

BOARD POLICY

GBQ

PERSONNEL RETIREMENT SYSTEM

~~JUNE 20, 1988~~

MAY 20, 2024

~~Employees are covered for retirement pension purposes under the Michigan Public School Employees Retirement System Retirement Act.~~

~~The Michigan Public School Employees Retirement System Act was recently amended by Act 91 of the Public Acts of 1985, to provide for tax deferment of a Michigan Public School Employees Retirement System member's contributions picked up as provided under Section 414(h) (2) of the United States Internal Revenue Code.~~

~~The Livonia Public Schools School District Board elects to pick up Michigan Public School Employees Retirement System members' contributions as provided by the Internal Revenue Code. The contributions picked up shall be remitted directly by the Livonia Public Schools School District to the Michigan Public School Employees System. Further contributions remitted are designated as employer contributions for purposes of the Retirement System which are being paid by the Livonia Public Schools School District in lieu of the employee contribution requirements and the employees will not be given the option to receive the contributed amounts directly instead of having them paid to the pension plan.~~

The Michigan Public School Employees Retirement System (MPERS) was established by Public Act 136 of 1945 to provide a system of uniform retirement benefits for employees of local school districts in the State of Michigan. Health care benefits were added by legislators in 1975. The provisions governing MPERS were later recodified as Public Act 300 of 1980, the Public School Employees' Retirement Act. That act, as amended, governs the retirement system and includes provisions related to the retirement system's board, benefit vesting, eligibility age and years of service, the calculation of service credit and purchase of credit rules, employee contributions, and the determination of benefit levels.

MPERS is administered by the Office of Retirement Services (ORS) in the Department of Technology Management and Budget. ORS administers a Defined Benefit Plan, a Defined Contribution Plan, and two hybrid plans for public school employees. ORS also administers two retiree healthcare plans: the premium subsidy benefit and the Personal Healthcare Fund. Employees of Livonia Public Schools are automatically enrolled into MPERS. The date an employee first works for a Michigan public school determines the plans an employee is eligible to participate in. All retirement plans require an employee contribution. The District shall make the required employer contributions.

CROSS REF.: Master Agreements: LEADS, LEA, SEALS, AFSCME, LSA, LPA

LEGAL REF.: MCLA, 38.1301 *et seq.* (~~Legal References Updated 3/12/07~~)