

### Sec. 50. Contributions.

(1) Employer contributions.

The employer shall contribute the amount of compensation specified in the Adoption Agreement.

(2) Mandatory participant contributions.

(a) If the employer so elects in the Adoption Agreement, each eligible participant shall make contributions at a rate prescribed by the employer or at any of a range of specified rates, as set forth by the employer in the Adoption Agreement, as a requirement for his/her participation in the defined contribution plan. Once an eligible employee becomes a participant, he/she shall not thereafter have the right to discontinue or vary the rate of such mandatory participant contributions. Such contributions shall be accounted for separately in the participant contribution account. Such account shall be at all times nonforfeitable by the participant.

(b) If the employer so elects in the Adoption Agreement, the mandatory participant contributions shall be "picked up" by the employer in accordance with IRC section 414(h)(2). The contributions so picked up shall be treated as an employer contributions pursuant to IRC section 414(h)(2). The employer shall pay these picked-up contributions directly to the System, instead of paying such amounts to the participants, and such contributions shall be paid from the same funds that are used in paying salaries to the participants. Such contributions, although designated as employee contributions, shall be paid by the employer in lieu of contributions by participants. Participants may not elect to receive such contributions directly instead of having them paid by the employer to the System. Employee contributions so picked up shall be treated for all purposes of the Plan Document and Michigan law, other than federal tax law, in the same manner as employee contributions made before the date picked up.

(3) Voluntary participant contributions.

A participant may also voluntarily contribute additional amounts on an after-tax basis to his or her individual account in the reserve for defined contribution plan for any plan year in any amount to the extent allowed by federal law and subject to procedures established by the Retirement Board. A participant may roll over qualified distributions from other qualified retirement plans into this Retirement System, to the extent allowed by federal law and as specified in the Adoption Agreement. A participant is immediately 100% vested in the participant's accumulated balance for all participant contributions.