

OKEMOS PUBLIC SCHOOLS

RESOLUTION NO. 2026-04-27

Mandatory Employer Retirement Contributions for Accumulated Leave Payouts

A RESOLUTION OF THE BOARD OF EDUCATION OF OKEMOS PUBLIC SCHOOLS TO ESTABLISH THE USE OF MANDATORY EMPLOYER CONTRIBUTIONS TO A §403(b) PLAN FOR ELIGIBLE ACCUMULATED LEAVE PAYOUTS

WHEREAS, the Board of Education recognizes the importance of supporting employee retirement readiness; and

WHEREAS, the District provides for the payout of accumulated unused sick leave and/or vacation leave for certain employee groups, including members of the Okemos Education Association (OEA), Administrative and Office Association (AOA), Directors, Assistant Superintendent, and Superintendent, pursuant to applicable collective bargaining agreements, individual contracts, and District practices; and

WHEREAS, federal tax law permits such payouts to be made as employer contributions to a qualified Internal Revenue Code §403(b) plan under certain conditions; and

WHEREAS, the Board desires to implement a uniform, tax-compliant approach that reduces payroll tax exposure and eliminates optional cash payouts;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Mandatory Employer Contributions

Effective for eligible separations from service occurring on or after March 25, 2026, the District shall make mandatory, non-elective employer contributions to the District's §403(b) plan on behalf of eligible employees in an amount equal to the value of accumulated unused sick leave and/or vacation leave payouts of \$5,000 or more.

2. No Cash Option

Such contributions shall be made in lieu of any cash payment, and employees shall not have the option to elect cash in place of the employer contribution.

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3. Applicable Employee Groups

This resolution applies to eligible employees within the following groups, consistent with applicable agreements and past practice:

- Okemos Education Association (OEA)
- Administrative and Office Association (AOA)
- Directors
- Assistant Superintendent
- Superintendent

4. Compliance with Federal Law

All contributions shall be subject to applicable Internal Revenue Code limits, including §415(c), and shall be administered in accordance with the District's §403(b) plan and governing federal regulations.

5. Administration

The Superintendent or designee is authorized to develop and implement administrative procedures necessary to carry out this resolution, including coordination with the District's §403(b) plan administrator.

6. Excess Amounts

In the event contribution limits prevent full funding in a single year, the District is authorized to make contributions over subsequent years, consistent with applicable law.

7. No Additional Payments

Any amounts that cannot be contributed in compliance with federal law shall not be paid in cash.

ADOPTED this ____ day of _____, 2026.

BOARD OF EDUCATION

Okemos Public Schools

By: _____

President

By: _____

Secretary