

# HOUSE BILL No. 6389

August 20, 2008, Introduced by Rep. Miller and referred to the Committee on Labor.

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

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 19K. (1) NOTWITHSTANDING SECTION 19, A MEMBER MAY RETIRE  
2        AND RECEIVE A RETIREMENT ALLOWANCE COMPUTED UNDER THIS SECTION IF  
3        THE MEMBER MEETS ALL OF THE FOLLOWING REQUIREMENTS:

4        (A) ON OR BEFORE DECEMBER 31, 2009, OR ON THE EFFECTIVE DATE  
5        OF HIS OR HER RETIREMENT, WHICHEVER IS EARLIER, THE MEMBER'S  
6        COMBINED AGE AND LENGTH OF CREDITED SERVICE IS EQUAL TO OR GREATER  
7        THAN 80 YEARS.

8        (B) THE MEMBER IS AN INDIVIDUAL EMPLOYED BY THE CHILD  
9        PROTECTIVE SERVICES DIVISION OF THE DEPARTMENT OF HUMAN SERVICES.

10       (C) EXCEPT AS PROVIDED IN SECTION 13(8), THE MEMBER WAS

1 EMPLOYED BY THIS STATE FOR THE 6-MONTH PERIOD ENDING ON THE  
2 EFFECTIVE DATE OF HIS OR HER RETIREMENT. A MEMBER WHO IS ON LAYOFF  
3 STATUS FROM STATE EMPLOYMENT IS CONSIDERED TO HAVE MET THE  
4 EMPLOYMENT REQUIREMENT OF THIS SUBDIVISION.

5 (D) THE MEMBER EXECUTES AND FILES A WRITTEN APPLICATION WITH  
6 THE RETIREMENT BOARD, ON OR AFTER AUGUST 1, 2009, BUT NOT LATER  
7 THAN OCTOBER 31, 2009, STATING A DATE ON OR AFTER NOVEMBER 1, 2009,  
8 BUT NOT LATER THAN DECEMBER 31, 2009, ON WHICH HE OR SHE DESIRES TO  
9 RETIRE. A MEMBER MAY WITHDRAW A WRITTEN APPLICATION ON OR BEFORE  
10 DECEMBER 15, 2009. A WRITTEN APPLICATION SUBMITTED BY A MEMBER AND  
11 NOT WITHDRAWN ON OR BEFORE DECEMBER 15, 2009 IS IRREVOCABLE.

12 (E) THE MEMBER IS NOT ELIGIBLE FOR A SUPPLEMENTAL EARLY  
13 RETIREMENT UNDER SECTION 46 AS A COVERED EMPLOYEE DEFINED IN  
14 SECTION 45 ON OR AFTER NOVEMBER 1, 2008 THROUGH THE EFFECTIVE DATE  
15 OF THE MEMBER'S RETIREMENT UNDER THIS SECTION.

16 (F) THE MEMBER IS NOT A CONSERVATION OFFICER AS DESCRIBED IN  
17 SECTION 48.

18 (2) ANY AMOUNT THAT A MEMBER RETIRING UNDER THIS SECTION WOULD  
19 OTHERWISE BE ENTITLED TO RECEIVE IN A LUMP SUM AT RETIREMENT ON  
20 ACCOUNT OF ACCUMULATED SICK LEAVE SHALL BE PAID IN 60 CONSECUTIVE  
21 EQUAL MONTHLY INSTALLMENTS BEGINNING ON OR AFTER NOVEMBER 1, 2009.  
22 PAYMENTS RECEIVED UNDER THIS SUBSECTION SHALL NOT BE USED TO  
23 PURCHASE SERVICE CREDIT UNDER THIS ACT. THESE PAYMENTS FOR  
24 ACCUMULATED SICK LEAVE ARE TO BE PAID FROM FUNDS APPROPRIATED TO  
25 THE APPOINTING AUTHORITY AND NOT FROM FUNDS OF THE RETIREMENT  
26 SYSTEM. THESE PAYMENTS ARE NOT PENSIONS, ANNUITIES, RETIREMENT  
27 ALLOWANCES, OPTIONAL BENEFITS, OR ANY OTHER RIGHTS DESCRIBED IN

1 SECTION 40(1), ARE NOT EXEMPT FROM TAXATION, ARE SUBJECT TO  
2 EXECUTION, GARNISHMENT, ATTACHMENT, THE OPERATION OF BANKRUPTCY OR  
3 INSOLVENCY LAWS, OR OTHER PROCESS OF LAW, AND MAY BE ASSIGNABLE AS  
4 PROVIDED IN THIS ACT.

5 (3) ANY AMOUNT THAT A MEMBER RETIRING UNDER THIS SECTION IS  
6 ENTITLED TO RECEIVE IN A LUMP SUM AT RETIREMENT ON ACCOUNT OF  
7 ACCUMULATED ANNUAL LEAVE SHALL BE PAID ON OR AFTER NOVEMBER 1,  
8 2009. THESE PAYMENTS ARE NOT PENSIONS, ANNUITIES, RETIREMENT  
9 ALLOWANCES, OPTIONAL BENEFITS, OR ANY OTHER RIGHTS DESCRIBED IN  
10 SECTION 40(1), ARE NOT EXEMPT FROM TAXATION, ARE SUBJECT TO  
11 EXECUTION, GARNISHMENT, ATTACHMENT, THE OPERATION OF BANKRUPTCY OR  
12 INSOLVENCY LAWS, OR OTHER PROCESS OF LAW, AND MAY BE ASSIGNABLE AS  
13 PROVIDED IN THIS ACT.

14 (4) UPON HIS OR HER RETIREMENT AS PROVIDED IN THIS SECTION, A  
15 MEMBER WHO DID NOT MAKE AN ELECTION UNDER SECTION 50 TO TERMINATE  
16 MEMBERSHIP IN TIER 1 AND BECOME A QUALIFIED PARTICIPANT IN TIER 2  
17 SHALL RECEIVE A RETIREMENT ALLOWANCE EQUAL TO THE MEMBER'S NUMBER  
18 OF YEARS AND FRACTION OF A YEAR OF CREDITED SERVICE MULTIPLIED BY  
19 1-3/4% OF HIS OR HER FINAL AVERAGE COMPENSATION. EXCEPT FOR THE  
20 CALCULATION PROVIDED IN THIS SUBSECTION, THE MEMBER'S RETIREMENT  
21 ALLOWANCE IS SUBJECT TO SECTION 20. THE MEMBER'S RETIREMENT  
22 ALLOWANCE IS NOT SUBJECT TO REDUCTION PURSUANT TO SECTION 19(2).

23 (5) UPON HIS OR HER RETIREMENT AS PROVIDED IN THIS SECTION, A  
24 FORMER MEMBER WHO MADE AN ELECTION UNDER SECTION 50 TO TERMINATE  
25 MEMBERSHIP IN TIER 1 AND BECOME A QUALIFIED PARTICIPANT IN TIER 2  
26 SHALL RECEIVE A RETIREMENT ALLOWANCE EQUAL TO THE MEMBER'S NUMBER  
27 OF YEARS AND FRACTION OF A YEAR OF CREDITED SERVICE MULTIPLIED BY

1 1/4% OF HIS OR HER FINAL AVERAGE COMPENSATION. EXCEPT FOR THE  
2 CALCULATION PROVIDED IN THIS SUBSECTION, THE FORMER MEMBER'S  
3 RETIREMENT ALLOWANCE IS SUBJECT TO SECTION 20. THE FORMER MEMBER'S  
4 RETIREMENT ALLOWANCE IS NOT SUBJECT TO REDUCTION PURSUANT TO  
5 SECTION 19(2).

6 (6) FOR PURPOSES OF THIS SECTION, AN INDIVIDUAL WHO ELECTED TO  
7 TERMINATE MEMBERSHIP UNDER SECTION 50 AND WHO, BUT FOR THAT  
8 ELECTION, WOULD OTHERWISE BE ELIGIBLE FOR MEMBERSHIP IN TIER 1  
9 UNDER SECTION 13, SHALL BE CONSIDERED A MEMBER OF TIER 1 FOR THE  
10 LIMITED PURPOSE OF RECEIVING A RETIREMENT ALLOWANCE CALCULATED  
11 UNDER THIS SECTION AND PAID BY THE RETIREMENT SYSTEM.