

## Changes to MPSERS: Answers to Your Service Credit Questions

Public Act 92, signed by Gov. Rick Snyder in July, makes a number of changes to the Michigan Public School Employees Retirement System (MPSERS) – most of which will impact individuals who have not yet been hired into public school service. However, one of the major changes impacting current employees targets members of the MIP and Basic plans. This change removes the ability of members of these plans to purchase service credit for any of a host of reasons previously allowed under the law.

As of 5:01 p.m. on Sept. 29, 2017, neither MIP nor Basic plan members will be able to purchase MPSERS Service Credit for any of the following reasons:

- Universal Buy-In
- Parental Leave
- Nonpublic Educational Service
- Comprehensive Employment and Training Act of 1973 (CETA)
- Out-of-System Public Educational Service
- Sabbatical Leave
- State of Michigan Civil Service

After the Sept. 29 deadline, members will continue to be able to make service credit purchases for Active Duty Military Service, and to engage in various forms of payment for service already credited by the employer (i.e. Weekly Workers' Compensation, Professional Services Leave, and Professional Services Released Time), and for the repayment of employee contributions into MPSERS that the member had previously had refunded.

**In order to make a purchase, the member's paperwork AND payment** (a tax-deferred payment agreement is considered payment) **must have been received by the ORS by 5:00 p.m.**

Members are strongly encouraged to visit the state's Office of Retirement Services (ORS) website and read up on the cost and benefits of a service credit purchase before contacting ORS to ask for a billing statement. A service credit purchase is not right for everyone – but it may be right for you. The ORS website for MIP and Basic members, [www.michigan.gov/orsschools](http://www.michigan.gov/orsschools), lists service credit information in the menu on the left side of the page.

Unfortunately, when setting the Sept. 29 deadline, the Legislature did not make any adjustment to service credit purchase eligibility timelines, and consequently has created a situation that prevents some members from executing plans made in good faith with their districts (for example: districts will sometimes ask employees to participate in a "teacher-exchange" program with the district's "sister city," promising the employee that he/she will be able to purchase the years spent abroad and thus avoid the harm of losing out on his/her retirement benefit. A teacher who had taken and faithfully executed such service will now be unable to avoid this retirement harm because it will be impossible to accumulate the required 5 years of service in a MPSERS Reporting Unit following his/her out-of-system public education service before the new September 29<sup>th</sup> deadline). The ORS is obligated to comply with the law, and is not empowered to "overrule" or "fix" this problem. Members harmed by timeline interactions are encouraged to contact their legislators or the Governor's office.

READ MORE: [MEA breaks down changes to school employee retirement in Public Act 92.](#)