

Bonnie Friedrichs  
Alpena County  
720 W Chisholm St Ste 2  
Alpena, MI 49707

### Forfeiture Notice Regarding your MERS Hybrid Plan

Dear Bonnie,

You are receiving this notice because you have defined contribution forfeitures in the amount of \$6460.69<sup>1</sup> for the plan listed above. In order to comply with IRS regulations, these funds must be used by **December 31, 2021**. The easiest way to do this is to use available forfeiture funds to offset employer contributions during regular wage/contribution reporting through the **Employer Portal**. Instructions can be found on **page 30** of the **Wage, Contribution and Employer Portal Guide**, available on our website at [www.mersofmich.com](http://www.mersofmich.com).

#### WHAT IS A FORFEITURE?

A forfeiture is the non-vested employer contributions of a participant's account that they give up upon separating from employment before meeting vesting requirements **and**:

1. Fulfill a 12-month separation of employment (date of termination + 12 months), OR
2. Take a distribution from their account following termination

You can view which participant accounts are included in the last forfeiture deposit through the **Request Reports** function in your Employer Portal (please refer to **page 19** of the **Wage, Contribution and Employer Portal Guide** for steps to generate this report).

#### HOW CAN FORFEITURES BE USED?

Per IRS regulations, funds in your forfeiture account must be used within the DC plan in the plan year they occur and can be used in three ways:

1. Funds may be used to offset future employer contributions – the majority of plans use this option.
2. Funds can be used to offset employee fees.
3. Funds can be equally distributed across all employee accounts

#### ACTION IS REQUIRED

You are required to utilize the forfeiture balance indicated above by **December 31, 2021**. If you're interested in exploring an alternative option to using funds, please contact me.

**If you have already been in contact with MERS regarding your forfeiture balance, you may disregard this notice.**

Sincerely,

Sonia Elahi, Benefit Plan Coordinator  
517.703.1200  
selahi@mersofmich.com

*Please note: This notice was sent to those within your municipality who are designated as a Primary, Finance or Administrative Portal contact for MERS-related business.*

<sup>1</sup> Amount as of 10/31/2021. If you've taken action to exhaust your account balance since this time, please disregard this notice.

Bonnie Friedrichs  
Alpena County  
720 W Chisholm St Ste 2  
Alpena, MI 49707

### Forfeiture Notice Regarding your MERS Defined Contribution Plan

Dear Bonnie,

You are receiving this notice because you have defined contribution forfeitures in the amount of \$126113.65<sup>1</sup> for the plan listed above. In order to comply with IRS regulations, these funds must be used by **December 31, 2021**. The easiest way to do this is to use available forfeiture funds to offset employer contributions during regular wage/contribution reporting through the **Employer Portal**. Instructions can be found on **page 30** of the **Wage, Contribution and Employer Portal Guide**, available on our website at [www.mersofmich.com](http://www.mersofmich.com).

#### WHAT IS A FORFEITURE?

A forfeiture is the non-vested employer contributions of a participant's account that they give up upon separating from employment before meeting vesting requirements **and**:

1. Fulfill a 12-month separation of employment (date of termination + 12 months), OR
2. Take a distribution from their account following termination

You can view which participant accounts are included in the last forfeiture deposit through the **Request Reports** function in your Employer Portal (please refer to **page 19** of the **Wage, Contribution and Employer Portal Guide** for steps to generate this report).

#### HOW CAN FORFEITURES BE USED?

Per IRS regulations, funds in your forfeiture account must be used within the DC plan in the plan year they occur and can be used in three ways:

1. Funds may be used to offset future employer contributions – the majority of plans use this option.
2. Funds can be used to offset employee fees.
3. Funds can be equally distributed across all employee accounts

#### ACTION IS REQUIRED

You are required to utilize the forfeiture balance indicated above by **December 31, 2021**. If you're interested in exploring an alternative option to using funds, please contact me.

**If you have already been in contact with MERS regarding your forfeiture balance, you may disregard this notice.**

Sincerely,

Sonia Elahi, Benefit Plan Coordinator  
517.703.1200  
selahi@mersofmich.com

*Please note: This notice was sent to those within your municipality who are designated as a Primary, Finance or Administrative Portal contact for MERS-related business.*

<sup>1</sup> Amount as of 10/31/2021. If you've taken action to exhaust your account balance since this time, please disregard this notice.