

**THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)**  
**Act 94 of 1979**

\*\*\*\*\* 388.1747e.amended THIS AMENDED SECTION IS EFFECTIVE OCTOBER 1, 2018 \*\*\*\*\*

**388.1747e.amended Allocation from MPSERS retirement obligation reform reserve fund for payments to participating entities; payments; definitions.**

Sec. 147e. (1) From the appropriation in section 11, there is allocated for 2018-2019 an amount not to exceed \$31,900,000.00 from the MPSERS retirement obligation reform reserve fund and \$5,700,000.00 from the state school aid fund for payments to participating entities.

(2) The payment to each participating entity under this section shall be the sum of the amounts under this subsection as follows:

(a) An amount equal to the contributions made by a participating entity for the additional contribution made to a qualified participant's Tier 2 account in an amount equal to the contribution made by the qualified participant not to exceed 3% of the qualified participant's compensation as provided for under section 131(6) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1431.

(b) Beginning October 1, 2017, an amount equal to the contributions made by a participating entity for a qualified participant who is only a Tier 2 qualified participant under section 81d of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1381d, not to exceed 4%, and, beginning February 1, 2018, not to exceed 1%, of the qualified participant's compensation.

(c) An amount equal to the increase in employer normal cost contributions under section 41b(2) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341b, for a member that was hired after February 1, 2018 and chose to participate in Tier 1, compared to the employer normal cost contribution for a member under section 41b(1) of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1341b.

(3) As used in this section:

(a) "Member" means that term as defined under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(b) "Participating entity" means a district, intermediate district, or community college 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.

(c) "Qualified participant" means that term as defined under section 124 of the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1424.

**History:** Add. 2017, Act 108, Eff. Oct. 1, 2017;—Am. 2018, Act 265, Eff. Oct. 1, 2018.