

# HOUSE BILL No. 5260

November 6, 1989, Introduced by Reps. Walberg, Middaugh, Dunaskiss, DeMars and Willis Bullard and referred to the Committee on Judiciary.

A bill to amend sections 13 and 13b of Act No. 198 of the Public Acts of 1951, entitled as amended "Judges' retirement act," being sections 38.813 and 38.813b of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 13 and 13b of Act No. 198 of the Public  
2 Acts of 1951, being sections 38.813 and 38.813b of the Michigan  
3 Compiled Laws, are amended to read as follows:

4 Sec. 13. (1) A member who, after June 30, 1975, is 60 years  
5 of age or older and has 12 years or more of service credited; who  
6 has 25 or more years of service credited of which the last 6  
7 years were continuous service; who is 55 years of age and has 18  
8 or more years of service credited of which the last 6 years were  
9 continuous service; or who, after June 30, 1978, is 60 years of  
10 age or older and has served 2 full terms in the office of

1 governor, lieutenant governor, secretary of state, or attorney  
2 general, or 1 full term in the office of legislative auditor gen-  
3 eral, shall be retired by the board upon written application to  
4 the governor and the board setting forth at what time, not less  
5 than 30 days ~~nor~~ OR more than 90 days subsequent to the execu-  
6 tion and filing of the application, the member desires to be  
7 retired. A member retiring from service under this section shall  
8 receive a retirement annuity provided for in section 14, and may  
9 elect an optional retirement annuity as provided for in section  
10 15. A member who is 55 years of age and has 12 or more but less  
11 than 18 years of service of which the last 6 years were continu-  
12 ous shall be entitled to receive an annuity computed according to  
13 section 14 reduced by 0.5% of the annuity multiplied by the  
14 number of months and fraction of a month the member's age at  
15 retirement is under 60 years of age.

16 (2) A member's credited service acquired in a previous gov-  
17 ernmental unit under THE RECIPROCAL RETIREMENT ACT, Act No. 88 of  
18 the Public Acts of 1961, as amended, being sections 38.1101 to  
19 38.1105 of the Michigan Compiled Laws, may be used in meeting the  
20 service requirements but shall not be used in determining the  
21 amount of the member's retirement allowance provided for in sec-  
22 tion 14. A ~~judge who presently is, or hereafter becomes, a~~  
23 member of the retirement system ~~, and who , within 2 years~~ AT  
24 ANY TIME before membership was a justice of the peace, circuit  
25 court commissioner, judge or associate judge of a municipal  
26 court, judge of a police court, judge of the recorder's court of  
27 Cadillac, or judge of ~~a~~ THE probate court may use the period of

1 service rendered in that capacity for the sole purpose of meeting  
2 qualifying service requirements but not for determining the  
3 amount of retirement or death benefits under this retirement  
4 system.

5 (3) The amount of retirement annuity payable on account of  
6 the retirement or death of a ~~judge~~ MEMBER under subsection (2)  
7 or any ~~judge~~ MEMBER using service credit pursuant to THE RECIP-  
8 ROCAL RETIREMENT ACT, Act No. 88 of the Public Acts of 1961, as  
9 amended, shall be equal to the amount of retirement annuity pro-  
10 vided in the applicable section of the retirement system multi-  
11 plied by the ratio of credited service applicable to the member's  
12 retirement allowance at the time of retirement or death, but not  
13 more than the minimum applicable service requirement, to the min-  
14 imum applicable service requirement. Except for retirement under  
15 section 16, a member shall not be permitted to retire until the  
16 member has been a contributing member for not less than 4 years.

17 Sec. 13b. (1) ~~Notwithstanding any provision to the con-~~  
18 ~~trary of Act No. 135 of the Public Acts of 1945, as amended,~~  
19 ~~being sections 38.601 to 38.668b of the Michigan Compiled Laws,~~  
20 a- A member may elect to have credited service include service  
21 rendered previously as a municipal judge, as a justice of the  
22 peace in a governmental unit, AS A CIRCUIT COURT COMMISSIONER, as  
23 a judge for the police court of the city of Grand Rapids or  
24 recorder's court for the city of Cadillac, as a probate judge, OR  
25 as a referee of the traffic division of the recorder's court of  
26 the city of Detroit, OR TIME SERVED HONORABLY ON ACTIVE DUTY AS A  
27 MEMBER OF THE ARMED SERVICES OF THE UNITED STATES, AS PROVIDED IN

1 THIS SECTION. A member shall not include in credited service  
2 more than 3 years of service rendered as a referee of the traffic  
3 division of the recorder's court of the city of Detroit, or more  
4 than 2 years of time served honorably ~~—~~ on active duty ~~—~~ as a  
5 member of the armed services of the United States.

6 (2) A ~~judge~~ MEMBER who elects to use service credit pursu-  
7 ant to subsection (1) may use the service credits earned as a  
8 municipal judge, as a justice of the peace, AS A CIRCUIT COURT  
9 COMMISSIONER, AS a judge for the police court of the city of  
10 Grand Rapids or recorder's court for the city of Cadillac, as a  
11 probate judge, OR as a referee of the traffic division of the  
12 recorder's court of the city of Detroit ~~, or time served honor-~~  
13 ~~ably, on active duty, as a member of the armed services of the~~  
14 ~~United States,~~ for purposes of determining retirement or death  
15 benefits under this system to the same extent that the service  
16 would have been credited had it been rendered in a position cov-  
17 ered under this act under the following conditions:

18 (a) If the member who is a district judge pays into the  
19 ~~employees~~ ANNUITY savings fund an amount computed by all of the  
20 following steps:

21 (i) Multiplying the contribution rate by 2/3 of the base  
22 salary of a circuit judge for each year and month of service  
23 credited before 1969.

24 (ii) Multiplying the contribution rate by the base salary of  
25 a district judge for each year and month of service from January  
26 1, 1969, and thereafter.

1 (iii) Adding the regular interest the member's contributions  
2 would have earned had they been on deposit during each year and  
3 month of service claimed as a credit.

4 (b) If the member who is a supreme court justice, an appeals  
5 court judge, a circuit judge, recorder's court judge, or PROBATE  
6 JUDGE ~~common pleas court judge~~ pays into the annuity savings  
7 fund an amount equal to the amount the contributions would have  
8 been had the member been a member serving as a circuit judge and  
9 adding the regular interest the contributions would have earned  
10 had they been on deposit during each year and month of service  
11 claimed. ~~A member claiming service for time served honorably,  
12 on active duty, as a member of the armed services of the United  
13 States may use the service credit for purposes of determining  
14 retirement or death benefits under this system to the same extent  
15 that the service would have been credited had it been rendered in  
16 a position covered under this act if the member pays into the  
17 employees savings fund an amount equal to 5% of the member's  
18 salary paid by the state for the year in which payment is made  
19 multiplied by the years and months of service that the member  
20 elects to purchase up to the maximum of 2 years. Armed service  
21 shall not be credited until the member has accumulated 12 years  
22 of credited service.~~

23 (c) If the member claiming credit for service performed as a  
24 municipal judge, justice of the peace, CIRCUIT COURT  
25 COMMISSIONER, judge for the police court of the city of Grand  
26 Rapids or recorder's court for the city of Cadillac, or referee  
27 of the traffic division of the recorder's court of the city of

1 Detroit relinquishes for himself OR HERSELF and his OR HER  
2 beneficiaries all rights in and to a retirement allowance from a  
3 pension or annuity payable from funds appropriated in whole or in  
4 part by a municipality for the same period of service claimed; or  
5 if the member claiming credit for service performed as a probate  
6 judge relinquishes for himself OR HERSELF and his OR HER benefi-  
7 ciaries all rights in and to a retirement allowance payable for  
8 the same period of service by the probate judges retirement  
9 system pursuant to THE PROBATE JUDGES RETIREMENT ACT, Act No. 165  
10 of the Public Acts of 1954, as amended, being sections 38.901 to  
11 38.933 of the Michigan Compiled Laws.

12 (d) The years of prior service performed shall be credited  
13 from the latest to the earliest until the necessary credit for  
14 service is met.

15 (3) A MEMBER WHO ELECTS TO USE SERVICE CREDIT PURSUANT TO  
16 SUBSECTION (1) FOR TIME SERVED HONORABLY ON ACTIVE DUTY AS A  
17 MEMBER OF THE ARMED SERVICES OF THE UNITED STATES MAY USE THE  
18 SERVICE CREDIT FOR PURPOSES OF DETERMINING RETIREMENT OR DEATH  
19 BENEFITS UNDER THIS SYSTEM TO THE SAME EXTENT THAT THE SERVICE  
20 WOULD HAVE BEEN CREDITED HAD IT BEEN RENDERED IN A POSITION COV-  
21 ERED UNDER THIS ACT IF THE MEMBER PAYS INTO THE ANNUITY SAVINGS  
22 FUND AN AMOUNT EQUAL TO 5% OF THE MEMBER'S SALARY PAID BY THE  
23 STATE FOR THE YEAR IN WHICH PAYMENT IS MADE MULTIPLIED BY THE  
24 YEARS AND MONTHS OF SERVICE THAT THE MEMBER ELECTS TO PURCHASE UP  
25 TO A MAXIMUM OF 2 YEARS. ARMED SERVICE SHALL NOT BE CREDITED  
26 UNTIL THE MEMBER HAS ACCUMULATED 12 OR MORE YEARS OF CREDITED  
27 SERVICE.