



BEDFORD PUBLIC SCHOOLS

1135 Smith Road
Temperance, MI 48182

Julie Campbell, CFO
Chief Financial Officer
734-850-6011 • Fax: 734-850-6099
Julie.Campbell@mybedford.us

To: Employees of Bedford Public Schools

From: Bedford Public Schools Business Services

Re: Important Updates for 2023

Date: January 3, 2023

Bedford Public Schools Business Services welcomes you back from what we hope was a restful and joyous holiday break. We would like to bring to your attention the following important items for the upcoming year.

1. The annuity contribution limit changes for 2023 are as follows:

Contributions Guidelines

Basic Annual Limit

\$22,500 for 2023 and \$20,500 for 2022.

The calendar year limits for elective deferrals are defined as 100% of compensation up to \$22,500 for 2023 and \$20,500 for 2022. This limit applies to all employees.

Service Based "Catch-up" Limit - 402(g) - Applicable to 403(b) Only

Employees with fifteen or more years of service with the school district may be eligible for a special higher annual limit of \$25,500 for 2023 (\$3,000 additional per year). To qualify, a participant's prior average annual contributions must not exceed \$5,000 per year. This extra annual amount of \$3,000 per year is capped at a cumulative limit of \$15,000. The participant's age is not a factor for determining eligibility for this higher limit. Employees who qualify for this catch-up must take this amount prior to taking advantage of the Age-Based Catch-up. The special Catch-Up provision is calculated and used prior to using the Age-Based additional amount.

Excess contributions occur when the total contributions are greater than the maximum contribution limit (MAC), resulting in additional taxes and/or penalties.

Age Based Additional Amount

2023 - Employees who are age 50 or older by December 31, 2023, may contribute an additional \$7,500 above the basic 2023 annual limit of \$22,500 for a total of \$30,000.

2022 - Employees who are age 50 or older by December 31, 2022, may contribute an additional \$6,500 above the basic 2022 annual limit of \$20,500 for a total of \$27,000.

The participant's years of service with their employer is not a factor in determining eligibility for this higher limit.

Employees who contribute to both a 403(b) and 401(k) account are limited to one age-based additional amount per year between the accounts. 457(b) accounts also have an Age-Based additional amount that does not offset the 403(b) and/or 401(k) amount.

2. The IRS mileage reimbursement rate increased on January 1, 2023 from \$0.625 per mile to \$0.655 per mile. A 2023 Mileage Reimbursement Request and the In-District Mileage Chart can be found on the district website in the Staff Resource Employee Forms area.
3. Effective January 1, 2023 Bedford Public Schools is increasing meal allowance reimbursement levels for employees who travel for school business. Our previous limit on employee daily meals was \$25. In keeping with inflation and general school district allowance amounts we are now increasing the reimbursement limits to
 - a. \$10.00 for Breakfast
 - b. \$15.00 for Lunch
 - c. \$25.00 for DinnerFor a total allowance of \$50 per day. Still in effect... this applies only to meals that are not provided by another source (conference, etc.) for overnight stays. More specifics will be provided in the upcoming Business Services Guide.
4. Look for a new Business Services Guide to be published and distributed later this month. This guide will help employees navigate some of the services that the department offers to employees.
5. Last year at this time the Business Services Department announced a change from MySchoolBucks to RevTrak school store. That change was very successfully completed during 2022. Thank you for the enormous support of this change.
6. A big Business Services department project for 2023 is the transition from paper time sheets for hourly employees to a digital timekeeping and real-time attendance management system. As of this writing we anticipate an estimated launch time of mid-late March 2023 with a full hourly staff implementation by April 2023.
7. Minimum Wage in Michigan increases from \$9.87 per hour to \$10.10 per hour on January 1, 2023. As in past years, the 85% rate for minors aged 16 and 17 increases to \$8.59 per hour.