



# Trustees Insurance Fund Defined Benefit Plan Overview

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# Defined Benefit Plan Services



Actuarial Services



Participant Benefit Calculations and Administration



Plan Design Consulting



Investment Oversight / Fiduciary Services

- Each Township has a unique plan – may be structured to meet desired benefit level(s) or estimated annual cost
- Flexible benefit design may be changed as conditions warrant
- Typical benefit formula based upon salary & years of service – attracts and retains long service employees
- State reimbursement for a portion of plan costs after 3 years

- Who is eligible for benefits?
- Benefit Level:
  - \$250/month, 1% X service, 1.5% X service
- When do employees own the benefit?
  - Vesting
- Retirement Age: 65, 62, 55?
  - Younger retirement age increases benefit cost
- Optional benefits:
  - Reduced early retirement, disability, death

- How will plan assets be invested?
  - Equities vs. bonds vs. guaranteed account
  - Greater weighting toward equities will be expected to reduce long term cost, but increase fluctuations
- Does benefit service start at date of hire or date plan is adopted?
  - Retroactive service creates initial unfunded liability
  - Potential for higher “distress level” under Act 44
- Encourage employees to stay to a point?
  - Long vesting period with a cap on benefit service
- Should employees contribute to the plan?

Team-up with The Trustees Insurance Fund for all your retirement plan needs!

## Contact Information:

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