

EM SUBMISSION NO.: EMA 1292015

PRESENTED: 3-23-15

ADOPTED: 3-25-15

**BY THE EMERGENCY MANAGER:**

**RESOLUTION APPROVING AN ASSOCIATION DUES WITHHOLDING  
AGREEMENT BETWEEN THE CITY OF FLINT AND THE MUNICIPAL  
EMPLOYEES' RETIREMENT SYSTEM**

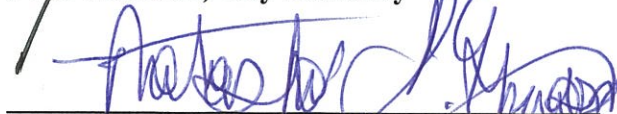
The City of Flint wishes to enter into an Association Dues Withholding Agreement with the Municipal Employees' Retirement System (MERS) to collect dues owed by its retirees who are represented by the United Retired Governmental Employees (URGE), pursuant to monthly withholdings from retirees' monthly MERS pension benefits; and

MERS is willing to administer the association dues withholding pursuant to the terms and conditions contained in the Association Dues Withholding Agreement attached hereto and made a part hereof.

**IT IS RESOLVED** that the Emergency Manager hereby approves the Association Dues Withholding Agreement between the City of Flint and the Municipal Employees' Retirement System, attached hereto and made a part hereof, pursuant to the covenants contained therein.

**APPROVED AS TO FORM:**

  
Peter M. Bade, City Attorney

  
Natasha L. Henderson, City Administrator

**APPROVED AS TO FINANCE:**

  
Dawn Steele, Deputy Finance Director

**EM DISPOSITION:**

ENACT 

REFER TO COUNCIL \_\_\_\_\_

FAIL \_\_\_\_\_

Gerald Ambrose, Emergency Manager

DATED: 3/25/15

## ASSOCIATION DUES WITHHOLDING AGREEMENT

1. This Association Dues Withholding Agreement ("Agreement") is between the Municipal Employees' Retirement System of Michigan ("MERS") and City of Flint ("Participating Municipality") and is effective beginning March 25, 2015.
2. The Participating Municipality desires to have MERS collect dues owed by its retirees who are represented by the URGE ("association dues") pursuant to monthly withholdings from such retirees' monthly MERS pension benefits ("association dues withholding"). MERS is willing to administer the association dues withholding on the terms and conditions contained in this Agreement. The parties agree as follows:
  - a. *Term of Agreement:* This Agreement shall be effective beginning on the effective date above and continuing until terminated in accordance with paragraph d. below.
  - b. *Responsibilities of the Parties:*
    - i. The Participating Municipality shall transmit notice to MERS of each retiree whose association dues shall be withheld to MERS in a manner acceptable to both the Participating Municipality and MERS. The Participating Municipality shall be solely responsible for notifying MERS of any change in retirees subject to the association dues withholding.
    - ii. The association dues withholding shall commence the month following the month in which MERS is effectively notified of the withholding (in accordance with instructions and/or other information to be provided by the Participating Municipality and agreed to by MERS).
    - iii. MERS shall issue to the Participating Municipality any association dues withheld in accordance with the terms of this Agreement. Such funds shall be issued monthly on time(s) and date(s) as determined in MERS' sole discretion.
    - iv. The Participating Municipality is responsible for all communication with its retirees in regards to the association dues withholding.
    - v. The Participating Municipality is responsible for timely notice and information to its retirees and MERS of any and all changes in the amount of association dues owed. Change notices should be sent to MERS via e-mail to [paymentsupport@mersofmich.com](mailto:paymentsupport@mersofmich.com). MERS shall implement any adjustment to a retiree's withholding based on such changes in accordance with instructions and/or other information to be provided by the Participating Municipality and agreed to by MERS.
    - vi. If overpayments occur (too much is withheld), the Participating Municipality will be responsible for refunding the overage to the affected retiree(s). If a shortage of payment occurs (too little is withheld), MERS may make the necessary adjustment on the next monthly payroll.
    - vii. If a retiree's monthly pension benefit is less than the calculated monthly association dues, MERS will not implement any withholding for that retiree. A notice of this shortfall will be provided to the Participating Municipality, which will be responsible to communicate this with the retiree, consistent with subparagraph iv. above.
  - c. *Limitations of Services.* MERS does not assume any obligations in regards to the association dues withholdings other than those responsibilities stated in this Agreement or as provided in MERS' Plan Document. In particular, MERS does not have the following obligations:
    - i. *Not a Fiduciary.* MERS is not the administrator, trustee, or fiduciary of the Participating Municipality's association designated in this Agreement ("association"). As such, MERS shall have no discretionary authority or control over the management of the Participating Municipality's

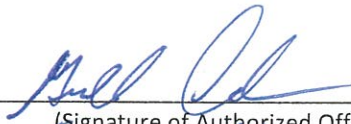
association and shall exercise no discretion or control with respect to the management or disposition of the assets of the association other than as stated in this Agreement.

- ii. *Liability.* MERS shall not be liable, nor advance its own funds, for the payment of association dues under this Agreement. MERS shall not incur any liability in acting upon any notice, request, signed letter or other paper or document or electronic transmission reasonably believed by MERS to be executed or sent by an authorized person of the Participating Municipality or association.
  - iii. *Compliance.* MERS is not responsible for qualification or compliance of the Participating Municipality or the association with the Internal Revenue Code and any other applicable laws, federal, state, or local, for which the Participating Municipality or association is responsible by law.
  - iv. *Expenses.* MERS is not responsible for payment of any expense of the Participating Municipality or the association, including, but not limited to, the fees of an attorney, accountant and other individual or entity not employed by MERS who provides services hereunder at the request of or with the prior consent of the Participating Municipality or association.
- d. *Termination of Agreement.* This Agreement may be terminated at any time by MERS or the Participating Municipality. In the event of a termination, MERS shall cease to deduct association dues from retirees' monthly retirement benefits in accordance with a reasonable timetable to be agreed upon by both MERS and the Participating Municipality. MERS shall distribute any funds due to the Participating Municipality as soon as administratively practicable.

By signing below, both parties agree that the association dues withholdings will be administered in accordance with the terms provided herein. Items not discussed in this Agreement shall be administered in accordance with the MERS Plan Document.

Authorized Designee of Participating Municipality:

Dated: 3/25, 2015

  
\_\_\_\_\_  
(Signature of Authorized Official)  
Emergency Manager  
\_\_\_\_\_  
(Title)

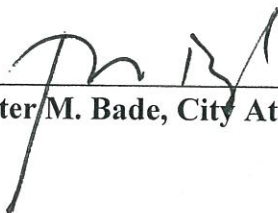
Received and approved by the Municipal Employees' Retirement System of Michigan:

Dated: \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
(Authorized MERS Signatory)

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**APPROVED AS TO FORM:**

  
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Peter M. Bade, City Attorney