

Act No. 3
Public Acts of 1997
Approved by the Governor
April 15, 1997
Filed with the Secretary of State
April 15, 1997

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1997

Introduced by Senators Geake, Gast, Byrum and Vaughn

ENROLLED SENATE BILL No. 127

AN ACT to amend 1943 PA 240, entitled "An act to provide for a state employees' retirement system; to create a state employees' retirement board and prescribe its powers and duties; to establish certain funds in connection with the retirement system; to require contributions to the retirement system by and on behalf of members and participants of the retirement system; to create certain accounts and provide for expenditures from those accounts; to prescribe the powers and duties of certain state and local officers and employees and certain state departments and agencies; and to prescribe penalties and provide remedies," by amending sections 16 and 19f (MCL 38.16 and 38.19f), section 19f as added by 1996 PA 487.

The People of the State of Michigan enact:

Sec. 16. (1) Except as otherwise provided in this act, if a member separates or is separated from state service without leave of absence before becoming eligible to retire with a retirement allowance payable from funds of the retirement system, the member ceases to be a member and forfeits credit for all service rendered by him or her before the date the member last separated from state service.

(2) If the individual again becomes employed by this state, he or she shall again become a member of the retirement system.

(3) An employee who reenters state service within 15 years after the date of his or her last separation from state service, or who accumulates 5 or more years of continuous service credit as a member of the retirement system after reentering state service, shall have the service credit forfeited by him or her at the time he or she last separated from service restored to his or her credit, if the member has not withdrawn his or her accumulated contributions from the employees' savings fund. If an employee described in this subsection has withdrawn his or her accumulated contributions from the employees' savings fund, the member shall have the service credit forfeited by him or her restored to his or her credit if he or she returns to the fund all amounts that were previously withdrawn from the fund, together with regular interest on that amount computed from the date of withdrawal to the date of repayment.

(4) If a member becomes a retirant or dies, he or she ceases to be a member.

Sec. 19f. (1) Notwithstanding section 19, a member may retire and receive a retirement allowance computed under this section if the member meets all of the following requirements:

(a) On the effective date of his or her retirement, the member meets 1 or more of the following:

(i) The member is 60 years of age or older and has 10 or more years of credited service.

(ii) The member is 55 years of age or older and has 15 or more years of credited service.

(iii) The member is 50 years of age or older and has 25 or more years of credited service.

(b) The member was employed by this state for the 6-month period ending on the effective date of his or her retirement or was an employee of the state judicial council on September 30, 1996 as described in section 44a. A member who was restored to active service during that 6-month period under section 33 or a member who is on layoff status from state employment is considered to have met the employment requirement of this subdivision.

(c) The member files a written application with the retirement board, on or after March 1, 1997, but not later than April 30, 1997, stating a date, which date shall be at least 30 days after the execution and filing of the application but not later than June 1, 1997, on which he or she desires to retire. This subdivision is subject to subsection (4).

(d) The member is not employed in a covered position as defined in section 45.

(e) The member is not a conservation officer as described in section 48.

(2) Notwithstanding section 19, a member may retire and receive a retirement allowance computed under this section if the member meets all of the following requirements:

(a) On the effective date of his or her retirement, the member meets 1 or more of the following:

(i) The member is 60 years of age or older and has 10 or more years of credited service.

(ii) The member is 55 years of age or older and has 15 or more years of credited service.

(iii) The member is 50 years of age or older and has 25 or more years of credited service.

(b) The member was employed by the legislature for the 6-month period ending on the effective date of his or her retirement. A member who was restored to active service during that 6-month period under section 33 or a member who is on layoff status from state employment is considered to have met the employment requirement of this subdivision.

(c) The member files a written application with the retirement board, on or after December 15, 1996, but not later than April 30, 1997, stating a date, which date shall be at least 30 days after the execution and filing of the application but not later than June 1, 1997, on which he or she desires to retire.

(3) Any amount that a member retiring under this section would otherwise be entitled to receive in a lump sum at retirement on account of accumulated sick leave shall be paid in 60 consecutive equal monthly installments.

(4) The director of a principal department may request that the effective date of retirement under subsection (1) of a member employed by that department be extended to a date not later than June 1, 1998. To make such a request, the director shall submit a written request along with the written concurrence of the member to the department of management and budget on or before April 30, 1997. Upon receipt of the written request and concurrence, the department of management and budget may extend the effective date of retirement of a member otherwise eligible to retire under subsection (1) to a date not later than December 31, 1998. Upon written approval of the senate majority leader for a member who is an employee of the senate, the speaker of the house of representatives for a member who is an employee of the house of representatives, the senate majority leader and the speaker of the house of representatives for a member who is an employee of the office of the auditor general, or the chair and alternate chair of the legislative council for a member who is an employee of an agency under the jurisdiction of the legislative council, and upon written concurrence of the member, the effective date of retirement for that member under subsection (2) may be extended to a date not later than December 31, 1998. Upon written approval of the chief justice for a member who is an employee of the judicial branch, including, but not limited to, members described in section 44a, and upon written concurrence of the member, the effective date of retirement for that member under subsection (1) may be extended to a date not later than December 31, 1998. The individual or individuals who approve the extension of an effective date of retirement for a member who is an employee of the legislature, supreme court, or court of appeals shall submit written notification to the office of retirement systems of all extensions approved on or before April 30, 1997.

(5) Upon his or her retirement as provided in this section, a member shall receive a retirement allowance equal to the member's number of years and fraction of a year of credited service multiplied by 1-3/4% of his or her final average compensation. Except for the calculation provided in this subsection, the member's retirement allowance is subject to section 20. The member's retirement allowance is not subject to reduction pursuant to section 19(2).

(6) An employee who retires under this section may not be hired under contract by the state for a period of 2 years after the date of separation.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Maya Rudolph

Clerk of the House of Representatives.

Approved _____

Governor.