

February 5, 2018

Dear Former Macomb Community College Colleague,

The Michigan Supreme Court issued a unanimous opinion in December 2017 upholding the Appeals Court ruling that the 3% employee withholding for healthcare contributions under Public Act 75 of 2010 was unconstitutional. The Office of Retirement Services has identified you as a former employee of Macomb Community College between July 2010 and September 2012. Therefore, you will be receiving a refund of monies contributed to the Healthcare Trust, plus nominal interest. The Office of Retirement Services (ORS) recently emailed recipients of the Healthcare Refund the exact amount that they should expect to receive. Macomb Community College (MCC) has approximately 3,000 refunds to process. We have been working on processes to ensure the refunds are processed in the most expeditious and accurate way possible.

The refunds will be made to former MCC employees on a separate payroll cycle. The ORS has indicated that individuals should generally expect to receive the refund in 60-90 days from January 22, 2018. We are finalizing our plan to ensure adequate time for former employees to make any withholding changes or address and name changes. It is MCC's primary goal to ensure adequate time for communication, elections and accuracy.

The refund is taxable income; therefore, federal, state and FICA taxes will be withheld. There will be no other deductions on this refund. You may wish to consult your own tax advisor if you have any questions on the taxability of your refund.

The other portion of the refund is interest earned in escrow by the State of Michigan that is being passed along to each former employee. This interest will be taxable income to all recipients; however, since MCC did not earn the interest, it is not required to have taxes withheld and will not be separately reported to you on a form 1099-INT at the end of year. Individuals will need to include it in their own tax filing at year end.

Please find enclosed the following documents:

- Personal Record Change form (to update address and name changes)
- Federal W4 tax election withholding form (to modify Federal Tax exemptions)
- Michigan W4 tax election withholding form (to modify State Tax exemptions)

Please complete the appropriate document(s) as necessary to notify MCC of any changes in your address or tax withholding. Return the forms in the postage paid envelope provided or email to payroll@macomb.edu no later than **Friday, February 16, 2018**.

We have prepared a list of FAQ's for your convenience, which is located on [www/macomb.edu](http://www.macomb.edu): <https://www.macomb.edu/resources/transparency-reporting/attachments/ORS-Refund-FAQ.pdf>

We will continue to update the FAQ document as necessary and as additional information becomes available.

We appreciate your patience during this time and appreciate your cooperation.

Best Regards,

Libby Argiri
Vice President for Business
Macomb Community College