

Detroit Public Schools Community District
Steven W. Rhodes, Transition Manager

Order 2016-TMSR-03

**ORDER OF THE TRANSITION MANAGER OF THE DETROIT PUBLIC SCHOOLS
COMMUNITY DISTRICT REGARDING MEMBER CONTRIBUTIONS UNDER THE
MICHIGAN PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM**

WHEREAS, on June 21, 2016, Public Act 192 of 2016 (“Act 192”) amending The Revised School Code, 1976 PA 451, as amended, MCL 380.1 to 380.1853 (the “Code”), was enacted with immediate effect; and

WHEREAS, once Act 192 took effect, the School District of the City of Detroit (“DPS”) became a qualifying school district under section 12b of the Code, MCL 380.12b, and a community district was created for the same geographic area of DPS to provide public educational services for residents of that geographic area (the “Community District”) under section 383 of the Code, MCL 380.383; and

WHEREAS, on June 21, 2016, acting pursuant to section 12b(3) of the Code, MCL 380.12b(3), Governor Richard D. Snyder designated Steven W. Rhodes, the emergency manager for DPS under the Local Financial Stability and Choice Act, 2012 PA 436, as amended, MCL 141.1541 to MCL 141.1575, as the transition manager for the Community District (the “Transition Manager”); and

WHEREAS, under section 12b(3) of the Code, the Transition Manager performs the functions and satisfies the responsibilities of the Community District, of the Board of Education and superintendent of schools of the Community District, and of the transition manager under section 12b of the Code, MCL 380.12b, until the elected members of the school board of the Community District are elected and take office under section 384 of the Code, MCL 380.384; and

WHEREAS, on June 21, 2016, Transition Manager Steven W. Rhodes issued an Order of the Transition Manager of the Detroit Public Schools Community District Designating Community District Name, Appointing Executive Leadership, Establishing Bank Accounts, Approving Publication of Budget Hearing Notice, and Other Matters, including, but not limited to the authorization of the actions by officers, administrators, agents, staff and attorneys of the Community District to execute and deliver all other agreements document and certificates and to take all other actions necessary to enable the Community District to carry out its purposes , powers and obligation in accordance with Act 192; and

WHEREAS, officers, employees, agents, and contractors of the Community District are subject to direction and supervision by the Transition Manager and shall

actively cooperate with the Transition Manager in the Transition Manager's performance of functions and responsibilities; and

WHEREAS, certain employees of the Detroit Public Schools Community District are covered for retirement pension purposes under the Michigan Public School Employees System Retirement Act being Act 300 of the Public Actos of 1980 as amended; and

WHEREAS, the Michigan Public School Employees System Retirement Act was amended by Act 91 of the Public Acts of 1985, to provide for tax deferment of a Michigan Public School Employees Retirement System (the "Retirement System") member's "pick-up" contributions as provided under Section 414(h)(2) of the United States Internal Revenue Code; and

WHEREAS, the Community District employees who are members of the Retirement System are covered under the tax deferment provision of Section 414(h)(2) of the United States Internal Revenue Code.


NOW, THEREFORE, BE IT ORDERED by the Transition Manager that:

1. The Community District elects to "pick-up" the Retirement System members' contributions as provided by Section 414(h)(2) of the Internal Revenue Code, and remit these contributions directly to the Retirement System. Any and all "pick-up" contributions remitted by the Community District shall be made in lieu of the employee contribution required by the Retirement System, and therefore, shall be designated as employer contributions. Further, employees will not be given the option to directly receive the "pick-up" contributions made by the Community District to the Retirement System

2. That a copy of this Order be filed with the Retirement System and the Community District Payroll Officer for purposes of implementing this action.

This Order may be amended, modified, repealed or terminated by any subsequent Order issued by the Transition Manager.

Detroit Public Schools Community District
Charter County of Wayne
State of Michigan

By: 
Steven W. Rhodes
Its: Transition Manager

Dated: June 30, 2016