

**SENATE BILL NO. 266**

February 4, 1999, Introduced by Senators KOIVISTO, CHERRY, MC MANUS, V. SMITH, HART, MILLER, A. SMITH, MURPHY, GAST, HOFFMAN, NORTH, VAUGHN, YOUNG, EMERSON, GOUGEON, DUNASKISS, BULLARD and SCHWARZ and referred to the Committee on Appropriations.

A bill to amend 1943 PA 240, entitled "State employees' retirement act," (MCL 38.1 to 38.69) by adding section 19g.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1        SEC. 19G. (1) NOTWITHSTANDING SECTION 19, A MEMBER MAY  
2 RETIRE AND RECEIVE A RETIREMENT ALLOWANCE COMPUTED UNDER SECTION  
3 20(1) IF THE MEMBER MEETS ALL OF THE FOLLOWING REQUIREMENTS:  
4        (A) ON THE EFFECTIVE DATE OF HIS OR HER RETIREMENT, THE  
5 MEMBER HAS MET THE SERVICE REQUIREMENTS TO RECEIVE A RETIREMENT  
6 ALLOWANCE UNDER THIS ACT, THE MEMBER'S COMBINED AGE AND AMOUNT OF  
7 CREDITED SERVICE IS EQUAL TO OR GREATER THAN 70 YEARS, AND THE  
8 MEMBER IS 50 YEARS OF AGE OR OLDER.  
9        (B) THE MEMBER WAS EMPLOYED BY THE LEGISLATURE FOR THE  
10 6-MONTH PERIOD ENDING ON THE EFFECTIVE DATE OF HIS OR HER  
11 RETIREMENT. A MEMBER WHO WAS RESTORED TO ACTIVE SERVICE WITH THE

1 LEGISLATURE DURING THAT 6-MONTH PERIOD UNDER SECTION 33 OR A  
2 MEMBER WHO IS ON LAYOFF STATUS FROM THE LEGISLATURE DURING THAT  
3 6-MONTH PERIOD IS CONSIDERED TO HAVE MET THE EMPLOYMENT REQUIRE-  
4 MENT OF THIS SUBDIVISION.

5 (C) THE MEMBER FILES A WRITTEN APPLICATION WITH THE RETIRE-  
6 MENT BOARD STATING A DATE, WHICH DATE SHALL BE NOT LESS THAN 30  
7 OR MORE THAN 90 DAYS AFTER THE EXECUTION AND FILING OF THE APPLI-  
8 CATION, ON WHICH HE OR SHE DESIRES TO RETIRE.

9 (2) ANY AMOUNT THAT A MEMBER RETIRING UNDER THIS SECTION  
10 WOULD OTHERWISE BE ENTITLED TO RECEIVE IN A LUMP SUM AT RETIRE-  
11 MENT ON ACCOUNT OF ACCUMULATED SICK LEAVE SHALL BE PAID IN 60  
12 CONSECUTIVE EQUAL MONTHLY INSTALLMENTS.

13 (3) IN LIEU OF THE INCREASE PROVIDED IN SECTION 20G(7), EACH  
14 RETIREMENT ALLOWANCE UNDER THIS SECTION SHALL BE INCREASED EACH  
15 OCTOBER 1 BEGINNING WITH THE FIRST OCTOBER 1 THAT IS AT LEAST 12  
16 MONTHS AFTER THE RETIREMENT ALLOWANCE EFFECTIVE DATE. EXCEPT AS  
17 OTHERWISE PROVIDED IN THIS SUBSECTION, THE AMOUNT OF THE ANNUAL  
18 INCREASE SHALL BE EQUAL TO 3% OF THE RETIREMENT ALLOWANCE PAYABLE  
19 AS OF THE DATE OF THE INCREASE. IF A MEMBER MADE THE ELECTION  
20 PERMITTED UNDER SECTION 20(2), THE INCREASE SHALL BE BASED UPON  
21 THE RETIREMENT ALLOWANCE THAT WOULD BE PAYABLE AS OF THE DATE OF  
22 THE INCREASE WITHOUT APPLICATION OF SECTION 20(2).