



January 21, 2018

Good Morning Former MCISD Colleagues,

The Michigan Supreme Court recently issued a unanimous opinion upholding the Appeals Court ruling that the 3% employee withholding for healthcare contributions under Public Act 75 of 2010 was unconstitutional. The payroll withholdings for the Health Care Contributions between 2010 and 2012 that were made under this legislation will be refunded. We expect the State will transfer those contributions back to local school districts shortly after the January 22, 2018 State Aid payment.

Monroe County ISD has approximately 500 employee refunds to process. We have been working on processes to ensure the refunds are processed in the most expeditious and accurate way possible.

Former MCISD staff (who worked at MCISD during the period of July 2010-September 2012) will receive payment in one lump sum via check mailed out to your home address on file with the ORS/MCISD. If you log into your miAccount and find that the address on file with ORS is incorrect, you will want to update that address. If you just want to be certain that MCISD has your correct address, please contact Janel Faber at janel.faber@monroeisd.us and provide her your mailing address.

We are obligated to follow all laws and guidelines regarding taxation of these refunds. The refund is subject to federal and state tax. Since FICA was withheld on the initial deduction, the refund is not subject to FICA. The other portion of the refund is the interest earned in escrow by the State that included in the refund. This interest will be taxable income to all recipients, however since the MCISD did not earn the interest, it is not required to have taxes withheld and will not be separately reported to you on a form 1099-INT at the end of year. Employees will need to include it in their own tax filing at year end.

We have established an internal timeline to complete these processes, with the goal of mailing out refund payments in mid-February, barring any last minute complications. This timeline is *tentative*, and will be finalized over the next couple of weeks as the processes both locally and at the state level are more firmly established. We will post additional updates on our website if necessary, once many of the items referenced have been finalized. <http://www.monroeisd.us/>

ORS notified members of their refund amount by email over the past weekend. Please continue to check the "**What's New Section**" on the ORS website for more information as it becomes available. <http://www.michigan.gov/orsschools/0,4653,7-206-36609-456119--,00.html>

Additionally, ORS is suggesting employees update information on their miAccount as soon as possible to be sure current addresses are on file: <https://ssprd.state.mi.us/wss/security/login.do?method=showLogin&retirementSystemId=1030>

Very truly yours,
Monroe County Intermediate School District



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