

Athens Area School  
4230 K Dr. South  
East Leroy, Mi. 49051

**RESOLUTION AUTHORIZING  
POWER OF ATTORNEY FOR  
MPERS CLOSING AGREEMENT**

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Athens Area Schools, Calhoun, Branch, St. Joe, and Kalamazoo Counties, Michigan.

A regular meeting of the board of education was held:

In the High School Media Center, within the boundaries of the District,

On the 15<sup>th</sup> day of February, 2021 at 7 o'clock in the p.m.

The meeting was called to order by Dennis Stanton, President

Members Present: Dennis Stanton, Dan Loew, Jason Stanton, Eric McClure, John Knowles, and Mike Harvey

Members Absent: Kacie Brunner

The following preamble and resolution was offered by Member: Dan Loew and supported by Member: Jason Stanton

Taken from a letter sent from the Department of Treasury, Internal Revenue Service to W. Alan Wilk, Dykema Gossett PLLC on November 16,2020.

**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 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 for credit or refund has not expired to reflect that the amounts deducted from the affected employees' compensation are not treated as income of wages. School districts must also inform the affected employees that they may file Forms 1040-X(Amended US Individual Income Tax Return) to obtain a refund of income taxes withheld on the 3 percent contributions.

**NOW, THEREFORE, BE IT RESOLVED THAT:**

The Board of Education gives the Superintendent authority to sign the Power of Attorney and Declaration of Representative Form joining the Michigan Public Schools Class Action Closing Agreement (CLAG-117897).

That Office of Retirement concludes that the retiree healthcare contributions are exempt from federal income and FICA taxes.

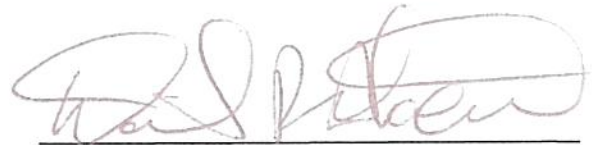
That Office of Retirement will be covering the \$3,000 filing fee so there is not an expense Districts will incur to be part of the closing agreement.

Member Ayes:

Dennis Stanton, Dan Loew, Jason Stanton, Eric McClure, John Knowles, and Mike Harvey

Member Nays:

None



Secretary, Board of Education