



**BOARD OF EDUCATION
REGULAR MEETING**
February 22, 2021 — 7:00 p.m.
Virtual Meeting

Virtual Meeting per Emergency Order under MCL333.2253
Gatherings and Face Mask Order



WHITMORE LAKE PUBLIC SCHOOLS BOARD OF EDUCATION

Mission Statement

*Partnering with students, parents, and the community to
provide exceptional, personalized education.*

REGULAR MEETING - REVISED
Monday, February 22, 2021 – 7:00 p.m.

Virtual Meeting per Emergency Order under MCL 333.2253 – Gatherings and Face Mask Order

CALL TO ORDER

PLEDGE OF ALLEGIANCE

BOARD OF EDUCATION ROLL CALL

APPROVAL OF AGENDA

CALL TO THE PUBLIC

“The meeting is a meeting of the Board of Education in public for the purpose of conducting the School District’s business and is not to be considered a public community meeting. There is a time for public participation during the meeting as indicated in the agenda.”

BOARD CLARIFICATION

STUDENT COUNCIL

Samantha Ogden will present the student council report.

COMMITTEE REPORTS

CONSENT ITEMS

Approval of minutes from the January 18, 2021 Board of Education Organizational-Regular Meeting, and the January 18, 2021 closed session (to be handed out at the meeting). **(Attachment 1)**

Approve fund transfer of \$370,532 in payments from Accounts Payable as per attachment 2; further, to approve the transfer of \$386,319 from Accounts Payable to cover the payrolls of January 15, 2021 and January 31, 2021. **(Attachment 2)**

Reaffirm Instructional Delivery

Approve the February Extended COVID-19 Learning Plan Reconfirmation Report. **(Attachment 3)**

NEW BUSINESS

2021 Revised Europe Trip Proposal

Motion to approve the revised proposal for a WLHS overnight Trip submitted by Jill Henry, MS/HS Principal, and Candy Huddleston, High School Teacher, for a trip in June 2021, for 10 days, to Europe. Approval is recommended. **(Attachment 4)**

2022 Washington D.C. Trip Proposal

Motion to approve the revised proposal for a 7th through 9th grade overnight trip to Gettysburg and Washington D.C. from March 14, 2022 through March 17, 2022 submitted by MS/HS teachers Eric Kobeck and Kathryn Woods. Approval is recommended. **(Attachment 5)**

School of Choice

Pursuant to Sections 105 and 105(c) of the State School Aid Act, it is recommended that the Board adopt limited enrollment for students grade levels in K - 6 and unlimited open enrollment for students grade levels in 7 – 12 in all programs for the first semester of the 2021-2022 school year.

Financial Report

Attachment 6 contains the Budget Performance Report for January 31, 2021. Director of Finance & Operations, Denise Kerrigan will update the Board with information regarding the financial report.

MASB Board of Directors Election

Attachment 7 contains the MASB 2021 Board of Directors Official Ballot with candidate names and biographies. Boards of Education must vote for their candidate between 8:00am January 22, 2021 and 1:00pm March 3, 2021.

ORS 3% Taxable Status Resolution

Attachment 8 contains a resolution prepared by Thrun Law Firm regarding the proposed Closing Agreement pertaining to the ORS 3% Healthcare contributions. A roll call vote is required.

SUPERINTENDENT'S REPORT
Elementary Academic Achievement

Elementary Lead Teacher and Literacy Coach, Heidi Roy-Borland, will provide an overview of the MAP/NWEA Fall 2020 results.

OTHER INFORMATION

ANNOUNCEMENTS

The next Executive Committee Meeting will be held on Monday, March 8, 2021.

The next Finance Committee Meeting will be held on Monday, March 15, 2021.

The next Regular Meeting of the Board of Education will be held on Monday, March 22, 2021 at 7:00 p.m. in the High School Theater

CALL TO THE PUBLIC

BOARD MEMBER REPORTS

Mr. Cole, Mr. Henry, Mrs. Kritzman, Mrs. McCully, Mr. Meadows, Mrs. Schwennesen and Mr. Zolenski

ADJOURNMENT

Please fill out a "Public Participation Request" form if you wish to address the Board prior to the Public Comment section of the meeting. Please include your name, address and topic you wish to speak on. Those wishing to speak in Public Comment are limited to three (3) minutes.

0000 – BYLAWS

0160 - MEETINGS

0167.3 – Public Participation at Board Meetings

Tape or video recordings are permitted subject to the following conditions:

- A. No obstructions are created between the Board and the audience.
- B. No interviews are conducted in the meeting room while the Board is in session.
- C. No commentary, adjustment of equipment, or positioning of operators is made that would distract either the Board or members of the audience while the Board is in session.

The person operating the recorder should contact the Superintendent prior to the Board meeting to review possible placement of the equipment.

M.C.L. 15.253(4)(5)(6), 380.1808

Revised 9/27/2010

Use of Recording Devices

Anyone attending a school event who wishes to record the activity on a visual recording device shall be asked to abide by the following rules:

- A. The recorder must operate the device within the area designated by the principal or director of the activity.
- B. The camera must not block the view of any other attendees or interfere with others who seek to record the activity.
- C. Those who record or assist a recorder must not block any passageways nor interfere with any other attendee's participation or observation of the activity.
- D. If sound is also being recorded, the recorder must not ask other attendees to be quiet or to change their behavior in order to improve the quality of the sound.
- E. If the District is recording the activity, the principal may arrange for a person to obtain a copy providing s/he agrees to provide a tape and pay whatever the principal may need to charge to cover the costs of transfer.

Where the District does not possess the appropriate license or permission to allow the recording of a copyrighted work or performance, notice will be given, when possible, prior to the exhibit or performance. Announcements shall be made at the beginning of any such exhibit or performance.

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Whitmore Lake Public Schools
BOARD OF EDUCATION
Organizational/Regular Meeting Minutes
January 18, 2021 – Virtual per E.O. under MCL333.2253 – 7:00 p.m.

MEMBERS PRESENT

John Meadows (*President*); Green Oak Township, Michelle Kritzman (*Vice President*); Northfield Township, Laura Schwennesen (*Treasurer*); Northfield Township, Lisa McCully (*Secretary*); Northfield Township, Lee Cole (*Trustee*) left at 8:30 p.m.; Northfield Township, Bob Henry (*Trustee*); Green Oak Township, and Frank Zolenski (*Trustee*); Green Oak Township

MEMBERS ABSENT

None

ADMINISTRATORS PRESENT

Superintendent, Tom DeKeyser, Director of Finance & Operations, Denise Kerrigan, MS/HS Principal, Jill Henry, Elementary Lead Teacher and Literacy Coach, Heidi Roy-Borland, High School Dean of Students, Linda Lupi, Director of Student Services, Melissa Heuker, Community Relations & Recreation Director, Maria Carter-Ewald, and Athletic Director, Brad McCormack

OTHERS PRESENT

Staff, parents and members of the community

CALL TO ORDER

At 7:02 p.m. by Trustee Laura Schwennesen. She also noted members are attending the meeting remotely from Northfield or Green Oak Township.

APPROVAL OF AGENDA

Motion to approve the agenda as presented made by Mr. Meadows; supported by Mr. Henry.

Roll Call Vote: Ayes – 7; Nays – 0, motion carried

CALL TO THE PUBLIC

None

ELECTION OF OFFICERS

Trustee Schwennesen, called for nominations for the position of President for the 2021 calendar year.

Mrs. Schwennesen nominated John Meadows for President of the Board; then inquired if there were any additional nominations for President.

Motion to close nominations and cast a vote for the nomination of John Meadows as President of the Board through December 2021 was made by Mrs. Schwennesen; supported by Mrs. Kritzman

Roll Call Vote: Ayes – 7; Nays – 0, motion carried 7 – 0

Motion to nominate Michelle Kritzman as Vice President of the Board through December 2021 was made by Mrs. Schwennesen; supported by Mr. Henry.

Roll Call Vote: Ayes – 7; Nays – 0, motion carried 7 – 0

Motion to nominate Lisa McCully as Secretary of the Board through December 2021 was made by Mrs. Kritzman; supported by Mr. Meadows.

Roll Call Vote: Ayes – 7; Nays – 0, motion carried 7 – 0

Motion to nominate Laura Schwennesen as Treasurer of the Board through December 2021 was made by Mrs. Kritzman; supported by Mr. Meadows.

Roll Call Vote: Ayes – 7; Nays – 0, motion carried 7 – 0

STUDENT COUNCIL

Student Council Representative, Jacob Medina, was not able to attend. Superintendent DeKeyser shared members are active and planning modifications to the traditional winter festivities.

CONSENT ITEMS

Motion to approve the minutes from the December 14, 2020 Board of Education Special Meeting, the December 14, 2020 Board of Education Regular Meeting and the December 14, 2020 closed sessions was made by Mrs. McCully; supported by Mr. Cole.

Roll Call Vote: Ayes – 7; Nays – 0, motion carried 7 – 0

Motion to approve fund transfer of \$289,580 in payments from Accounts Payable; further to approve the transfer of \$432,470 from Accounts Payable to cover the payrolls of December 15, 2020, and December 31, 2020 made by Mrs. McCully; supported by Mr. Cole

Roll Call Vote: Ayes – 7; Nays – 0, motion carried 7 – 0

Reaffirm Instructional Delivery

Motion to approve the January Extended COVID-19 Learning Plan Reconfirmation Report was made by Mr. Meadows; supported by Mrs. Kritzman.

Superintendent DeKeyser updated the Board, sharing student engagement levels were in the mid-nineties during December. He also shared WLPS will continue to follow the original plan and offer in-person instruction for all students and parents who selected the option.

Roll Call Vote: Ayes – 7; Nays – 0, motion carried 7 – 0

NEW BUSINESS

2022 New York City Trip Proposal

Motion to approve the 7th – 12th grade band, choir, and drama students' overnight trip proposal to New York City for 4 days, beginning April 28, 2022, submitted by High School Music Director Elisa Fixler was made by Mr. Henry; supported by Mrs. Schwennesen.

Roll Call Vote: Ayes – 7; Nays – 0, motion carried 7 – 0

Financial Report

Director of Finance & Operations, Denise Kerrigan, updated the Board with information regarding the December 31, 2020 financial report.

SUPERINTENDENT'S REPORT

Superintendent DeKeyser shared the following:

- 1) Winter Athletics – Athletic Director, Brad McCormack updated Board members on dates and requirements outlined by MHSAA for winter sports. He also shared the bowling and swimming teams have resumed practice, while the contact sports cannot resume until February 1, 2021. Contact sports; basketball, cheer, wrestling, and ice-hockey are restricted and must adhere to no contact, wear masks at all times, and maintain 6 feet of social distancing during practice.
- 2) Staff Development – Building Administrators have been engaging with math teachers on a revision to the math curriculum, sharing the focus has been in grades five through eight and with products to align with high school math. He also shared they will be submitting ideas to Board Committees for review.
- 3) Recognized and thanked Board members for their service to WLPS and the community, and welcomed Frank Zolenski as the newest Board member. He also shared a plaque that will be presented to past board member Ken Dignan, on behalf of WLPS and the School Board.
- 4) COVID-19 vaccination – information received from WCHD regarding rollout plans for phase 1(a), high risk employees, 1(b)(a) employees over fifty years of age, and 1(b)(b) employees under fifty years of age. Hope to begin vaccination for phase 1(a) employees at the end of January 2021.
- 5) LCA – five year contract ends June 2021. The process for another contract has begun. LCA is interested in another five year contract. Would like to present new contract to the Board in February and a lease agreement in March.

- 6) Building Trades School – A Board has been selected, changing their name to “Building Trades High School” with grades 9th through 12th.
- 7) WLPS Mid-Winter Break Friday, February 12, 2021 – Tuesday, February 16, 2021. Planning to promote remote learning for the remainder of the week or adding professional development for staff to protect our students and staff.

OTHER INFORMATION

The Board acknowledged the items of other information. They also thanked the Transportation Department for all their hard work and for achieving another 100% pass rate for School Bus Safety Inspection.

ANNOUNCEMENTS

The next Regular Meeting of the Board of Education will be held on Monday, February 22, 2021 at 7:00 p.m. in the High School Theater, unless an Executive Order requires the meeting to be held virtually.

CALL TO THE PUBLIC

None

BOARD MEMBER REPORTS

Mr. Cole shared he recently attended a Northfield Township Parks and Recreation Committee Meeting. He also shared they are expecting to receive a grant to provide a 20' X 40' area workout station for the community.

Mrs. Kritzman announced how grateful she is to see students are back in school for in-person instruction.

Mr. Zolenski thanked everyone for their support on the Board and shared he is looking forward to serving on the Board and the community.

Mr. Meadows thanked Mrs. Schwennesen for the nomination as Board President for 2021. On behalf of all the members of the Board he also thanked her for her years serving as President of the Board.

CLOSED SESSION

Motion to adjourn into closed session meeting at 7:58 p.m. to discuss contract negotiations was made by Mrs. McCully; supported by Mr. Cole. Roll call vote: Mrs. Kritzman – yes, Mrs. McCully – yes, Mr. Meadows – yes, Mrs. Schwennesen – yes, Mr. Zolenski – yes, Mr. Cole – yes, Mr. Henry – yes.
Ayes – 7; Nays – 0, motion carried 7 – 0

Call to Order

Open session call to order at 8:30 p.m. by President John Meadows

Office Personnel Negotiations

Motion to approve the ratification of the contract agreement between Whitmore Lake Public Schools and the Office Personnel Association, MEA/NEA for the time period beginning July 1, 2020 through June 30, 2023 with an effective date of January 1, 2021 was made by Mr. Meadows; supported by Mrs. Schwennesen.
Roll Call Vote: Ayes – 6; Nays – 0, motion carried

Administration Contract

Motion to approve the contract of the Superintendent, Tom DeKeyser with compensation for additional administrative positions noted therein, dated January 18, 2021 and to extend contract to June 30, 2023 was made by Mrs. Schwennesen; supported by Mrs. Kritzman.
Roll Call Vote: Ayes – 6; Nays – 0, motion carried

ADJOURNMENT

Motion to adjourn the Organizational-Regular Meeting at 8:33 p.m. made by Mr. Henry; supported by Mr. Zolenski.
Ayes - 6; Nays - 0, motion carried 6 - 0.

Lisa C. McCully, Secretary, Board of Education
Whitmore Lake Public Schools

Date

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Whitmore Lake Public Schools
Business Office Transactions

For the Month Ending:
January 31, 2021

<u>Payroll Transactions</u>	January 15, 2021	\$	188,090
	January 31, 2021	\$	198,229
		\$	<u>386,319</u>
<u>Accounts Payable Transactions</u>		\$	<u>370,532</u>

3

**Whitmore Lake Public Schools
Extended COVID-19 Learning Plan
Reconfirmation Meeting
Required 30 Days After Initial Plan Approval and Every Month Thereafter**

Agenda:

- Reconfirm how instruction is going to be delivered during the 20/21 school year
- Public comments from parents and/or guardians on the Extended Learning Plan
- Review weekly 2-way interaction rates

Reconfirmation Meeting for February

Reconfirm instructional delivery method:
See Below
Reconfirm how instruction will be delivered for each grade level:
Pre-Kindergarten: In-person instruction for students and parents who selected this option. Homebased (full Virtual) for students and parents who selected this option.
Elementary (Grades K - 6): Homeroom in-person instruction for students and parents who selected this option. Homebased (full Virtual) for students and parents who selected this option.
Middle School (Grades 7 - 8): In-person instruction for students and parents who selected this option. Homebased (full Virtual) for students and parents who selected this option.
High School (Grades 9 - 12): In-person instruction for students and parents who selected this option. Homebased (full Virtual) for students and parents who selected this option.
Reconfirm whether or not the district is offering higher levels of in-person instruction for English language learners, special education students, or other special populations:
WLPS continues to offer in-person instruction for all students and parents who selected this option.

Document Public Comments:**WLPS Weekly 2-Way Interaction Rates**

<January>	All Students (percentage of all students who received (2) 2-way interactions each week)
Week 1 1/04/21 – 1/10/21	97%
Week 2 1/11/21 – 1/17/21	98%
Week 3 1/18/21 – 1/24/21	97%
Week 4 1/25/21 – 1/31/21	98%

4

(REVISED) PROPOSAL FOR OVERNIGHT/EXTENDED STUDENT TRIPS

Type of Trip: *(Spring Break) Trip to Europe*

Proposed Departure Date: ~~Spring-Break-2021~~; 10 days; now departing June 15, 2021

Proposer: Candy Huddleston and Jill Henry

Position: High School Teacher
Director of Instruction

Date by which response is needed: ~~May 13, 2019~~
ASAP

^{Revised}
Proposal Date: ~~April 2019~~ Feb. 2021

A. **Purpose**

1. What is the major place to be visited or event to be attended?

Major cities in Western Europe (cities are not listed to keep the destination a surprise for students) London, Paris, & Lisbon

2. How is the trip related to the educational program of the District?

The trip connects to the State of Michigan High School Content Expectations in the following courses:

- *World History & Geography*
- *British Literature & World Literature*
- *Art (Art in World Culture)*

More detailed information is included at the end of this proposal

3. In what ways will the students benefit?

According to the Michigan Department of Education, successful post-secondary engagement requires that students must be able to apply knowledge in new situations; to solve problems by generating new ideas; to make connections between what they read and hear in class, the world around them, and the future; and through their work, develop leadership qualities while still in high school.

Ultimately, students will:

- *Acquire skills & knowledge necessary for college & careers*
- *Engage multiple intelligences*
- *Make real world connections to the Michigan HSCEs*
- *Appreciate cultural diversity*
- *Develop global citizenship*

4. In what ways will the District benefit?

The trip will support the district mission statement of offering a personalized, exceptional education. Student travel also helps to develop well-rounded students and improves positive perception of the district to others.

5. How will the trip be evaluated to determine the extent to which these benefits were realized?

Formal and informal feedback will be sought from participants, their families, and school personnel.

B. Student and Staff

1. Which students, (grade, class, or organization), will be going?

Students (with no academic or disciplinary concerns) in grades 11-12 during the 2020-2021 school year

2. How many students in total?

+/- 25 students - currently 22 students enrolled (2.3.21)

3. How many students are currently experiencing academic problems?

None - many of the students are members of NHS, where a minimum cumulative GPA of 3.5 is required

4. Which staff members will be in charge?

Candy Huddleston & Jill Henry

5. What previous experience has the staff member had in conducting overnight or extended field trips?

Candy Huddleston: three 5-day trips to Washington D.C.; one 3-day trip to Chicago; one 2-day trip to Toronto; one 9-day trip to London, Paris, & Rome; one 10-day trip to London, Paris, and Barcelona; one 11-day trip to Switzerland, Italy, and the French Riviera

Jill Henry: one 3-day trip to Washington DC; one 9-day trip to London, Paris, & Rome; one 10-day trip to London, Paris, and Barcelona; one 10-day trip to London, Paris, and Barcelona; one

11-day trip to Switzerland, Italy, and the French Riviera

6. What other staff members will be going?

None

7. How many chaperones, in addition to staff members, will be going?

None

8. What are their names and affiliations with the students?

Not applicable

9. How many school days will be missed?

~~Minimal days of school will be missed. Travel dates have been selected to coincide with spring break 2021. Once travel dates are confirmed students will likely have to miss 1 or 2 days adjacent to the start of the break.~~ None

10. How will teachers be advised in advance that the students will be out of school?

~~Teachers will be notified of the dates and the students attending as the 2019-2020 school year begins—reminders will be sent updating staff leading up to departure in March of 2021.~~ Not applicable

C. School Work

1. How will missed work be made up?

~~Students will be expected to do work in advance.~~ Not applicable

2. What special assistance will be provided students with academic problems?

~~Students can attend Learning Academy (before and after school) and utilize Trojan Time ahead of the trip. If needed, Huddleston & Henry will provide extra Learning Academy times specifically for participants.~~ Not applicable

D. **Itinerary**

1. What is the destination?

London, Paris, & Lisbon

2. What will be the mode of transportation? What liability insurance does the carrier have?

The students will be transported by plane, train, and tour bus.

Explorica's liability insurance is the largest in the industry at \$50 million. This policy extends coverage to the program leader and chaperones, as well as the school and school board.

3. Where will the group be housed and fed?

The tour company chooses quality hotels and restaurants that will allow students to truly experience the culture. Specific locations will be known closer to the dates of travel.

4. What enroute or supplementary activities are planned?

A detailed itinerary is available upon request.

5. What arrangements have been made for dealing with emergency situations?

More about Explorica's COVID policies can be found [here](#).

Explorica takes every precaution possible to ensure the safety of the group. With more than 17 years' experience organizing trips to all seven continents, and an additional 50 years of collective experience provided by our partnership with WorldStrides, we have cultivated the resources that makes us an industry leader in safety.

For any problems that may arise, there is a dedicated Emergency Contact Line ready to provide assistance. Explorica has offices around the world and representatives in every country we travel to.

Explorica's partnership with WorldStrides means that we are part of a family that gives 400,000 students from more than 5,000 K-12 schools and universities the opportunity, each year, to connect with their education in new and meaningful ways around the globe. We now operate out of

45 operation centers on six continents, meaning wherever you travel, we'll be able to support you.

6. If tour guides are involved, what liability insurance do they carry?

Explorica's liability insurance extends to the tour guides they employ.

E. Finances

1. What is the estimated total cost and cost per student?

+/- \$4,100 / student (includes all travel expenses, hotels, entrance fees, breakfasts, and dinners)

2. What is the source of funds?

Students (and their family) will be responsible for raising the necessary funds out-of-pocket; however, fundraising opportunities will be provided to help offset some of the expenses.

3. How will the funds be collected and safeguarded?

Explorica provides an electronic payment system for registered participants. Students will have the option to select from a variety of payment plans.

4. How will any shortfall be made up or excess funds used?

No excess funds will exist, as students will be making exact payments to Explorica.

5. What provision has been made for students who are financially unable to pay any necessary costs?

Fundraising options will be provided for any student that is interested; however families will have to be prepared to pay for the bulk of the cost of the trip at their own expense.

The trip is planned two years in advance in order to provide the lowest possible monthly payments, as well as to provide students the chance to work over two summers, and have two years of

holiday/birthdays to earn/save money.

F. **Communications**

1. How will you communicate to parents prior to, during, and after the trip?

Parent contact will primarily be through email and meetings. There will be a parent meeting prior to registration, as well as fundraising meetings, and a meeting prior to departure.

Additionally, we will communicate via email and through the online tour account page created by Explorica.

During the trip, we will communicate with parents via a private Facebook group.

Parents will also have the cell phone numbers for Huddleston & Henry during the trip.

2. List telephone numbers at destination and where group will be housed.

To be determined

3. What information will be provided to the media and the community?

Participants will share information with the media and community in many ways, including:

- *District communications*
- *District social media pages*
- *School Board/Classroom presentations*

Candice Huddell

Signature of Requestor

2/11/21

Date

Approved:

Jim Harvey

Principal

2.11.21

Date

T. Du

Superintendent

2-19-21

Date

Board of Education

Date

5

(REVISED) Proposal for Overnight/Extended Student Trips

Type of Trip Gettysburg and Washington D.C. - 7th and 8th Grade Trip

Proposed Departure Date 3/14/2022 Return Date 3/17/2022

Proposer K. Woods and E. Kobeck Position Teachers

Date by which response is needed ASAP Proposal Date 2/11/2021

Background checks are required for all overnight chaperones that are not currently employed by the district. Please initial on the line below that you will complete the process for criminal history records checks for overnight chaperones no later than two (2) weeks prior to trip date. Initials ELK/KW.

A. Purpose

1. **What is the major place to be visited or event attended?**
 - Gettysburg Battlefield and Washington D.C. Monuments
2. **How is the trip related to the educational program of the district?**
 - Students take US History in 8th & 9th grade and geography in 7th grade. It is important for them to learn about our nation's capital and other historic events that shaped our great nation.
3. **In what ways will the students benefit?**
 - Students will benefit in multiple ways. They will learn to work cohesively in a group outside of the classroom. They will learn about our nation's capital, important battles during the civil war, the vietnam war, the korean war, different branches of the armed forces, and various national monuments that represent our amazing country. They will learn the importance of being an American citizen, and the effort that was put into protecting America.
4. **In what ways will the district benefit?**
 - The district will benefit in multiple ways as well. The district's students will learn new information and be able to visualize this information. The district's students will have the opportunity to leave Michigan, and travel to our nation's capital to experience hands-on learning.
5. **How will the trip be evaluated to determine the extent to which these benefits were realized?**
 - Notes will be taken during the trip, and areas of strengths and improvements will be noted through discussion with other chaperones and students.

B. Students and Staff

1. **Which students (grade, class, organization) will be going?**
 - Students in the Classes of 2025, 2026 and 2027
2. **How many students in total?**
 - TBD- Hoping for 50 students
3. **How many students are currently experiencing academic problems?**
 - At this point, unknown. The trip is over a year and a half away.
4. **Which staff member(s) will be in charge?**
 - Kathryn Woods and Eric Kobeck
5. **What previous experience has the staff member had in conducting overnight or extended field trips?**

- Eric Kobeck has attended and helped chaperone multiple Washington D.C. trips in the past.
Kathryn Woods has helped and chaperoned one Washington D.C. trip in the past.

6. What other staff members will be going?

- 3 other teachers from WLHS/WLMS

7. How many chaperones, in addition to staff members, will be going?

- At this point, we are hoping for none. If parents are needed to fill space on the bus (if we don't meet our required numbers), then there will be a lottery to determine what parents will be able to attend.

8. What are their names and affiliations with the students?

- N/A

9. How many school days will be missed?

- Four

10. How will teachers be advised in advance that the students will be out of school?

- Teachers will receive a list of all students who will be gone one month prior to the trip with a reminder the week before the trip.

C. School Work

1. How will missed work be made up?

- As determined by the classroom teacher. In years past, most of the students from 7th and 8th grade attend the trip, so no assignments are needed to be made up. Students don't miss school work.

2. What special assistance will be provided to students with academic problems?

- Since work will most likely not be assigned, special assistance will not need to be given, for makeup work.

D. Itinerary Please see attached itinerary

1. What is the destination?

- Gettysburg and Washington DC

2. What will be the mode of transportation? What liability insurance does the carrier have?

- Charter Bus - Motorcoach company is Trinity Transportation

3. Where will the group be housed and fed?

- TBD

4. What en route or supplementary activities are planned?

- Movies (National Treasure or other DC related movies)

5. What arrangements have been made for dealing with emergency situations?

- Emergency Medical forms will be completed by attendee's parents. They will include phone numbers to call, insurance info, allergies, etc. Students can download an app from Student Adventures, and they will receive push notifications throughout the trip (especially if there is an emergency). Students will be with adults all day (except for sleeping hours 10:30pm-5:30am), so adults will deal with emergency situations, if they arise.

6. If tour guides are involved, what liability insurance do they carry?

- Tour guides and directors have background checks.

E. Finances

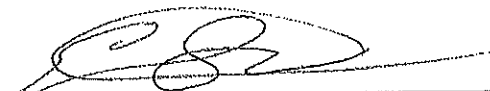
1. What is the estimated total cost and cost per student?

- \$638 per student
- 2. **What is the source of funds?**
 - Parents/Guardians
- 3. **How will the funds be collected and safeguarded?**
 - Transactions will be conducted electronically directly with the Travel Company. Parents can purchase trip insurance.
- 4. **How will any shortfall be made up or excess funds used?**
 - Parents are required to pay for their students trip. Emails will continue to go out updating parents about when the trip is and that payments are due. There is a list of dates by which chunks of the total payment should be made. Since parents are paying, there should be no excess funds.
- 5. **What provision has been made for students who are financially unable to pay any necessary costs?**
 - We are spacing out the payments over the next year and a half, and parents can pay as much as they want at anytime throughout the next year.

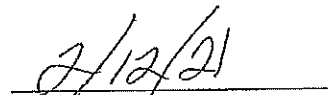
F. Communications

1. **How will you communicate to parents prior to, during, and after the trip?**
 - Parent meetings and email, as necessary. If parents sign up for the student adventures app., they will get information about the places we visit as we visit them.
2. **List telephone numbers at destination and where group will be housed.**

TBD
3. **What information will be provided to the media and the community?**
 - Information will be sent to Maria Carter-Ewald to include Washington D.C. trip information in Whitmore Lake's News and Notes. Information will also be sent to put on the WLPS App.

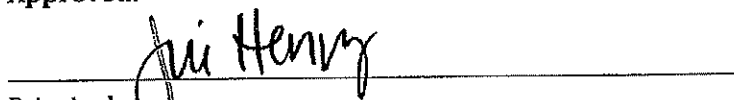


 Signature of Requestor(s)

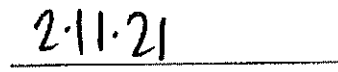


 Date


Approved:



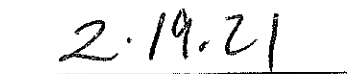
 Principal



 Date



 Superintendent



 Date

 Board of Education

 Date

6

**Whitmore Lake Public Schools
Budget Performance Reports
January 31, 2021**

Revenue	Actual	Adopted Budget	Remaining Budget	% Used/Rec'd
Fund 11 - General Fund Revenue Totals	\$3,702,863	\$10,157,922	\$6,455,059	36.45%
Fund 23 - Comm Rec Revenue Totals	\$218,378	\$455,697	\$237,319	47.92%
Fund 25 - Food Service Revenue Totals	\$163,881	\$335,645	\$171,764	48.83%

Expenditures	Actual	Adopted Budget	Remaining Budget	% Used/Rec'd
Fund 11 - General Fund Expenditure Totals	\$4,586,543	\$10,152,574	\$5,566,031	45.18%
Fund 23 - Comm Rec Expenditure Totals	\$129,969	\$394,250	\$264,281	32.97%
Fund 25 - Food Service Expenditure Totals	\$151,612	\$335,500	\$183,888	45.19%

Audited Fund Balance 6-30-2020

Fund 11 - General Fund	\$596,548
Fund 23 - Community Recreation	\$114,393
Fund 25 - Food Service	\$175

7



MASB
MICHIGAN ASSOCIATION
OF SCHOOL BOARDS

All votes are confidential and counted one time.

Please cast your vote for one candidate to represent Region 7 for a three-year term on the MASB Board of Directors. To cast your vote, click the circle to the left of the candidate you wish to select. Once you've selected your candidate, click "next." All votes are confidential and counted one time.

NOTE: Voting is a two-step process. Once you submit your vote (Step 1), you'll receive an email asking you to validate your ballot (Step 2). **You must follow the link in this email to complete the voting process.**

2021 MASB Board of Directors Official Ballot

This is a Required Question.



Mara Greatorex

District: Dexter Community Schools

County: Washtenaw

Time served on this board: Two years

Offices held: Vice President and Secretary

MASB Certification:

Election Statement:

Our educational system should be a top priority in our government. Every child has a right to a great education no matter what city, town, or village they live in and that happens when each district is funded properly and equitably. I also strongly believe that every student who walks into their school should feel safe and included.

Many students, especially middle school and high school students are facing extreme pressures, both academic and social, and often look to the schools for support. Realizing, easing and assisting those pressures should also be one of our top priorities.



Matt Maciag

District: Pinckney Community Schools

County: Livingston

Time served on this board: Three years

Offices held: Vice President

MASB Certification:

Election Statement:

continued taking more advanced classes, meeting more people and expanding my view of education in Michigan, eventually earning Merit status.

My time on the Government Relations Committee has been one of the best experiences I have had as a board member. I became knowledgeable of how legislature impacts education. Jennifer Smith and her crew work diligently to keep ahead of the ever changing legislative challenges that our education system is continuously hit with. As committee members we are kept in the loop and encouraged to contact our representatives and tell them what our district board concerns are. I know the value in having these communications and I have had many conversations with my representatives. I am confident these conversations have had a positive impact on education.

In addition, my CBA education experiences and time spent on committee at MASB has served my District board well. I have kept them informed with valuable information and helped to get their concerns heard. I feel my next step of service is to reach out to my fellow region seven board members in the same way.

I would be honored to represent my fellow region seven board members. Thank you for your consideration and support.



Jack Temsey

District: Pottersville Public Schools

County: Eaton

Time served on this board: Seven years

Offices held: Secretary

Time served on another board: Six years, Eaton RESA

Offices held: President, Vice President, Secretary and Treasurer

MASB Certification:

Certified Boardmember Award

Award of Merit

Award of Distinction

Master Boardmember Award

Master Diamond Award

Master Platinum Award

Election Statement:

As a Board of Education Trustee, I feel we are the voice for our children. We need to utilize that voice to ensure we can offer them the education that they deserve, regardless of the struggles we face behind the scenes. We need to direct that voice to those that create legislation when we feel it will adversely affect public education and remember to offer praise to those that show us favor and offer to help. I believe the voice of our boards and communities can make a difference.

I have strived to become the best Board member that I could be. The way I have tried to accomplish this was to become certified through MASB's CBA program. I have gained a wealth of knowledge by attending classes, conferences and other various events as well as networking with board members from around the state.

Public education is as diverse as our country; there is no single fix-all solution that works for all schools. I feel bringing the voice of small communities and small districts is important. I would like to continue advocating to provide adequate and equitable funding for ALL districts. Adequate funding is sufficient funding to provide basic schooling. Equitable funding is based on fairness.

I'm looking to serve on the MASB Board of Directors to help ensure Lansing as well as all individuals in Michigan understand the importance of a strong, equal, and well-funded education system. I spent over 15 years in public education before moving on to now nearly 10 years with General Motors. My background provides me an understanding of how schools operate, what their needs are, and the goals of education along with a blend of what our students need to succeed in corporate America.

During my career in public education, I served four different school districts and one public university where I was able to contribute to the better use of technology and the development of early online courses. Fast forward to what has occurred over the last year and I feel that my experiences are now more relevant than ever. The changes we have seen in education this year will have long-term impacts on how we view and deliver education to our students. I feel I have a skillset that will help MASB grapple with this new reality and succeed in helping our Michigan districts deliver a stronger education.

My experiences outside of education have enhanced my desire to help our education system grow. Having spent my entire life in Michigan, working for Michigan businesses both small and large, I feel can translate the needs our economy to what our education system can deliver. By focusing on our policies and strategies as an educational institution, we can assist our state in its goals of retaining a strong, healthy workforce.

I'm concerned with how balanced our education system is, how it's perceived amongst the general population, and how it's funded. There were many challenges before 2020 and now many of those same challenges have been exacerbated. It's our responsibility to dig deep, work hard, and help make the necessary systemic changes for all students to succeed. My hope is that I can serve my district for years to come and through this nomination, I hope to have a chance to serve my state as well.

Thank you for your consideration.



Kenneth Stahl

District: Brighton Area Schools

County: Livingston

Time served on this board: Six years

Offices held: Secretary and Treasurer

MASB Certification:

Certified Boardmember Award
Award of Merit

Election Statement:

I have been privileged to serve on the Brighton School Board of Education for the past six years. In that time, I have had the opportunity to serve in many positions. I have served as the board's treasurer, Facilities and Bond Committee Chair, Safe Schools Committee Board, Delegate to the MASB Leadership Conference, and am currently in my third and final year on the MASB Government Relations Committee.

Almost immediately upon becoming a board member, I became involved with MASB, and took advantage of as many educational opportunities as I could handle. I obtained my Certified Board Member status. This gave me a great wide angle view of what to expect and how to be a better board member. It was a great way to meet board members throughout the state and see what challenges they were facing. I

I have served the Pottsville Public Schools Board of Education for six years. During that time, I have served on the Policy and Technology Committee and as Secretary. I have been an Eaton RESA Trustee for five years, serving on the Building & Grounds and Finance & Audit Committees as well as Secretary, Vice President, two terms as President and currently as Treasurer.

I have additionally served MASB as a member of the Curriculum & Instruction Committee, Government Relations Committee also served as its Vice Chairman, currently serving on the By-laws and Resolution committee.

I would be honored to serve on the MASB Board of Directors, to represent you, our Region and our students and bring your voices to the table to further benefit the future for public education.



Dale S. Wingerd*

District: Clinton Community Schools

County: Lenawee

Time served on this board: 15 years

Offices held: President and Secretary

MASB Certification:

Certified Boardmember Award

Award of Merit

Award of Distinction

Master Boardmember Award

Master Diamond Award

Master Platinum Award

Election Statement:

All learners deserve the best education possible and I believe that every person matters. It was my desire to serve on the Board of Directors for MASB to further contribute to quality education and experiential learning for every person. I have served as Region 7 Director for the last three years and School Board member for nearly 15 years. I have vast experience in dealing with the changing demands of education, difficult economic times, and meeting the needs of every student. During my tenure at the Clinton Community Schools Board of Education, I served in the role of Secretary for one year and held the office of President for 7 years. My passion for public education is further evidenced by my efforts in professional development (Master Diamond Certification), as well as my roles as Lenawee County Association School Board, District Representative (10 years), where I served as the President for several years and also held offices of Treasurer and President Elect. Additionally, I have held leadership roles in my professional life that include Manager and Store Director. However, my most important roles are that of a husband of 35 years and parent of three children. Sadly, we lost our daughter Kassie to Leukemia in 2011; although her passing inspired me to continue my journey to help all students achieve at their maximum potential. If re-elected to the MASB Board of Directors, my hope is to work with the great leaders in our State to continue the quest for the best education possible for all persons.

*** = Incumbent**

8

Whitmore Lake Public Schools, Washtenaw County, Michigan

A regular Board of Education (the "Board") of the District was held electronically, pursuant to Open Meetings Act Section 3a, through the Zoom audio/video conferencing platform, Meeting ID# 968 8321 4266, on the 22 day of, February, 2021 at 7:00 o'clock in the p.m.

The Meeting was called to order by _____, President.

Present: Members

Absent: Members

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS:

A. The Michigan Public School Employees Retirement System (MPERS) Act was amended effective September 4, 2012 (2012 PA 300) to require eligible public school employees to contribute 3 percent of their compensation to an irrevocable trust for retiree health benefits (the "3% retiree healthcare contribution") to be enrolled in the MPERS health premium subsidy.

B. Since 2012, the Internal Revenue Service (IRS) has variously treated these 3% retiree healthcare contributions for federal income and FICA taxes purposes.

C. In an effort to obtain a system-wide determination from the IRS, the Michigan Office of Retirement Services (ORS), which administers MPERS, reportedly requested an IRS Private Letter Ruling on the taxable status of the 3% retiree healthcare contributions, which the IRS reportedly declined to issue.

D. Thereafter, the ORS reportedly coordinated with a named taxpaying school district to again request a determination on the taxable status of the 3% retiree healthcare contributions.

E. By email to its ListServ dated December 22, 2020, the ORS notified Reporting Units that "the IRS has recently indicated that they will conclude in a Closing Agreement – relative to the specific claims at issue – that the retiree healthcare contributions are exempt from federal income and FICA taxes." (A copy of the ORS email dated 12/22/2020 is attached and incorporated into this Resolution as [Attachment A](#).)

F. The IRS Commissioner (or designee) may enter into and approve a written closing agreement with any taxpayer relating to the internal revenue tax liability of that taxpayer. A closing agreement covering a specific matter is final and conclusive only as to the named taxpayer(s) and may not, in the absence of fraud, malfeasance, or misrepresentation of material fact, be reopened as to the matter agreed upon or be modified by any officer, employee, or agent of the United States for any taxable period covered by the closing agreement.

G. The proposed closing agreement, CLAG-117897-19, (the "Closing Agreement") reportedly has not yet been finalized, but the ORS attached to its December 22, 2020 email to Reporting Units a copy of a letter dated November 16, 2020 from the IRS to counsel for the ORS, W. Alan Wilk, Dykema Gossett, PLLC, (the "IRS Letter") setting forth the three operative

paragraphs that reportedly will be included in the Closing Agreement. (A copy of the IRS Letter is attached in its entirety and incorporated into this Resolution as [Attachment B](#).) The IRS Letter states:

The closing agreement contains three operative paragraphs, which are applicable with respect to employees who did not opt out of the future right to receive retiree health benefits under the Plan and who continue to be subject to a 3 percent reduction in compensation (affected employees):

- Amounts deducted from the affected employees' compensation are treated as employer contributions and are not treated as income under section 106 of the Internal Revenue Code (Code).
- Amounts deducted from the affected employees' compensation are not treated as "wages" for purpose of FICA taxes under section 3121(a) of the Code, or for purposes of income tax withholding under section 3401(a) of the Code.
- In connection with signing the agreement, school districts must file Forms W-2c (Corrected Wage and Tax Statement) for each affected employee for taxable years for which the period of limitations on claims of credit or refund has not expired to reflect that the amounts deducted from the affected employees' compensation are not treated as income or wages. School districts must also inform the affected employees that they may file Forms 1040-X (Amended U.S. Individual Income Tax Return) to obtain a refund of the income taxes withheld on the 3 percent contributions.

H. Although the IRS Letter does not limit the term of the Closing Agreement to prescribed tax years, the partially completed IRS Form 2848 elsewhere discussed in this Resolution, and signed by Attorney Wilk, limits the term of the Closing Agreement to tax years 2013-2026. (A copy of the partially completed IRS Form 2848 is attached and incorporated into this Resolution as [Attachment C](#).)

I. The IRS Letter states, "In order for a Michigan public school district to obtain the closing agreement, the school district must execute a Form 2848 and submit a \$3,000 user fee." (See Attachments B and C)

J. The IRS charges a "user fee" to recover the cost of providing certain services to the public that confer a special benefit to the recipient; in this case, a Closing Agreement that determines federal income and FICA tax obligations, at least as to tax years 2013-2026, with respect to the 3% retiree healthcare contributions of affected employees.

K. The ORS 12/22/2020 e-mail directs Reporting Units that wish to be covered by the Closing Agreement to do the following:

1. In order to finalize this Closing Agreement, ORS is facilitating the process that will allow each Reporting Unit that wishes to be covered by the Closing Agreement to be a part of that final Agreement. To do so, each Reporting Unit will need to execute a Form 2848 (Power of Attorney) and pay a reduced user fee of \$3,000. ORS is coordinating with MPSERs to make payments on behalf of each Reporting Unit as an administrative expense for each Reporting Unit that elects to be part of the Closing Agreement.
2. The partially drafted Form 2848 is attached. Only line one and line seven – including Reporting Unit name, address, phone, EIN, and signature of authorized official – need to be completed. It can then be scanned and sent to ORS-Contract-Review@michigan.gov. This will allow the Closing Agreement to be signed on behalf of and then apply to that Reporting Unit. If you wish to be part of the Closing Agreement, please return the Form 2848 as soon as possible, but no later than February 5, 2021.

L. The ORS advised Reporting Units in the 12/22/2020 Email:

Reporting Units are not required to be part of the Closing Agreement. Reporting Units are encouraged to consult with their own legal, tax and accounting professionals to form their own conclusions based on their own facts and circumstances. Neither ORS nor the Dykema Law Firm are providing any legal counsel to any Reporting Unit regarding whether to be part of the Closing Agreement or any other matters related to the proper tax treatment of employer and employee contributions made to the MPSERS Health Care Trust.

In reality, the nature of a relationship established with an attorney pursuant to IRS Form 2848 is a question of law, and the ability of Reporting Units to meaningfully consult with their own legal, tax and accounting professionals about the proposed Closing Agreement is significantly limited by a process that (1) requires each Reporting Unit to authorize Attorney Wilk to serve as its representative before the IRS and to execute on its behalf a not-yet-finalized Closing Agreement; (2) but precludes each Reporting Unit from consulting with Attorney Wilk, the only attorney known to be engaged in negotiations with the IRS, about the intent, meaning and effect of the proposed Closing Agreement.

M. This District must now decide whether to authorize participation in a not-yet-finalized Closing Agreement based upon incomplete information; or to forego the protections of the described Closing Agreement that reportedly will conclusively require the IRS to favorably treat 3% contributions to the retiree healthcare trust as exempt from federal income and FICA taxes, at least through tax year 2026, for participating Reporting Units.

N. The ORS originally set a deadline of February 5, 2021 for Reporting Units to sign and submit IRS Form 2848, authorizing Attorney Wilk to sign the not-yet-finalized Closing Agreement on each Reporting Unit's behalf.

O. In response to requests from Reporting Units and their representatives for additional information and clarification about the proposed Closing Agreement, ORS extended the submission deadline for signed IRS Forms 2848 to March 1, 2020 and, on the evening of February

3, 2021, the ORS, in consultation with Attorney Wilk, provided a Q&A document to Reporting Units. (A copy of the ORS Q&A sent to Reporting Units on the evening of February 3, 2021, is attached and incorporated into this Resolution as [Attachment D](#).)

P. Unfortunately, the ORS Q&A further evidences the continuing challenges that school officials face in evaluating this matter.

Q. Neither the IRS Letter (Attachment B), nor the ORS Q&A (Attachment D) explains how the IRS intends to determine whether or when the “period of limitations has expired” on any claims or requests for refunds of overpaid federal income taxes or FICA taxes that may be filed by Reporting Units or their employees. But ORS Q&A Nos. 7 & 8 (Attachment D) state:

- “*** the ORS is not aware that any limitations periods are affected by the Closing Agreement”; and
- “*** the ORS is not aware that any currently valid and timely claims are impacted by the Closing Agreement, other than the Closing Agreement appears to confirm the tax treatment of the MPSERS 3% contributions for income and FICA tax purposes.”

R. Likewise, neither the IRS Letter (Attachment B), nor the ORS Q&A (Attachment D) explains how the IRS intends to process any claims or requests for refunds of overpaid federal income taxes or FICA taxes that may be filed by Reporting Units or their employees.

S. The District's Administration has performed its due diligence in considering the information thus far made available by or through the ORS.

T. Based on this due diligence review, the District has determined that the District has treated the 3% contributions as exempt from federal income tax and federal FICA tax since at least tax year 2013 and has no pending protective filings that would extend the statutory 3-year limitations period for requesting a refund of overpaid taxes and, therefore, has determined that no corrected W-2s or IRS Forms 941-X would need to be issued or filed to comply with the third operative paragraph in Section G of this Preamble and Attachment B.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. In reliance upon communications directly from the ORS and indirectly from Attorney Wilk, including Attachments A - D to this Resolution, this Board finds it to be in the best interests of the District to conclusively resolve through at least tax year 2026 the District's federal income withholding and FICA tax obligations with respect to District employees who continue to be subject to a 3 percent reduction in their compensation to be enrolled in the MPSERS health premium subsidy.

2. The Board hereby authorizes and delegates all necessary authority to the Superintendent (or designee) to execute the partially-completed IRS Form 2848, Power of Attorney and Declaration of Representative (Attachment C) on behalf of the Board of Education, designating W. Alan Wilk of Dykema Gossett, PLLC as the District's representative before the IRS for the purpose of executing Closing Agreement (CLAG – 117897-19), provided that any Closing Agreement executed by Attorney Wilk on behalf of the District (a) complies with applicable law; (b) contains only the three operative paragraphs detailed in Preamble Para. G above and

Attachment A, or other terms materially advantageous to the District; (c) covers at least tax years 2013-2026; (d) does not impair any protective action previously filed by the District or affected employees extending the period of limitations for seeking refunds or credits; and (e) is conditioned on the ORS's payment of the \$3,000 user fee to the IRS on behalf of the District with no additional payment or user fee due from the District.

3. The Board hereby directs the Superintendent (or designee) to insert the following italicized text on p. 2, Part I, Section 7 of IRS Form 2848 before signing: *"Signature of Taxpayer. *** I certify that I have the legal authority to execute this form on behalf of the taxpayer as set forth in the attached Resolution adopted by taxpayer's governing board at a public meeting held on February 22, 2021."*

4. The Board directs the Superintendent (or designee) to forward a signed copy of this Resolution to the ORS, along with the signed IRS Form 2848.

5. The Board further authorizes and delegates all necessary authority to the Superintendent (or designee), in such consultation as deemed necessary with the District's legal, tax and financial advisers to implement the signed Closing Agreement consistent with this Resolution.

6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution, are hereby rescinded.

Ayes: Members

Nays: Members

Resolution declared adopted.

Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of Whitmore Lake Public Schools hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board of Education at a regular meeting held on February 22, 2021, the original of which resolution is a part of the Board's minutes and further certifies that notice of the meeting was given to the public under the Open Meetings Act, 1976 PA 267, as amended.

Secretary, Board of Education



Fwd: Action required: 3% Healthcare contribution ruling

1 message

Carol Henry1 <Carol.Henry1@wlps.net>
To: Denise Kerrigan <Denise.Kerrigan@wlps.net>

Tue, Dec 22, 2020 at 12:26 PM

----- Forwarded message -----

From: **Office of Retirement Services** <ORS@public.govdelivery.com>
Date: Tue, Dec 22, 2020 at 12:01 PM
Subject: Action required: 3% Healthcare contribution ruling
To: <carol.henry1@wlps.net>



**MICHIGAN OFFICE OF
RETIREMENT SERVICES**
Big Plans. Small Steps.

Michigan Public School Employees'
Retirement System
For Employers

**IRS TO RULE FAVORABLY RELATED TO 3% CONTRIBUTIONS
TO THE MPSERS HEALTH CARE TRUST**

This provides an update from the State of Michigan (through the Office of Retirement Services, "ORS") related to the current status of the federal tax treatment of the 3% contributions to the MPSERS Health Care Trust, and also provides the opportunity for each Reporting Unit to participate in and be covered by a [Closing Agreement](#) with the Internal Revenue Service (IRS) that favorably resolves the tax treatment of these contributions.

As you may know, ORS has for many years been attempting to obtain a system-wide answer from the IRS on the proper tax treatment of employer and employee contributions made to the MPSERS Health Care Trust.

Since at least 2016, ORS confirmed that multiple Reporting Units received consistent favorable guidance from the IRS as to refund claims that had been submitted relative to federal income and FICA taxes that had been reported, deducted, and remitted under 2012 PA 300. ORS, along with the supporting efforts of Dewitt Public Schools, the Michigan School Business Officials and other constituencies, has been working with the IRS to secure a ruling of favorable tax treatment.

ORS is pleased to report that the IRS has recently indicated that they will conclude in a Closing Agreement—relative to the specific claims at issue—that the retiree healthcare contributions are exempt from federal income and FICA taxes. A draft copy of the relevant rulings is attached.

In order to finalize this Closing Agreement, ORS is facilitating the process that will allow each Reporting Unit that wishes to be covered by the Closing Agreement to be a part of that final Agreement. To do so, each Reporting Unit will need to execute a [Form 2848](#) (Power of Attorney) and pay a reduced user fee of \$3,000. ORS is coordinating with MPSERS to make payments on behalf of each Reporting Unit as an administrative expense for each Reporting Unit that elects to be part of the Closing Agreement.

The partially drafted Form 2848 is attached. Only line one and line seven — including Reporting Unit name, address, phone, EIN, and signature of authorized official — need to be completed. It can then be

scanned and sent to ORS-Contract-Review@michigan.gov. This will allow the Closing Agreement to be signed on behalf of and then apply to that Reporting Unit. If you wish to be part of the Closing Agreement, please return the Form 2848 as soon as possible, but no later than February 5, 2021.

Reporting Units are not required to be part of the Closing Agreement. Reporting Units are encouraged to consult with their own legal, tax and accounting professionals to form their own conclusions based on their own facts and circumstances. Neither ORS nor the Dykema Law Firm are providing any legal counsel to any Reporting Unit regarding whether to be part of the Closing Agreement or any other matters related to the proper tax treatment of employer and employee contributions made to the MPSERS Health Care Trust.

If you have any questions, please contact ORS_Web_Reporting@michigan.gov.

State of Michigan | Department of Technology, Management & Budget | Office of Retirement Services
P.O. Box 30171 | Lansing, MI 48909-7671 | www.michigan.gov/psru

Please do not reply to this email. This mailbox is not monitored and you will not receive a response. For assistance, contact ORS_Web_Reporting@michigan.gov.

The retirement plan information that appears in this email is intended to summarize basic provisions of Public Act 300 of 1980, as amended. Current laws, rates, and factors are subject to change. Should there be discrepancies between the information reflected here and the actual law, the provisions of the law govern.

This email was sent to carol.henry1@wmps.net on behalf of the Office of Retirement Services · P.O. Box 30171 · Lansing, MI 48909-7671 · 1-800-381-5111

--

Carol A. Henry
Accounts Payable & Payroll/Benefits Coordinator
Whitmore Lake Public Schools
8845 Main St.
Whitmore Lake, MI 48189
Direct Line (734) 839-6308
Fax (734) 449-5336



OFFICE OF THE CHIEF COUNSEL

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

November 16, 2020

W. Alan Wilk
Dykema Gossett PLLC
Capitol View
201 Townsend Street, Suite 900
Lansing, MI 48933

VIA FACSIMILE: (855) 256-1485

RE: Michigan Public Schools Closing Agreement (CLAG-117897-19)

Dear Mr. Wilk:

The following is a summary of the closing agreement that is intended to be made available to those Michigan Public School districts that would like a determination from the Internal Revenue Service on their tax obligations with respect to employees who did not exercise the one-time irrevocable election to opt out of the future right to receive retiree health benefits under the Michigan Public School Employees Retirement System and who continue to be subject to a 3 percent reduction in their compensation.

The closing agreement contains three operative paragraphs, which are applicable with respect to employees who did not opt out of the future right to receive retiree health benefits under the Plan and who continue to be subject to a 3 percent reduction in compensation (affected employees):

- Amounts deducted from the affected employees' compensation are treated as employer contributions and are not treated as income under section 106 of the Internal Revenue Code (Code).
- Amounts deducted from the affected employees' compensation are not treated as "wages" for purposes of FICA taxes under section 3121(a) of the Code, or for purposes of income tax withholding under section 3401(a) of the Code.
- In connection with signing the agreement, school districts must file Forms W-2c (Corrected Wage and Tax Statement) for each affected employee for taxable years for which the period of limitations on claims of credit or refund has not expired to reflect that the amounts deducted from the affected employees' compensation are not treated as income or wages. School districts must also inform the affected employees that they may file Forms 1040-X (Amended U.S. Individual Income Tax Return) to obtain a refund of the income taxes withheld on the 3 percent contributions.

In order for a Michigan Public School district to obtain the closing agreement, the school district must execute a Form 2848 and submit a \$3,000 user fee. We will contact you separately to discuss the proper procedures to submit the additional forms and user fees.

Sincerely,

(Digitally Signed)

Denise Trujillo
Branch Chief, Health and Welfare Branch
Office of Associate Chief Counsel (Employee
Benefits, Exempt Organizations, and Employment
Taxes)

Power of Attorney and Declaration of Representative

▶ Go to www.irs.gov/Form2848 for instructions and the latest information.

OMB No. 1545-0150

For IRS Use Only

Received by:

Name _____

Telephone _____

Function _____

Date ____/____/____

Part I Power of Attorney

Caution: A separate Form 2848 must be completed for each taxpayer. Form 2848 will not be honored for any purpose other than representation before the IRS.

1 Taxpayer information. Taxpayer must sign and date this form on page 2, line 7.

Taxpayer name and address Whitmore Lake Public Schools 8845 Main Street Whitmore Lake, MI 48189	Taxpayer identification number(s) 38-6004080 <hr/> <table style="width: 100%;"> <tr> <td style="width: 50%;">Daytime telephone number 734-449-4464</td> <td style="width: 50%;">Plan number (if applicable)</td> </tr> </table>	Daytime telephone number 734-449-4464	Plan number (if applicable)
Daytime telephone number 734-449-4464	Plan number (if applicable)		

hereby appoints the following representative(s) as attorney(s)-in-fact:

2 Representative(s) must sign and date this form on page 2, Part II.

Name and address W. Alan Wilk, Dykema 201 Townsend, Suite 900 Lansing, MI 48933	CAF No. <u>3205-90117R</u> PTIN _____ Telephone No. <u>517-374-9122</u> Fax No. <u>855-256-1485</u>
Check if to be sent copies of notices and communications <input checked="" type="checkbox"/>	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address Check if to be sent copies of notices and communications <input type="checkbox"/>	CAF No. _____ PTIN _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address (Note: IRS sends notices and communications to only two representatives.)	CAF No. _____ PTIN _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address (Note: IRS sends notices and communications to only two representatives.)	CAF No. _____ PTIN _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer before the Internal Revenue Service and perform the following acts:

- 3 Acts authorized (you are required to complete this line 3).** With the exception of the acts described in line 5b, I authorize my representative(s) to receive and inspect my confidential tax information and to perform acts that I can perform with respect to the tax matters described below. For example, my representative(s) shall have the authority to sign any agreements, consents, or similar documents (see instructions for line 5a for authorizing a representative to sign a return).

Description of Matter (Income, Employment, Payroll, Excise, Estate, Gift, Whistleblower, Practitioner Discipline, PLR, FOIA, Civil Penalty, Sec. 4980H Shared Responsibility Payment, etc.) (see instructions)	Tax Form Number (1040, 941, 720, etc.) (if applicable)	Year(s) or Period(s) (if applicable) (see instructions)
Michigan Public Schools Closing Agreement	CLAG 117897-19	2013-2026

- 4 Specific use not recorded on Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box. See Line 4. *Specific Use Not Recorded on CAF* in the instructions ☐

- 5a Additional acts authorized.** In addition to the acts listed on line 3 above, I authorize my representative(s) to perform the following acts (see instructions for line 5a for more information):
- ☐ Access my IRS records via an Intermediate Service Provider;
- ☐ Authorize disclosure to third parties; ☐ Substitute or add representative(s); ☐ Sign a return; _____
- _____
- ☐ Other acts authorized: _____
- _____

- b Specific acts not authorized.** My representative(s) is (are) not authorized to endorse or otherwise negotiate any check (including directing or accepting payment by any means, electronic or otherwise, into an account owned or controlled by the representative(s) or any firm or other entity with whom the representative(s) is (are) associated) issued by the government in respect of a federal tax liability.

List any other specific deletions to the acts otherwise authorized in this power of attorney (see instructions for line 5b): _____

- 6 Retention/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same matters and years or periods covered by this document. If you **do not** want to revoke a prior power of attorney, check here ☐ **►**

YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

- 7 Signature of taxpayer.** If a tax matter concerns a year in which a joint return was filed, each spouse must file a separate power of attorney even if they are appointing the same representative(s). If signed by a corporate officer, partner, guardian, tax matters partner, partnership representative (or designated individual, if applicable), executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the legal authority to execute this form on behalf of the taxpayer.

► IF NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THIS POWER OF ATTORNEY TO THE TAXPAYER.

_____ Signature Denise Kerrigan _____ Print name	_____ Date Signature of Taxpayer. ***I certify that I have the legal authority to execute this form on behalf of the taxpayer as set forth in the attached Resolution adopted by taxpayer's governing board at a public meeting held on February 22, 2021.	_____ Director of Finance and Operations Title (if applicable) _____ Print name of taxpayer from line 1 if other than individual
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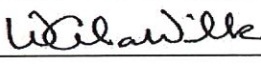
Part II Declaration of Representative

Under penalties of perjury, by my signature below I declare that:

- I am not currently suspended or disbarred from practice, or ineligible for practice, before the Internal Revenue Service;
- I am subject to regulations contained in Circular 230 (31 CFR, Subtitle A, Part 10), as amended, governing practice before the Internal Revenue Service;
- I am authorized to represent the taxpayer identified in Part I for the matter(s) specified there; and
- I am one of the following:
 - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b Certified Public Accountant—a holder of an active license to practice as a certified public accountant in the jurisdiction shown below.
 - c Enrolled Agent—enrolled as an agent by the IRS per the requirements of Circular 230.
 - d Officer—a bona fide officer of the taxpayer organization.
 - e Full-Time Employee—a full-time employee of the taxpayer.
 - f Family Member—a member of the taxpayer's immediate family (spouse, parent, child, grandparent, grandchild, step-parent, step-child, brother, or sister).
 - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the IRS is limited by section 10.3(d) of Circular 230).
 - h Unenrolled Return Preparer—Authority to practice before the IRS is limited. An unenrolled return preparer may represent, provided the preparer (1) prepared and signed the return or claim for refund (or prepared if there is no signature space on the form); (2) was eligible to sign the return or claim for refund; (3) has a valid PTIN; and (4) possesses the required Annual Filing Season Program Record of Completion(s). **See Special Rules and Requirements for Unenrolled Return Preparers in the instructions for additional information.**
 - k Qualifying Student—receives permission to represent taxpayers before the IRS by virtue of his/her status as a law, business, or accounting student working in an LITC or STCP. See instructions for Part II for additional information and requirements.
 - r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

► IF THIS DECLARATION OF REPRESENTATIVE IS NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THE POWER OF ATTORNEY. REPRESENTATIVES MUST SIGN IN THE ORDER LISTED IN PART I, LINE 2.

Note: For designations d–f, enter your title, position, or relationship to the taxpayer in the "Licensing jurisdiction" column.

Designation— Insert above letter (a–r).	Licensing jurisdiction (State) or other licensing authority (if applicable)	Bar, license, certification, registration, or enrollment number (if applicable)	Signature	Date
a	MI	P54059		1-4-21

**ADDITIONAL INFORMATION RELATED TO THE OPPORTUNITY TO PARTICIPATE IN AN IRS
CLOSING AGREEMENT RELATED TO 3% CONTRIBUTIONS TO THE MPSERS HEALTH CARE
TRUST**

The State of Michigan (through the Office of Retirement Services, "ORS") provided an update on December 22, 2020 related to the current status of the federal tax treatment of the 3% contributions to the MPSERS Health Care Trust, and also provided the opportunity for each Reporting Unit to participate in and be covered by a Closing Agreement with the Internal Revenue Service (IRS) that favorably resolves the tax treatment of these contributions.

Additional questions have been asked by some Reporting Units and those professionals that are advising them related to this matter. ORS is sensitive to those questions, as well as the time frame for making certain determinations. The time frame has been extended to March 1 as communicated last week. ORS also understands that some reporting units and their counsel do not believe they have enough information to make a decision. Hopefully the additional information that is contained here will help, but please understand (and ORS knows that a large number of reporting units have indicated that they do) that ORS and its counsel do not have access to the full contents of the Closing Agreement, nor can they address every scenario for individual reporting units. That being said, ORS is taking further steps to provide as much additional information as possible in this Supplemental Notice to reporting units.

This Notice attempts to address several additional questions, such as the following:

1. What is the background and context of the proposed Closing Agreement? Is my Reporting Unit obligated to participate in this Closing Agreement?

No. There is no obligation for any reporting unit to participate. None of the reporting units, other than DeWitt Public Schools, has any facts before the IRS for purposes of this Closing Agreement.

The Closing Agreement was a result of a Private Letter Ruling (PLR) Request in 2018 submitted by W. Alan Wilk at Dykema on their behalf (and paid for by MPSERS because MPSERS had paid for the initial, almost identical, PLR Request in 2016). Rather than issue a PLR, the IRS chose to favorably resolve the tax determinations on the MPSERS 3% contributions (for income and FICA purposes) via the proposed Closing Agreement.

With the original PLR Request filed in 2016 by MPSERS, the intent was to obtain a ruling that covered all reporting units at that time. The IRS would not let MPSERS do this because of the technical reason that MPSERS was not a "taxpayer" (reporting unit) in the retirement system. DeWitt Public Schools then volunteered to be that taxpayer and the 2018 PLR Request was filed. As a result, the proposed Closing Agreement includes operative paragraphs that will be issued to them, resulting in favorable tax treatment for the MPSERS 3% contributions by their employees. The opportunity from the IRS that ORS forwarded in the first Notice on December 22, 2020, provides a process that allows other reporting units to also participate in the same Closing Agreement to be issued to DeWitt Public Schools. It will only cover DeWitt Public Schools unless other reporting units voluntarily choose to sign onto the Closing Agreement.

The IRS also discussed doing a Mass Closing Agreement that would apply for all reporting units, but ultimately decided to provide the ability for reporting units to voluntarily opt-in to be a part of this Closing Agreement, for a reduced user fee of \$3,000 (normally \$30,000) per reporting unit.

ORS has proceeded accordingly with the Notice to reporting units related to this opportunity provided by the IRS. ORS and counsel have tried to provide as much information as possible related to the background and substance of the Closing Agreement, including asking the IRS for as much information related to the Closing Agreement that they could provide, which resulted in the IRS disclosing the three

operative paragraphs of the Closing Agreement. That information was sent in the original Notice to reporting units on December 22, 2020. ORS and counsel have been answering additional questions since that initial Notice, and in this Supplement Notice that includes written answers to a number of follow-up questions. ORS and its counsel are not providing any legal or other advice as to whether or not a reporting unit should participate in this Closing Agreement.

It is a voluntary choice. There is no minimum number of reporting units that have to opt-in. ORS is fine if the Closing Agreement is simply signed on behalf of DeWitt Public Schools and no other reporting units. ORS is also fine if all or any number in between of reporting units want to participate. That is a decision that can be made by each reporting unit, with advice from their own counsel and based on their own facts and circumstances.

2. Is the IRS requesting \$3,000 per Reporting Unit to provide guidance on tax treatment of a deduction that the IRS has already acknowledged in communications to Reporting Units is exempt?

Again, there is no obligation for any reporting unit to participate and have funds expended on their behalf. The IRS has set the reduced user fee per taxpayer at \$3,000 for this Closing Agreement. As stated above, each reporting unit will have to decide whether to participate or not. If the reporting unit is comfortable with the IRS communications to the reporting units regarding the current tax treatment of the MPERS 3% contributions, they are certainly free to decline to participate in the Closing Agreement. Likewise, each reporting unit would presumably be free to pursue its own Private Letter Ruling or Closing Agreement based on its own facts and circumstances, if it were not comfortable with the terms, timing, information available, or any other aspect of this Closing Agreement.

3. What is a Closing Agreement?

Internal Revenue Code section 7121 authorizes the IRS and taxpayers to enter into closing agreements. While a closing agreement exhibits some of the attributes of a contract, it is not strictly subject to the law of contracts. Closing agreements are legally binding.

Treasury Regulation Section 301.7121-1(a), states:

“In general. The Commissioner may enter into a written agreement with any person relating to the liability of such person (or of the person or estate for whom he acts) in respect of any internal revenue tax for any taxable period ending prior or subsequent to the date of such agreement. A closing agreement may be entered into in any case in which there appears to be an advantage in having the case permanently and conclusively closed, or if good and sufficient reasons are shown by the taxpayer for desiring a closing agreement and it is determined by the Commissioner that the United States will sustain no disadvantage through consummation of such an agreement.”

4. Is this a “Mass Closing Agreement?”

No. A Mass Closing Agreement covers a class of taxpayers. The IRS has said that a Mass Closing Agreement in the exempt organizations area is unusual. In those cases, individual agreements with each person in the class will only be negotiated in cases where the class consists of 25 persons or less. If the issue and holding are the same for all members of the class and there are more than 25, the IRS has indicated it will enter into Mass Closing Agreement with the taxpayer who is authorized to represent the class. See 1993 EO CPE Text, p.3.

In this case, the IRS has opted against issuing a Mass Closing Agreement to cover the entire class of Reporting Units, and has instead provided the opportunity for each Reporting Unit to decide on their own whether to sign onto and participate in the Closing Agreement that they have presented.

5. Will the full Closing Agreement be available for review?

IRS representatives have indicated, in part due to disclosure restrictions, that it will not provide the full contents of the Closing Agreement. Although the full contents of the Closing Agreement have not been disclosed by the IRS, upon request, the IRS made available the three operative paragraphs of the Closing Agreement and those were included in their entirety with original Notice to Reporting Units on December 22, 2020. It is our understanding that the IRS believed that this was the best case scenario to reach out to additional Reporting Units that were not part of the initial Private Letter Ruling request on these matters, and that Reporting Units may choose whether to participate or not.

6. What is expected to be in the Closing Agreement?

The first paragraph concludes that amounts deducted from employee compensation for the MPSERS 3% contribution are treated as employer contributions and are not treated as income under section 106 of the Internal Revenue Code. This conclusion is comparable to the original ruling request that ORS requested in prior Private Letter Ruling requests to the IRS.

The second paragraph concludes that amounts deducted from employee compensation for the MPSERS 3% contribution are not treated as "wages" for purposes of FICA taxes under section 3121(a) of the Internal Revenue Code or purposes of income tax withholding under section 3401(a) of the Internal Revenue Code. This conclusion is also comparable to the original ruling request that ORS requested in prior Private Letter Ruling requests to the IRS.

The third paragraph includes certain requirements as a result of the rulings in the first two paragraphs, including filing of Forms W-2c (corrected wage and tax statements) for affected employees for tax years limitation periods that have not expired, and notifying those employees that they can file Forms 1040-X for a refund on their income taxes for affected years.

Upon further inquiry related to the third paragraph, IRS representatives indicated that this was included to focus the Reporting Units on the impact and expected actions related to the employees and the necessary forms that needed to be filed as a result of the findings in the first two paragraphs. Those representatives also indicated that it was expected that the applicable Reporting Units would be filing forms on their own behalf, such as Form 941-X for open time periods.

7. Does the Closing Agreement impact the statute of limitations for filing certain protective, refund and other claims?

Each Reporting Unit will need to take action based on its own circumstances and based on its own counsel, but ORS is not aware that any limitations periods are impacted by the Closing Agreement.

8. Does the Closing Agreement impact the current status of certain protective, refund and other claims that have already been filed?

Each Reporting Unit will need to take action based on its own circumstances and based on its own counsel, but ORS is not aware that any currently valid and timely claims are impacted by the Closing Agreement, other than the Closing Agreement appears to confirm the tax treatment of the MPSERS 3% contributions for income and FICA tax purposes.

9. Will the IRS be providing required transmittal correspondence to participants with the Closing Agreement, or will it fall to each participant to generate the required correspondence with Affected Employees?

ORS is not aware of any specific correspondence that has been provided by the IRS.

10. Are there any additional details related to how Reporting Units can handle various claims in light of favorable tax treatment of the MPSERS 3% contributions?

Without providing specific guidance, ORS has provided general updates on this matter since the IRS began treating these payments favorably for some Reporting Units as far back as 2016. In addition, ORS has been in consultation with Taxpayer Advocate Services (TAS) (which is separate from the IRS departments that are handling the Closing Agreement) related to their information on these matters. TAS has advised Reporting Units to file Forms 941-X (Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund) and to advise affected employees to file Forms 843 (Claim for Refund or Abatement) to recover overpaid employer and employee FICA taxes.

If it would be helpful to Reporting Units in their review of the Closing Agreement, refer to this [March 18, 2020 letter from the National Taxpayer Advocate](#) that the Taxpayer Advocate Service (TAS) asked ORS to distribute last year to the Reporting Units related to the federal tax treatment of the MPSERS 3% contributions.

That letter addresses a number of matters related to the 3% contributions, but focuses on (1) the time limits applicable under Section 6511 of the Internal Revenue Code, (2) those Reporting Units that need to make a refund or protective claim, and (3) the mechanics of how to handle the implementation of a refund. It appears the letter is focused on those Reporting Units that have either not yet stopped withholding FICA and income taxes on the 3% contributions or those that have stopped current withholding, but need to make claims for prior years.

The TAS also indicated at the time that it might be especially time sensitive to some Reporting Units that have not made a refund or protective claim for certain tax years given the upcoming deadline for such a claims at the time of the letter. The TAS letter also provides background on the TAS and their contact information.

11. Are all MPSERS Reporting Units eligible to participate in the Closing Agreement?

Yes, the opportunity to participate in the Closing Agreement covers all MPSERS Reporting Units. As such, ORS sent the December 22, 2020 notice to officials at community colleges, state public universities, self-employing public school academies, district libraries, local and intermediate school districts.

12. Are any MPSERS Reporting Units required to participate in the Closing Agreement?

No. Reporting Units are not required to be part of the Closing Agreement. Reporting Units are encouraged to consult with their own legal, tax and accounting professionals to form their own conclusions based on their own facts and circumstances. Neither ORS nor the Dykema Law Firm are providing any legal counsel to any Reporting Unit regarding whether to be part of the Closing Agreement or any other matters related to the proper tax treatment of employer and employee contributions made to the MPSERS Health Care Trust.

13. Will the Closing Agreement include any representations to Reporting Units that choose not to participate in the Closing Agreement?

No. The Closing Agreement allows the IRS to agree to certain tax determinations with Reporting Units (as taxpayers). The terms agreed to in this Closing Agreement will only cover those Reporting Units that are a party to the Closing Agreement. As a result, the Closing Agreement almost certainly will not include a statement that the IRS commits to not change its enforcement practice during the Closing Agreement period with regard to the tax treatment for Reporting Units that choose not to participate in the Closing Agreement.

14. Does this mean the Reporting Units that do not participate in the Closing Agreement will be treated differently?

No. ORS has no knowledge that choosing not to participate in the Closing Agreement will have any adverse tax consequences as a result of that decision by a Reporting Unit. ORS has been informed by various Reporting Units that a few years ago the IRS treated these 3% contributions differently than the Closing Agreement appears to now conclude, but most of the more recent reports are that they have been treated favorably by the IRS (similar to the operative paragraphs in the Closing Agreement).

15. Can a Reporting Unit ask for their own Private Letter Ruling or Closing Agreement?

ORS is not aware of any reason why a Reporting Unit could not ask for their own ruling. Presumably, a Reporting Unit would need to engage in that submission using the IRS normal method for such request.

16. Will ORS pay the \$3,000 filing fee for each Reporting Unit that chooses to participate in the Closing Agreement?

Yes, ORS has determined that it will make a single payment to the IRS to cover the fee for each participating Reporting Unit. ORS and the IRS are working on the specific mechanics for such a payment based on the number of Reporting Units that elect to participate in the Closing Agreement.

17. Will the \$3,000 filing fee come from MPSERS?

Yes, the expense is being incurred to validate that Reporting Units in MPSERS are properly excluding the 3% contributions from income and FICA taxes. Such expenses will be paid from the reserve for administrative expenses in MPSERS. The reserve for administrative expenses is funded from the reserve for undistributed investment income.

18. Who is W. Alan Wilk and why is he listed on the Form 2848?

W. Alan Wilk is an attorney with the Dykema Law Firm that assists MPSERS with federal tax matters as a Special Assistant Attorney General. He has worked with the IRS on the MPSERS 3% contribution matters for several years and originally assisted in submitting a Private Letter Ruling (PLR) Request on this issue in both 2016 on behalf of MPSERS and 2018 on behalf of DeWitt Public Schools. It was the PLR Request that has resulted in the proposed Closing Agreement.

19. Is ORS, Mr. Wilk or Dykema acting as counsel for the Reporting Units?

ORS has been very clear that, beyond representing a Reporting Unit as provided in Form 2848 to sign the Closing Agreement once a Reporting Unit makes a decision to participate or not, neither ORS nor the Dykema Law Firm are providing any legal counsel to any Reporting Unit regarding that decision of whether to be part of the Closing Agreement or any other matters related to the proper tax treatment of employer and employee contributions made to the MPSERS Health Care Trust. Reporting Units are encouraged to consult with their own legal, tax and accounting professionals to form their own conclusions based on their own facts and circumstances.

20. Does listing Mr. Wilk on the Form 2848 mean he is our attorney?

A Form 2848 is used to authorize an individual to represent you before the IRS in a matter that is specifically named on the Form 2848, which in this case is limited to the signing of the Closing Agreement, if a Reporting Unit chooses to participate. He is listed as an attorney because an authorized individual must be eligible to practice before the IRS, and a licensed attorney is one of the many categories (accountants, actuaries, employees, officers, etc.) that are eligible. He is not engaged as your attorney for any legal advice, and you should consult your own attorney to decide whether or not to participate in the Closing Agreement. Based on your own counsel's advice, he may be authorized via the Form 2848 to sign the Closing Agreement on your behalf.

21. Will we be charged any fees by ORS or Dykema for their involvement in the Closing Agreement?

No. Neither ORS nor Dykema are charging any fees to Reporting Units for helping to facilitate the signing of the Closing Agreement for those Reporting Units who choose to participate.

22. Why does the Form 2848 that was provided included partially completed information that states that the time frame is 2013-2026?

The Form 2848 was originally drafted to include only the dates when the Closing Agreement was being discussed, which was 2019-2021. Upon review of a draft Form 2848 with that time frame by the IRS, the IRS asked that the time frame be updated to reflect 2013-2026. ORS subsequently updated the time frame on the Form 2848. ORS understands that the time frame reflects what the IRS anticipates to be covered by the Closing Agreement, which are those contributions subject to the election window that closed in 2013 (which began as early as PA 300 of 2012 became effective on September 4, 2012).

23. Why is 2026 being contemplated as the end date of the time frame for the Closing Agreement?

As stated in the Treasury Regulation cited above, a Closing Agreement may be in respect of any internal revenue tax for any taxable period ending prior or subsequent to the date of such agreement. In this case, the IRS has indicated that it is willing to issue the Closing Agreement for the prior time periods as indicated and for an additional 5 Years, which would be until 2026. Initial discussions also included no additional time periods and a time period of 1 year, but the last indications were for an additional 5 years. Additionally, upon inquiry, there was no indication that the IRS decision on this matter would be changing effective in tax year 2027, even though further time frames would not technically be covered by the Closing Agreement.

24. Is there a conflict with ORS or Dykema's involvement in the Closing Agreement process?

ORS and Dykema (as ORS counsel) have been involved in this matter from the beginning, including an initial request in 2016 on behalf of MPSERS to have the IRS make a determination as to the income and FICA tax status of the MPSERS 3% contributions by MPSERS participants (Reporting Unit employees). They were then involved in this matter with DeWitt Public Schools, which stepped up to be a representative Reporting Unit in a subsequent and almost identical request in 2018. From a general review, the operative paragraphs of the Closing Agreement appear to resolve these tax matters favorably for the Reporting Units and employees. But as has been made clear, each Reporting Unit should review its own facts and circumstances to decide whether it wants to participate in this Closing Agreement. If any Reporting Unit is uncomfortable with any perceived conflict with ORS or Dykema's involvement, or based on their own individual reasons, they are not required to participate.

25. Will ORS submit the Form 2848 for each Reporting Unit?

Yes, those Reporting Units that wish to participate in the Closing Agreement can submit their Form 2848 to ORS as provided in the December 22, 2020 notice, and ORS will forward all of them to the IRS following the deadline to submit them.

26. Is it possible that the February 5, 2021 deadline can be extended to accommodate a Reporting Unit that needs to take action to approve participation, but cannot do so until after the current deadline?

Yes, the new deadline is March 1, 2021. ORS heard feedback from many Reporting Units that want their respective boards to be able to meet to deliberate whether to participate in the Closing Agreement. Most reports were that those boards have regular meetings scheduled in February in which they wanted to address this matter. As such, the extended deadline should accommodate those Reporting Unit requests. If a Reporting Unit knows that it wants to participate in the Closing Agreement but cannot meet the new deadline, that Reporting Unit should contact ORS to discuss their anticipated date of approval.

For those Reporting Units that know that they would like to participate, they are encouraged to get their Form 2848 submitted as soon as possible after approval.

27. May a Reporting Unit sign onto the Closing Agreement after it has been signed?

Based on conversations with the IRS, ORS believes this answer is no. It is understood that only the Reporting Units that sign a Form 2848 and have their reduced filing fee paid by ORS will be covered by this Closing Agreement. A Reporting Unit, however, might in the future be able to submit and participate in its own Closing Agreement that it pays for and negotiates with the IRS.

28. Has the IRS stated when it anticipates generating a completed Closing Agreement for your execution on behalf of each participating Reporting Unit?

No, the IRS has not provided a specific date or time frame following the submission of the Form 2848s and payment of the filing fee. As such, ORS continues to encourage Reporting Units to consult with their own professionals to maximize any limitations periods, especially if they anticipate that any delay in generating the Closing Agreement may impact the timing of any action required, including those to obtain refunds for the employer and employee.

29. How will each participating Reporting Unit's participation be denoted on the Closing Agreement?

While the final form of the Closing Agreement has not been disclosed, it has been discussed with the IRS and the initial response is that each Reporting Unit to be covered by the Closing Agreement will likely be listed on an Addendum to the Closing Agreement.

30. Why would a Reporting Unit choose to participate in the Closing Agreement?

Again, ORS is not providing any advice as to whether to participate or not. ORS is aware, however, that some counsel for Reporting Units have indicated that (1) if a Reporting Unit treated the 3% contributions deducted as subject to income and FICA taxes at any time during 2012-present, the Closing Agreement may present the opportunity to take corrective action and obtain a refund of the FICA tax paid by the Reporting Unit [depending on the facts and circumstances as to whether and how any claims were handled at a particular reporting unit]; (2) if a Reporting Unit treated the 3% contributions deducted as exempt from income and FICA taxes, the Closing Agreement will reflect the IRS position that such

treatment was appropriate; and (3) in either case, the Closing Agreement confirms the IRS treatment of the 3% contributions through the end date of the Closing Agreement (which is proposed to be 2026).

31. Why would a Reporting Unit choose not to participate in the Closing Agreement?

Again, ORS is not providing any advice as to whether to participate or not. ORS is aware, however, that some representatives for Reporting Units have indicated that a Reporting Unit might not want to participate if (1) the Reporting Unit deems the administrative time and cost required to participate in the Closing Agreement outweighs its benefits; (2) if the Reporting Unit has consistently treated the 3% contribution as exempt from income and FICA taxes and/or they do not believe the IRS will take a contrary position for their Reporting Unit; (3) they do not want MPSERS to expend \$3,000 on their behalf; (4) the Reporting Unit is not comfortable with not seeing the full contents of the Closing Agreement; (5) the Reporting Unit is not comfortable participating in the Closing Agreement that ORS and DeWitt Public Schools (or their counsel) were involved with; or (6) the Reporting Unit is not comfortable with certain terms of the Closing Agreement.

32. What do I do if I have additional questions?

ORS encourages you to contact your legal counsel to discuss any specific facts and circumstances related to your Reporting Unit.

If you have any questions related to the Form 2848 submission or generally about the Closing Agreement process, please contact ORS_Web_Reporting@michigan.gov.