



Book	Policy Manual
Section	Board Review Fall 2023 (38.1)
Title	Copy of PAYROLL DEDUCTIONS
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#### 6520 - **PAYROLL DEDUCTIONS**

The Board of Education authorizes in accordance with the provisions of law or upon proper authorization on the appropriate form that deductions be made from an employee's paycheck for the following purposes:

- A. Federal and State income tax
- B. Social Security
- C. Municipal income tax
- D. Michigan Public School Employment Retirement System (MPERS) Tax Deferred Payment (TDP) plan
- E. Public School Employees Retirement System
- F. other legally permissible deductions established through an applicable collective bargaining agreement
- G. Section 125 deductions (cafeteria plans)
- H. U.S. Savings Bonds
- I. direct deposit in a chartered credit unions and/or banks
- J. contributions to charitable corporations not-for-profit and community fund organizations
- K. payment of group insurance premiums for a plan in which at least ten percent (10%) of the District employees participate
- L. payment for benefits of part-time employees who elect to participate in benefits provided to full-time staff
- M. court ordered judgments
- N. Total compensation forfeited by unpaid days

~~Deductions are not allowed for dues or service fees for a labor organization or for contributions to political action committees.~~

To the extent permitted by law and in accordance with the procedures set forth below, the Board declares its willingness to enter into an agreement with any of its employees whereby the employee agrees to take a reduction in salary with respect to amounts earned after the effective date of such agreement in return for the Board's agreement to use a corresponding amount to purchase tax-deferred investment plan(s) for such employee (or group of employees desiring the same tax-deferred investment plan(s) company) from any company authorized to transact the business as specified in law in accordance with Section 403(b) of the Internal Revenue Code, and in accordance with the District's administrative guidelines. However, it shall be clearly understood that the Board's only function shall be the deduction and remittance of employee funds.

In any case where the employee designates the agent, broker or company through whom the Board shall arrange for the placement or purchase of the tax-sheltered annuity, the agent, broker or company must execute a reasonable service agreement, an information sharing agreement, and/or other similar agreements as determined at the discretion of the District. The service agreement shall include a provision that protects, indemnifies, and holds the District harmless from any liability attendant to procuring the annuity in accordance with provisions of the Internal Revenue Code and other applicable Federal or State law.

The agent, broker or company must be designated by a number of employees equal to at least five (5) employees.

The Board may waive this requirement for new employees who have already purchased annuities from an agent, broker or company, not utilized by current employees in the District, while the individuals were employed by another public entity.

The Board may limit the number of participating providers and select approved providers.

The Board, by providing employees with payroll deduction services for annuities, is not providing any financial advice to employees, and is not vouching for the suitability of any investment or any annuity provider. The District assumes no responsibility or liability for any investment decisions or losses with respect to employee annuity purchases.

Said agreement shall comply with all of the provisions of law and may be terminated as said law provides upon notice in writing by either party. Employees shall notify the Superintendent's Office in writing if they wish to participate in such a program.

Revised 11/25/02

Revised 6/25/07

Revised 11/22/10

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Legal

M.C.L. 380.1224, 408.477; 423.210 (2012 P.A. 53)

M.E.A. v. Secretary of State, (on rehearing) 489 Mich. 104 (2011)

Mich. OAG 7187 (2006)