



Interoffice Memo

To: Heidi Mercer
CC: Andrea Curtis
From: Adam Weldon
Date: 9-8-2025
Re: 2025-2026 Salary Schedules

Salary schedules for our non-unionized members are being brought to the Board for approval. This is a change in practice based on the Michigan Supreme Court clarifying the impact of the Office of Retirement Services (ORS) salary schedules which came from a lawsuit known as *Batista v ORS*.

An employee's retirement pension is based on the employee's final average compensation for their specific retirement plan. When defining compensation, the statute of the Michigan Public School Employees Retirement Act (MPSERA) excludes compensation that is in excess of an amount over the level of compensation reported for the preceding year except increases provided by the normal salary schedule for the current job classification. Based on this statute, ORS previously developed what was defined as a normal salary schedule which the courts determined that ORS lacked the legal authority to develop those schedules. The courts indicated that no salary increases count for retirement purposes unless those employees are subject to an employer salary schedule.

This salary schedule is defined as:

1. A written document
2. Established by statute or approved by a reporting unit's governing body
3. That indicates the time and sequence of compensation and
4. Conforms to a norm, rule, or principle

Legal interpretation indicates it is in the best interest of our employees to present the attached 2205-2026 salary schedules to the Board for approval. Law does not require salary schedules, but they would increase the chance that employee salary increases count for retirement pension purposes.