

STATE EMPLOYEES' RETIREMENT ACT (EXCERPT)
Act 240 of 1943

38.55 Definitions; P to Y.

Sec. 55.

(1) "Plan document" means the document that contains the provisions and procedures of Tier 2 in conformity with this act and the internal revenue code.

(2) "Qualified participant" means an individual who is a participant of Tier 2 and who meets 1 of the following requirements:

(a) Is first employed and entered upon the payroll of his or her employer on or after March 31, 1997, and who before March 31, 1997 would have been eligible to be a member of Tier 1.

(b) Elects to terminate membership in Tier 1 and elects to participate in Tier 2 in the manner prescribed in section 50.

(c) Is an adjutant general or an assistant adjutant general under the Michigan military act, 1967 PA 150, MCL 32.501 to 32.851, and who is first employed as an adjutant general or assistant adjutant general on or after January 1, 2011.

(d) Was a member who did not make the election under section 50a.

(e) Was a member who made the election under section 50a(1) and the designation under section 50a(2) and who has attained 30 years of credited service or who has terminated employment and has been reemployed by this state.

(f) Was a member as described in section 50a(6), (7), or (8).

(3) "Refund beneficiary" means an individual nominated by a qualified participant or a former qualified participant under section 66 to receive a distribution of the participant's accumulated balance in the manner prescribed in section 67.

(4) "State treasurer" means the treasurer of this state.

(5) "Tax-deferred account" means an account or accounts of existing deferred compensation plans or plans established by the retirement system, for which the retirement system has the authority to determine the membership, eligibility, terms, conditions, and other administrative and operational features. Tax-deferred account does not include a health reimbursement account for purposes other than complying with the contribution limits described in section 68b(12).

(6) Except as otherwise provided in this subsection, "year of service" means each period during which a qualified participant is employed by the employer and is credited with 2,080 hours of service. The Tier 2 plan administrator and the plan document may provide for a lesser number of annual hours and a maximum number of hours per pay period for any classification of employees, provided that no participant shall receive credit for more than 1 year of service for any 12-month period of employment. Beginning January 1, 2003, full service credit shall also be given to a participant for furlough hours, for required 1-day layoffs, for required and designated temporary layoffs, for a year in which a participant temporarily leaves employment to enter active military duty and then dies during that active military duty, and for participation in the banked leave time program. In the event a terminated participant is reemployed, such individual shall retain credit for all full and partial years of service completed prior to such reemployment, for purposes of determining his or her vesting percentage in any employer contributions made pursuant to section 63(2) and (3) after his or her reemployment.

History: Add. 1996, Act 487, Eff. Mar. 31, 1997 ;-- Am. 2004, Act 33, Imd. Eff. Mar. 22, 2004 ;-- Am. 2010, Act 256, Imd. Eff. Dec. 14, 2010 ;-- Am. 2011, Act 264, Imd. Eff. Dec. 15, 2011

Compiler's Notes: Section 2 of Act 487 of 1996 provides: "If any section or part of a section of this act is for any reason held to be invalid or unconstitutional, the holding does not affect the validity of the remaining sections of this act or the act in its entirety." Enacting section 1 of Act 264 of 2011 provides: "Enacting section 1. If the office of retirement services in the department of technology, management, and budget receives notification from the United States internal revenue service that any section or any portion of a section of this amendatory act will cause the retirement system to be disqualified for tax purposes under the internal revenue code, then the portion that will cause the disqualification does not apply."