

Senators Knezek, Hertel, Conyers, Gregory, Johnson, Bieda, Hopgood, Warren, Ananich and Young offered the following resolution:

**Senate Resolution No. 37.**

A resolution to urge the Governor to abandon his appeal to the Michigan Supreme Court of Public Act 75 of 2010 and immediately refund the unconstitutionally obtained contributions made by Michigan education professionals.

Whereas, Public Act 75 of 2010 significantly revised the Public School Employees' Retirement Act. In particular, the act began requiring all public school employees contribute 3 percent of their salaries to the Michigan Public School Employees' Retirement System without the guarantee of receiving their benefits upon retirement. Contributions made from this provision were deposited into an irrevocable trust that was to be used to pay for the retirement health care benefits of retirees and their eligible dependents; and

Whereas, When challenged in front of the Michigan Supreme Court, the 3 percent contribution could not withstand scrutiny, forcing the mandatory collection to end in 2012. These contributions—made to a non-vesting retiree health benefit program—were considered a mandatory employee deduction, and the court found the requirement to be in violation of the U.S. and Michigan constitutions; and

Whereas, During the three years the policy was in effect, the state collected hundreds of millions of dollars. Challenged again by the state, this decision was upheld by the Court of Appeals, which also ordered the contributions to be returned to the workers with interest; and

Whereas, Despite the low probability of a successful appeal, Governor Snyder has requested that the Michigan Supreme Court overturn the lower courts. This stance continues to drag the state through an expensive and long appeals process that ill-serves the state and is a disservice to these hardworking employees; and

Whereas, Until the appeal is upheld or abandoned, the state Office of Retirement Services cannot issue refunds. Since the end of the policy nearly five years ago, contributors to the Michigan Public School Employees' Retirement System have waited for the Snyder administration to return more than \$550 million in illegally obtained contributions and interest. Michigan educators are overdue for the return of their pay, with interest, that has been illegally collected and withheld; now, therefore, be it

Resolved by the Senate, That we urge the Governor to abandon his appeal to the Michigan Supreme Court of Public Act 75 of 2010 and immediately refund the unconstitutionally obtained contributions made by Michigan education professionals; and be it further

Resolved, That copies of this resolution be transmitted to the Governor of the State of Michigan.