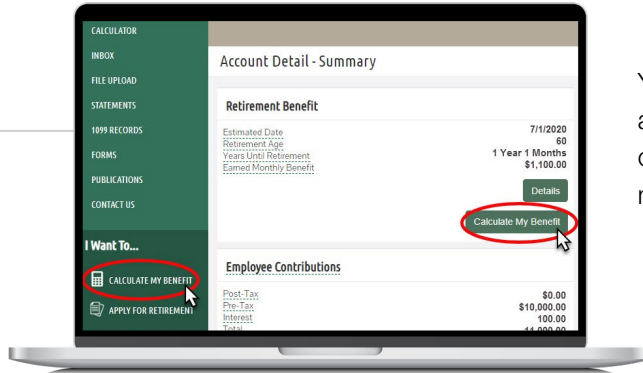
Your **benefit multiplier** is a specific percentage set by your employer.

Your **annual benefit** is the amount you'll be paid each year in retirement. It will be split into monthly deposits and paid to you throughout your retirement.

Calculating Your Personal Benefit



Scan or click to view projections of what your eventual benefit at retirement may be using the "Calculate My Benefit" option in your myMERS account.



Your FAC, service credit, and benefit multiplier can be found in your myMERS account.

Understanding Vesting

In order to receive your full benefit, you must be *vested* with your employer. Each employer determines their own vesting schedule which is based on the number of years you have worked.

Did you know you can add service from previous employers?

1. **Other MERS Service** – If you have worked with more than one MERS employer, you may be able to coordinate your service credit to help meet your vesting and early retirement eligibility requirements.
2. **Reciprocal Retirement Act** (Act 88) – If your Employer has adopted Act 88, you can coordinate your service credit from other Michigan governmental retirement plans to help achieve your vesting requirements.

To better understand your individual situation and options, you can use our online meeting scheduler to set up some 1-on-1 time with a MERS expert or call our Service Center at 800.767.6377.

Payment Options

When you retire, you'll be able to choose the form of payment that works for you:

1. **Straight Life** — highest monthly payment paid for your lifetime, with no beneficiary.
2. **Life with % to survivor** — a reduced benefit that provides a chosen percentage to your beneficiary for life if you die.
3. **Life with period certain** — provides a monthly benefit to you as long as you live. If you die before the selected number of years ends, your beneficiary(ies) receives your payment until that period ends.



Scan or click to watch this video for more explanation.



PUB 27186 (2025-04-04)