

**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 plan is DC.
<b>Benefit Earned</b>	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
<b>Vesting</b>	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
<b>Benefit Amount</b>	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
<b>Eligibility</b>	For most members, Age 60 with 10 years of service, age 55 with 30 years of service or age 46 with 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
<b>Cost to Employee</b>	For most members, 3%-7% of pay	DB Plan: For most members, 3% to 6.4% of pay DC Component: Automatically enrolled at 2% to receive full employer match of 50% (up to 1%)	Automatically enrolled at 3% of pay to receive full employer match of 100% of first 3% of employee contributions.	•DB Plan: 6.2% of pay •DC Component: Automatically enrolled at 2% to receive full employer match of 50% (up to 1%)
<b>Cost to Employer (Normal Cost)</b>	6.39% of pay	3.43% + 1% DC match	Up to 7% of pay (4% is mandatory)	6.2% of pay + 1% DC match

This benefit summary describes the retirement plan(s) offered. Retiree health care may also be offered; benefits vary by hire date and reform elections made.