

Act No. 19
Public Acts of 1992
Approved by the Governor
March 18, 1992
Filed with the Secretary of State
March 19, 1992

**STATE OF MICHIGAN
86TH LEGISLATURE
REGULAR SESSION OF 1992**

Introduced by Reps. Bandstra, Keith, Goss, Fitzgerald, Dalman, Middleton, DeLange, Shugars, London and Pitoniak

ENROLLED HOUSE BILL No. 5316

AN ACT to amend section 1224 of Act No. 451 of the Public Acts of 1976, entitled as amended "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and classify the laws relating to elementary and secondary education; to provide for the classification, organization, regulation, and maintenance of schools, school districts, and intermediate school districts; to prescribe rights, powers, duties, and privileges of schools, school districts, and intermediate school districts; to provide for the regulation of school teachers and school administrators; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal certain acts and parts of acts," being section 380.1224 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Section 1224 of Act No. 451 of the Public Acts of 1976, being section 380.1224 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 1224. (1) At the request of an employee and as part of the employee's compensation arrangement, the board of a school district may purchase a tax-deferred investment for an employee for retirement or other purposes and may make payroll allocations in accordance with the arrangement to pay for the tax-deferred investment. The allocation shall be made in a manner which will qualify all or part of the tax-deferred investment for the benefit afforded under the federal internal revenue code or other federal income tax law. The employee shall own the tax-deferred investment. The employee's rights under it shall be nonforfeitable except for failure to make required payments.

(2) The board shall not have liability because of its purchase of tax-deferred investments for employees.

(3) This section shall be applied in a nondiscriminatory manner to employees of the school district.

(4) As used in this section, "tax-deferred investment" means an annuity contract, interest in a mutual fund, or other investment device that qualifies for deferral of federal income taxes under the federal internal revenue code or other federal income tax law.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

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Governor.