

Michigan Public School Employees' Retirement System
Retirement Plan Provisions

	DB Plan (Closed to new hires in 2010)	Hybrid Plan (Pension Plus) (Closed to new hires in 2018) September 4, 2012 - January 31, 2018, new hires chose between the Hybrid and DC Plans. The default plan was Pension Plus.	DC Plan (Opened to new hires in 2012)	Hybrid Plan (Pension Plus 2) (Opened to new hires in 2018) Since February 1, 2018, new hires choose between Pension Plus 2 and DC, the default is DC.
Benefit Earned	Monthly benefit for life	A more economical, guaranteed DB Plan alongside a modest DC Plan	Employer match/contributions to SOM 401(k) & 457 Plans	A more economical, guaranteed DB Plan alongside a modest DC Plan
Vesting	10 years of service (for most members)	DB Plan: 10 years of service Employee DC Contributions: Immediately 100% vested Employer DC Contributions: 100% vested after 4 years of service	•Employee Contributions: Immediately 100% vested •Employer Contributions: 100% vested after 4 years of service	•DB Plan: 10 years of service •Employee DC Contributions: Immediately 100% vested •Employer DC Contributions: 100% vested after 4 years of service
Benefit Amount	Final Average Compensation (highest 3 or 5 years) times pension factor (1.5% or 1.25%) times years of service	DB Plan: Final Average Compensation (highest 5 years) times pension factor (1.5%) times years of service DC Component: Based on employee and employer contributions and investment performance	Based on employee and employer contributions and investment performance	•DB Plan: Final Average Compensation (highest 5 years) times pension factor (1.5%) times years of service •DC Component: Based on employee and employer contributions and investment performance
Eligibility	For most members, Age 60 with 10 years of service; or any age 30 years of service	DB Plan: 60 with 10 DC Component: Based on vesting requirements and IRS rules	Based on vesting requirements and IRS rules	•DB Plan: 60 with 10 •DC Component: Based on vesting requirements and IRS rules
Cost to Employee	For most members, 3%-7% of pay	DB Plan: For most members, 3% to 6.4% of pay DC Component: Automatically enrolled at 4% to receive full employer match of 50% (up to 2%)	Enrolled at 3% to receive automatic 4% and an additional match up to 3% + 2% PHF	•DB Plan: 6.2% of pay •DC Component: Automatically enrolled at 4% to receive full employer match of 50% (up to 2%)
Cost to Employer (Normal Cost)	4.86% of pay	3.07% + 1% DC match +2% PHF	Up to 7% of pay + 2% PHF	6.2% of pay + 1% DC match +2% PHF