

THE REVISED SCHOOL CODE (EXCERPT)
Act 451 of 1976

380.1224 Tax-deferred investments for employees; purchase; payroll allocations; ownership; rights nonforfeitable; liability for purchase; nondiscriminatory application of section; "tax-deferred investment" defined.

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.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1992, Act 19, Imd. Eff. Mar. 19, 1992.

Popular name: Act 451