



## HEALTH CARE DEDUCTION REFUND INFO

# ATTENTION: FORMER BOYNE FALLS SCHOOL EMPLOYEES

### Former employees' contact information sought for repayment of unconstitutional 3% Michigan health care deduction

In late December 2017, the Michigan Supreme Court ruled that health care deductions withheld from public school employees between July 1, 2010-Sept. 3, 2012, were unconstitutional. Boyne Falls Public School employees are included in the ruling.

The Office of Retirement Services (ORS) will be refunding the \$550 million plus interest to the districts from which the original 3% percent was withheld. It is up to the individual districts to pay these amounts back to affected employees current and past. Current school employees will be refunded by their districts and do not need to take any action.

**Boyne Falls Public School is seeking contact information for former employees who were employed between July 1, 2010 and Sept. 3, 2012. The district is seeking this information by Wednesday, Jan. 18, 2018 to ensure payments by end of January.**

Former staff employed by Boyne Falls Public School between the affected dates should call (231) 549-2211 or email [lherman@boynefalls.org](mailto:lherman@boynefalls.org). The district will need current bank information, mailing address, email and phone number.

Employees of other local districts should contact the business office of the district in which you were employed.



**For more information, visit  
Boyne Falls Public Schools:  
[www.boynefalls.org/](http://www.boynefalls.org/)**

# Boyne Falls Public School



*Respect, Skills and Knowledge Throughout Life*

*Cynthia Pineda, Superintendent/K-12 Administrator*

## **Boyne Falls Public School Employee Information re: health care deduction reimbursements**

In late December 2017, the Michigan Supreme Court ruled that health care deductions withheld from public school employees between July 1, 2010-Sept. 3, 2012, were unconstitutional. In the decision, the justices agreed that a 2010 Michigan law violated contract clauses of the state and federal constitutions by involuntarily reducing pay for teachers and other school employees by 3 percent to fund retiree health care benefits.

The Office of Retirement Services (ORS) will be refunding the \$550 million plus interest back to the districts from which the original 3% percent was withheld. It is up to the individual districts to pay these amounts back to affected employees current and past.

The original ORS 3% healthcare deduction was withheld from employees with the same guidance as all other ORS employee deductions. The deduction was taxed for Social Security and Medicare (FICA), but **excluded** from federal and state taxes.

Consequently, as these amounts are refunded back to the employees, the amount is taxable income in 2018 for federal and state purposes only. The refunds will be paid back through payroll to allow federal and state taxes to be calculated on the taxable income. These amounts will be included in your 2018 W-2 as taxable income.

Office of Retirement Services is scheduled to send districts official refund information for all employees by Jan. 22, 2018. Human Resources and Payroll teams are working together to ensure refunds are issued to staff before the end of January through the payroll process.

For all current and former employees that have verified personal information, Boyne Falls Public School will be issuing separate direct deposits.

January is a busy time for the business office as staff processes regular payroll and issues 2017 W-2s, as well as the ORS 3% refunds. We appreciate your patience and understanding as we wait to get official figures and information from ORS. Our hope is to get the refunds paid as soon as we can.

**FORMER EMPLOYEES ONLY:** BFPS will strive to verify direct deposit information for former employees on file to ensure payments are deposited into the correct bank account. Please provide updated contact and direct deposit information. I have attached a form you can return via email, mail, fax or drop by the office. BFPS needs current bank information, mailing address, email and phone number. This information is requested no later than **Wednesday January 18, 2018** to ensure you will receive payment scheduled to be released by the end of January.

Lori Herman  
Business Manager  
Boyne Falls Public School

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*Cynthia Pineda, Superintendent/K-12 Administrator*

## **Boyne Falls Public School Employee Information re: Health Care Deduction Reimbursements**

Former BFPS Current Contact Information:

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Number \_\_\_\_\_

Bank Account Information:

Routing Number \_\_\_\_\_

Account Number \_\_\_\_\_

Checking or Savings \_\_\_\_\_

Please strive to return by Wednesday, January 18, 2018, by email, fax or mail.

Lori Herman  
Business Manager  
231-549-2211 x202  
lherman@boynefalls.org  
Fax: 231-549-2922  
PO BOX 356  
Boyne Falls, MI 49713