

**CENTRAL MICHIGAN UNIVERSITY** CHAPTER 3  
**MANUAL OF BOARD OF TRUSTEES**  
**POLICIES, PRACTICES AND REGULATIONS** PAGE 3-15a

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**SUBJECT: MPSERS EARLY RETIREMENT OPINION**

**RECITALS:**

1. Internal Revenue Code (IRC) Section 414(h)(2) permits employer “pick-up” of the employee portion of contributions to a retirement plan, thereby resulting in tax deferral of employee contributions.
2. Under the Michigan Public School Employees Retirement System (MPSERS), members who have elected to participate in the Member Investment Plan (MIP) pursuant to special, one-time irrevocable elections under either MCLA Section 38.1343a(3) or Section 38.1343d, in addition to making the standard MIP contribution of 3.9% of current wages (which the undersigned Reporting Unit had previously resolved to “pick-up”), are required to contribute additional “buy-back” amounts calculated by MPSERS and relating to service prior to their election date (plus interest etc.)

In order to permit tax deferral for these additional “buy-back” amounts, an employee shall enter into a binding irrevocable payroll deduction authorization and such employee shall not have the option of choosing to receive the amounts directly instead of having them paid by the employer to MPSERS.

Additional “buy-back” amounts herein specified, through payroll deduction from salary, are designated as being picked up by the employer and paid by the employer in accordance with MPSERS retirement plan requirements.

This resolution shall have an effective date of September 20, 1999, unless MPSERS advises that a later effective date shall apply.