



# 15-B INSIDER



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**15-B Coordinating Council**

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## MPSERS – MEMBER CONTRIBUTION TO PENSION

### At A Glance:



If a member of the Basic Plan (chose not to enroll in MIP by Jan. 1, 1990).	If enrolled in MIP by January 1, 1990.	If enrolled in MIP between January 1, 1990 & June 30, 2008.	If became enrolled in MIP on or after July 1, 2008 until June 30, 2010.	If became enrolled in Hybrid Retirement Plan on or after July 1, 2010 (Plan consists of both DB and DC plans).
Basic: 0% Health: 3.0%* <b>Total: 3.0%</b>	MIP: 3.9% Health: 3.0%* <b>Total: 6.9%</b>	MIP: 4.3% Health: 3.0%* <b>Total: 7.3%</b>	MIP: 6.4% Health: 3.0%* <b>Total: 9.4%</b>	MIP: 6.4% Health: 3.0%* DC Plan: 2.0%** <b>Total: 11.4%</b>

**A More In-Depth Look:** The retirement system is funded by contributions of public school employers and employees, and by the investment earnings on these contributions. All contributions are a funding source for pensions and do not result in individual benefits in addition to the pension.

### **Who Contributes What:**

**Employer contributions:** Each year an actuary determines how much the public schools need to contribute to fund their portion of member benefits. These contributions are not refundable to you or your employer.

**Participant contributions:** MIP participants contribute a percentage of salary to the pension reserve fund. The contribution rate depends on when you first begin working for a Michigan public school reporting unit.

- If you elected the MIP before January 1, 1990, OR were a Basic Plan participant who enrolled in the MIP by January 1, 1993, you contribute 3.9 percent of your pretax salary.
- If you are a new member who began Michigan public school employment between January 1, 1990, and June 30, 2008, OR are a returning member who did not work between January 1, 1987, and December 31, 1989, you contribute pretax contributions based on the following chart:

COMPENSATION (school fiscal year earnings)	MIP GRADED CONTRIBUTIONS
\$0 to \$5,000	3% of compensation (up to \$150 total)
\$5,000.01 to \$15,000	\$150, plus 3.6% of compensation from \$5,000.01 up to and including \$15,000 (up to \$510 total)
\$15,000.01 and over	\$510, plus 4.3% of compensation over \$15,000

- If you first became a member of the system on or after July 1, 2008, you contribute pretax contributions based on the following chart:

COMPENSATION (school fiscal year earnings)	MIP PLUS CONTRIBUTIONS
\$0 to \$5,000	3% of compensation (up to \$150 total)
\$5,000.01 to \$15,000	\$150, plus 3.6% of compensation from \$5,000.01 up to and including \$15,000 (up to \$510 total)
\$15,000.01 and over	\$510, plus 6.4% of compensation over \$15,000

## NEW HEALTH CONTRIBUTION RATE

For work performed by school employees on or after July 1, 2010, members shall contribute 3% of their compensation to a public employee retirement health care fund. During the 2010-2011 school year only, those members who were paid less than \$18,000 in the prior school year and members first employed after July 1, 2010, with a starting salary of less than \$18,000, shall contribute 1.5% of their compensation to the public employee retirement health care fund. The public employee retirement health care fund is a trust that may only be used to pay for school retiree health care.

## HYBRID PLAN FOR NEW EMPLOYEES

For members first hired by a Michigan public school district on or after July 1, 2010, a hybrid plan involving both defined benefit and defined contribution aspects is created. .

The defined contribution portion of the pension shall consist of employee contributions, employer contributions, and earnings on the fund. All of the administrative costs of the fund shall be paid by employees. A member first hired after July 1, 2010, shall automatically have 2% deducted from their compensation to be included in the defined contribution fund, except a member has the right to decline to make a contribution or to elect a lower contribution amount. The school district is required to pay half of the amount contributed by the employee for the first 2% contribution of the employee. For example, the school district must contribute 1% of the employee's compensation for a 2% contribution made by the employee. If the employee elects to only have 1% deducted from his or her compensation, then the school district's contribution would be 0.5% of the employee's compensation. A school district may also agree through bargaining to match half of any additional contribution made by the employee over 2% of the employee's compensation up to a maximum of 6% of the employee's compensation. Thus, for those employees choosing to contribute 6% of their compensation, a school district may agree through bargaining to make a contribution of up to 3% of the employee's compensation. An employee is free to make additional contributions to the plan consistent with IRS regulations, but there is no additional employer contribution.

## WEINGARTEN RIGHTS

In 1975 the [United States Supreme Court](#), in the case of [NLRB v. J. Weingarten, Inc.](#), 420 [U.S. 251 \(1975\)](#), upheld a [National Labor Relations Board](#) (NLRB) decision that employees have a right to union representation at investigatory interviews. These rights have become known as the **Weingarten Rights**.

During an investigatory interview, the Supreme Court ruled that the following rules apply:

**Rule 1:** The employee must make a clear request for union representation before or during the interview. The employee cannot be punished for making this request.

**Rule 2:** After the employee makes the request, the employer must choose from among three options. The employer must: grant the request and delay questioning until the union representative arrives and has a chance to consult privately with the employee; deny the request and end the interview immediately; or give the employee a choice of having the interview without representation or ending the interview.

**Rule 3:** If the employer denies the request for union representation, and continues to ask questions, it commits an [unfair labor practice](#) and the employee has a right to refuse to answer. The employer may not discipline the employee for such a refusal

## BARGAINING UPDATE

Currently bargaining is: Cadillac EA, Cadillac PACE, Ewart EA, Ewart ESP, Pine River ESP



### \* MARK YOUR CALENDAR \*

October 29	BFCL Bargaining Bootcamp	Kalamazoo
November 6	Fall Representative Assembly	Lansing
November 9	BFCL Dollars & Sense Academy	Lansing
November 16	Coordinating Council Meeting	Cadillac

