

THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979 (EXCERPT)
Act 300 of 1980

38.1343g Contribution beginning on transition date; amount; method of deducting contributions; picking up member contributions for compensation on or after transition date; benefit.

Sec. 43g.

(1) Beginning on the transition date and ending upon the member's termination of employment or attainment date, as applicable under section 59(1), each member who made the election under section 59(1) shall contribute an amount equal to a percentage of his or her compensation to the reserve for employee contributions or to the member investment plan as set forth in subdivision (a) or (b), as applicable, to provide for the amount of retirement allowance that is calculated only on the credited service accrued and compensation for that member on or after the transition date. Subject to subsection (2), the member shall not contribute any amount under this subsection for any years of credited service accrued or compensation before the transition date. Subject to subsection (2), the amount to be contributed under this subsection is as follows:

(a) For a member who does not contribute to the member investment plan as of September 3, 2012, 4% of compensation to the reserve for employee contributions.

(b) For a member who does contribute to the member investment plan as of September 3, 2012, 7% of compensation to the member investment plan.

(2) The retirement system shall determine a method of deducting the contributions provided for in this section from the compensation of each member for each payroll and each payroll period. The contributions under subsection (1) shall not exceed the total normal cost contribution rate.

(3) The employer shall pick up the member contributions required by subsection (1) for all compensation on or after the transition date. Contributions picked up shall be treated as employer contributions in determining tax treatment under the internal revenue code. The employer shall pay these member contributions from the same source of funds that is used in paying compensation to the member.

(4) A member is entitled to the benefit of all contributions made under this section in the same manner as provided under section 29.

History: Add. 2012, Act 300, Imd. Eff. Sept. 4, 2012

Compiler's Notes: Enacting section 2 of Act 300 of 2012 provides: "Enacting section 2. (1) If the office of retirement services in the department of technology, management, and budget receives notification from the United States internal revenue service that any section or any portion of a section of this amendatory act will cause the retirement system to be disqualified for tax purposes under the internal revenue code, then the portion that will cause the disqualification does not apply." (2) The provisions of this amendatory act are severable. If any part of this amendatory act is declared invalid or unconstitutional, that declaration shall not affect the remaining part of this amendatory act."

Popular Name: Act 300