388.1747c Payments to participating entities of retirement system; installment; definitions.

Sec. 147c. From the appropriation in section 11, there is allocated for 2019-2020 an amount not to exceed $1,030,400,000.00 from the state school aid fund for payments to districts and intermediate districts that are participating entities of the Michigan public school employees' retirement system. In addition, from the general fund money appropriated in section 11, there is allocated for 2019-2020 an amount not to exceed $500,000.00 for payments to district libraries that are participating entities of the Michigan public school employees' retirement system. All of the following apply to funding under this subsection:

(a) For 2019-2020, the amounts allocated under this subsection are estimated to provide an average MPSERS rate cap per pupil amount of $693.00 and are estimated to provide a rate cap per pupil for districts ranging between $4.00 and $4,000.00.

(b) Payments made under this subsection are equal to the difference between the unfunded actuarial accrued liability contribution rate as calculated pursuant to section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, as calculated without taking into account the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341, and the maximum employer rate of 20.96% included in section 41 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341.

(c) The amount allocated to each participating entity under this subsection is based on each participating entity's proportion of the total covered payroll for the immediately preceding fiscal year for the same type of participating entities. A participating entity that receives funds under this subsection shall use the funds solely for the purpose of retirement contributions as specified in subdivision (d).

(d) Each participating entity receiving funds under this subsection shall forward an amount equal to the amount allocated under subdivision (c) to the retirement system in a form, manner, and time frame determined by the retirement system.

(e) Funds allocated under this subsection should be considered when comparing a district's growth in total state aid funding from 1 fiscal year to the next.

(f) Not later than December 20, 2019, the department shall publish and post on its website an estimated MPSERS rate cap per pupil for each district.

(g) The office of retirement services shall first apply funds allocated under this subsection to pension contributions and, if any funds remain after that payment, shall apply those remaining funds to other postemployment benefit contributions.

(h) As used in this section:

(i) "District library" means a district library established under the district library establishment act, 1989 PA 24, MCL 397.171 to 397.196.

(ii) "MPSERS rate cap per pupil" means an amount equal to the quotient of the district's payment under this subsection divided by the district's pupils in membership.

(iii) "Participating entity" means a district, intermediate district, or district library that is a reporting unit of the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437, and that reports employees to the Michigan public school employees' retirement system for the applicable fiscal year.

(iv) "Retirement board" means the board that administers the retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(v) "Retirement system" means the Michigan public school employees' retirement system under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.