

## MEMBERSHIP AGREEMENT

(For TGRS-MERS Defined Benefit, Defined Contribution and Hybrid Plans)

This **AGREEMENT** dated \_\_\_\_\_, 20\_\_\_\_, by and between the MERS Retirement Board (“**Board**”), acting as the Board of the Tribal Government Retirement System (“**TGRS**”), and the Governing Body of \_\_\_\_\_ an Indian Tribal Government and “governmental plan” with respect to the Tribe’s governmental (non-commercial) employees, as defined in Section 414(d) of the Internal Revenue Code of 1986, and an eligible participating Tribe (“**participating entity**”) with trust lands in the State of Michigan, is entered into under the provisions of 1996 PA 220 as amended by 2004 PA 490 and the MERS Plan Document of 1996. This Agreement does not waive or excuse or render inapplicable all duties and obligations imposed on the parties by law, the MERS Plan Document of 1996, or the TGRS Defined Benefit Plan Document to the extent it may be applicable, as each may be revised periodically.

Through Resolution adopted \_\_\_\_\_, 20\_\_\_\_, the Tribe has elected to participate in TGRS in accordance with MERS Plan Section 41 or 41A.

(Check Boxes I, II or III, as applicable.)

**I. TGRS-MERS DEFINED BENEFIT PLAN IS ADOPTED**

A. The participating entity has furnished TGRS with data regarding each person in its employ and the Board’s actuary has computed the liabilities for service benefits payable and which may become payable (on account of service already, and to be, rendered), as required by MERS Plan Section 42, through Initial Actuarial Valuation dated \_\_\_\_\_, 20\_\_\_\_.

B. As a condition of TGRS-MERS membership, and pursuant to the MERS Board’s power as TGRS Plan Administrator and Trustee under TGRS Plan Section 36, MCL 38.1536, it is appropriate and necessary to enter into this Agreement providing for the payment of the required contributions of a participating entity.

1. On or before January 1 each calendar year, the TGRS Board’s actuary shall make an Annual Actuarial Valuation of the participating entity’s MERS defined benefit accrued service liabilities, and if necessary, adjust the amount of the annual contributions to be paid by the entity to TGRS-MERS in monthly installments. A copy of the annual valuation and required contributions shall be provided by TGRS to the participating entity on or before January 1 each year.
2. The Wage and Service Reports due monthly, and the Member Contributions (if any) and Employer Contributions due and payable monthly, shall be submitted in accordance with the TGRS-MERS Enforcement Procedure for Prompt Reporting and Payment.
3. Should the participating entity agree to the crediting of all or a portion of pre-TGRS prior service rendered to it by its covered employees in the Resolution for Adopting TGRS-MERS Defined Benefit Programs, then the provisions of that Resolution are incorporated by reference in this Agreement. This includes, but is not limited to, the amortization of any unfunded prior service obligations, as adjusted in the Annual Actuarial Valuation.

4. Each contribution payment received from the participating entity (or covered employee, where there are employee contributions) shall be promptly credited by TGRS-MERS to the appropriate Reserve.
5. If at any time the balance standing to the participating entity's credit in the Reserve for Employer Contributions and Benefit Payments is insufficient to pay all service benefits due and payable to the entity's retirants and beneficiaries, the participating entity agrees and covenants to promptly remit to TGRS the amount of such deficiency as determined and certified by the Board. The Michigan Constitution of 1963, Article 9, Section 24, provides that accrued financial benefits arising under a municipality's retirement plan is a contractual obligation of the municipality, and prohibits the use of the municipality's required current service funding to finance unfunded accrued liabilities. This provision shall be applied to a participating entity covered by TGRS-MERS Defined Benefit Plans.
6. It is further agreed that should the participating entity fail to make its required contribution when due, the retirement service benefits due and payable by TGRS-MERS on behalf of the entity to its retirants and beneficiaries may be suspended until the delinquent payment is received by TGRS-MERS, and subject to applicable interest and penalty charges per Plan Section 45A(3) and the TGRS-MERS Enforcement Procedure for Prompt Reporting and Payment.<sup>(F586)</sup>

**II. TGRS DEFINED CONTRIBUTION PROGRAM IS INITIALLY ADOPTED**

The participating entity elects to come under the provisions of Plan Section 19A, and as a condition of membership, agrees to comply with Section 19A and all other provisions and requirements applicable to TGRS Benefit Program DC.

**III. TGRS HYBRID PROGRAM (BENEFIT H) IS INITIALLY ADOPTED**

The participating entity elects to come under the provisions of Plan Section 19B, and as a condition of membership, agrees to comply with Section 19B and all other provisions and requirements applicable to TGRS Benefit Program H. All provisions of Section I of this Agreement above shall fully apply to the extent there is no conflict with any provision of Plan Section 19B.

**MUNICIPAL EMPLOYEES' RETIREMENT BOARD  
(acting as Tribal Government Retirement System Board)**

By: \_\_\_\_\_  
Anne M. Wagner, Chief Executive Officer  
Tribal Government Retirement System

**GOVERNING BODY**

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_