

**Fiscal Year 2016-17 Employer Retirement Contribution Rates: Rates Applied to Applicable Payroll  
Defined Benefit (DB) and Defined Contribution (DC)**

<b>Retirement System/Plan</b>	<b>Pension Rate**</b>	<b>Health Care Rate**</b>	<b>State Rate Cap Subsidy (MPSERS)***</b>	<b>Total Contribution Rate (excludes FICA)</b>
SERS - DB	25.50%	21.05%	---	46.55%
SERS - DC	28.94%	21.70%	---	50.64%
MPSERS - Basic/MIP with retiree health*	19.03%	5.91%	11.70%	36.64%
MPSERS - Basic/MIP with personal health fund*	19.03%	5.69%	11.70%	36.42%
MPSERS - Hybrid with retiree health	18.40%	5.91%	11.70%	36.01%
MPSERS - Hybrid with personal health fund	18.40%	5.69%	11.70%	35.79%
MPSERS - DC with retiree health	15.27%	5.91%	11.70%	32.88%
MPSERS - DC with personal health fund	15.27%	5.69%	11.70%	32.66%
SPRS - DB	61.44%	39.55%	---	100.99%
SPRS - Hybrid	55.11%	41.52%	---	96.63%

State Employees' Retirement System (SERS)  
Michigan Public School Employees' Retirement System (MPSERS)  
State Police Retirement System (SPRS)

\*MIP = Member Investment Plan. Both Basic and MIP in MPSERS are closed to new hires. New hires in MPSERS have the option of the Hybrid (a retirement plan that has both DB and DC components) or a straight DC plan.

\*\*Pension and health care rates include both the "normal" cost and the cost of making payments toward accrued liabilities. For more information on "normal" and "legacy" costs, please see "Explaining "Stranded" and "Legacy" Costs in Retirement Systems (Summer 2013)".

\*\*\*PA 300 of 2012 enacted a cap on the percentage of payroll that a MPSERS employer pays toward unfunded accrued liabilities (UAL), equal to 20.96%. Anything required to be contributed toward UAL in excess of 20.96% is paid by the State using School Aid Fund dollars appropriated in the School Aid budget.

SERS DB has been closed to new hires since 1997, with new hires in a DC. SPRS hybrid has been in place since 2012. Judges Retirement System (JRS) DB has been closed to new hires since 1997, with new hires in a DC. With the exception of the JRS, retiree health care premium coverage is no longer available for new hires in any of the systems, and instead new hires receive matching contributions into a personal health fund savings account.

In the Judges Retirement System, retirement contribution rates are not calculated. Instead, the annual required contribution (ARC) to fund the pension (for the remaining active defined benefit judges) is funded as a journal entry that transfers the ARC from the Court Filing Fee Fund to the JRS at the end of the year. In accordance with the 2015 valuation, \$2.1 million was transferred from the Court Filing Fee Fund for pension costs. For retiree health care and other post-employment benefits (OPEB), the costs are paid on a cash basis, and are not prefunded. Therefore, the bills are paid in the year in which they are incurred, on a cash basis. For FY 2015-16, the estimated healthcare cost is just under \$700,000, of which an estimated \$542,000 is anticipated in revenue from member contributions and investment proceeds, with the remaining \$154,000 transferred from the Court Filing Fee Fund for OPEB costs.