

**Michigan Public School Employees' Retirement System**  
**Retirement Plan Provisions**

	<b>DB Plan</b> (Closed to new hires in 2010)	<b>Hybrid Plan (Pension Plus)</b> (Closed to new hires in 2018)	<b>DC Plan</b> (Opened to new hires in 2012)	<b>Hybrid Plan (Pension Plus 2)</b> (Opened 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.		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	<ul style="list-style-type: none"> <li>•Employee Contributions: Immediately 100% vested</li> <li>•Employer Contributions: 100% vested after 4 years of service</li> </ul>	<ul style="list-style-type: none"> <li>•DB Plan: 10 years of service</li> <li>•Employee DC Contributions: Immediately 100% vested</li> <li>•Employer DC Contributions: 100% vested after 4 years of service</li> </ul>
		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	<ul style="list-style-type: none"> <li>•DB Plan: Final Average Compensation (highest 5 years) times pension factor (1.5%) times years of service</li> <li>•DC Component: Based on employee and employer contributions and investment performance</li> </ul>
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	<ul style="list-style-type: none"> <li>•DB Plan: 60 with 10</li> <li>•DC Component: Based on vesting requirements and IRS rules</li> </ul>
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	<ul style="list-style-type: none"> <li>•DB Plan: 6.2% of pay</li> <li>•DC Component: Automatically enrolled at 4% to receive full employer match of 50% (up to 2%)</li> </ul>
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