

**§17203. Payroll deduction**

**1. Certification and deduction.** The board shall certify to the chief administrative officer of each department, school and participating local district and the chief administrative officer shall cause to be deducted from the compensation of each member on each payroll of the department, school or participating local district for each payroll period, the appropriate percentage of earnable compensation to be contributed.

A. Amounts deducted from the compensation of state employees must be credited to the State Employee and Teacher Retirement Program in the same manner and at the same time that employer charges are credited to that program as provided by section 17154, subsection 5. [PL 2007, c. 491, §88 (AMD).]

B. Amounts deducted from the compensation of teachers must be paid to the State Employee and Teacher Retirement Program by the chief administrative officer of each school administrative unit monthly in accordance with rules of the board. Delinquent payments due under this paragraph:

(1) May be subject to a late fee as directed by the board and interest at a rate, to be set by the board and paid by the school administrative unit, not to exceed regular interest by 5 or more percentage points;

(2) May be recovered by action in a court of competent jurisdiction against the school administrative unit; or

(3) May, at the request of the retirement system, be deducted from any other money payable to that school administrative unit. [PL 2007, c. 491, §88 (AMD).]

C. Payment of members' contributions to the Participating Local District Retirement Program by participating local districts is governed by sections 18301 to 18303. [PL 2007, c. 491, §88 (AMD).]

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**2. Manner of deduction.** The amounts deducted under subsection 1, when deducted, shall be:

A. Paid into the Members' Contribution Fund; and [PL 1985, c. 801, §§ 5, 7 (NEW).]

B. Credited to the individual account of the member from whose compensation the deduction was made. [PL 1985, c. 801, §§ 5, 7 (NEW).]

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**3. Member's consent.** It is deemed that every member has consented to allow the chief administrative officer of the member's department, school or participating local district to make deductions from the member's compensation or to make pick-up contributions to satisfy the member's required contribution to the applicable retirement program.

[PL 2007, c. 491, §89 (AMD).]

**4. Discharge of claims.** Payment of compensation to a member, minus the adjustment to compensation resulting from a deduction or employer pick-up contributions under this section, shall be a complete discharge of all claims and demands based on the services rendered by the member during the period covered by the payment, except for any claims or demands for the benefits provided under this Part.

[PL 1987, c. 739, §§7,48 (AMD).]

**5. Reduction of minimum compensation.** The deductions under this section shall be made notwithstanding that the minimum compensation provided for by law for any member is reduced by the deduction.

[PL 1985, c. 801, §§ 5, 7 (NEW).]

**SECTION HISTORY**

PL 1985, c. 801, §§5,7 (NEW). PL 1987, c. 739, §§7,48 (AMD). PL 1989, c. 95, §3 (AMD). PL 1991, c. 185, §1 (AMD). PL 2007, c. 491, §§88, 89 (AMD).

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