



STATE OF MICHIGAN

DEPARTMENT OF MANAGEMENT & BUDGET  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

LISA WEBB SHARPE  
DIRECTOR

February 8, 2007

All Reporting Unit Business and Payroll Personnel of the  
Michigan Public School Employees Retirement System

Ladies and Gentlemen:

The pension contribution rate effective for October 2007 is 12.01%, which is an increase of .82% above the FY07 rate of 11.19%. You may recall that updates in the actuarial assumptions delayed a portion of last year's increase for a one-year period of .93%, which set last year's pension rate at 11.19%.

The health benefits contribution rate did not change and remains at 6.55%.

Therefore the contribution rate due on member's wages paid between October 1, 2007, and September 30, 2008, will be 18.56%. This rate includes the reconciliation and applies to K-12 school districts, intermediate school districts, community colleges, district libraries, public school academies, and federal programs. The break-down of the rate is as follows:

Pension Normal Cost:	5.28%
Pension Unfunded Accrued Liability	<u>6.73%</u>
Pension total:	12.01%
Health Benefits (Cash Basis):	<u>6.55%</u>
Total	18.56%

If you have any questions, please contact Financial Services, Retirement Accounting at (517) 241-5042.

Sincerely,

Patricia Lack, Director  
Fiscal Management Division