

HOUSE BILL No. 4046

February 5, 1991, Introduced by Reps. Barns, Gubow, Scott, Jonker, Berman, Emerson, Hollister, Byrum, Baade, Jondahl, Ciaramitaro and DeBeaussaert and referred to the Committee on Senior Citizens and Retirement.

A bill to amend Act No. 240 of the Public Acts of 1943, entitled as amended
"State employees' retirement act,"
as amended, being sections 38.1 to 38.48 of the Michigan Compiled Laws, by adding section 19b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 240 of the Public Acts of 1943, as
2 amended, being sections 38.1 to 38.48 of the Michigan Compiled
3 Laws, is amended by adding section 19b to read as follows:

4 SEC. 19B. (1) NOTWITHSTANDING SECTION 19, A MEMBER MAY
5 RETIRE AND RECEIVE A RETIREMENT ALLOWANCE COMPUTED ACCORDING TO
6 SECTION 20 IF THE MEMBER MEETS ALL OF THE FOLLOWING
7 REQUIREMENTS:

8 (A) ON THE EFFECTIVE DATE OF HIS OR HER RETIREMENT THE
9 MEMBER HAS MET THE SERVICE REQUIREMENTS TO RECEIVE A RETIREMENT

1 ALLOWANCE UNDER THIS ACT AND THE MEMBER'S COMBINED AGE AND LENGTH
2 OF CREDITED SERVICE IS EQUAL TO OR GREATER THAN 65 YEARS.

3 (B) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, THE
4 MEMBER WAS EMPLOYED BY THE STATE FOR THE 6-MONTH PERIOD BEGINNING
5 ON OCTOBER 1, 1990 AND ENDING ON APRIL 1, 1991. THIS SUBDIVISION
6 DOES NOT APPLY TO A MEMBER WHO HAD BEEN RESTORED TO ACTIVE SERV-
7 ICE DURING THAT 6-MONTH PERIOD UNDER SECTION 33. THIS SUBDIVI-
8 SION DOES NOT APPLY TO A MEMBER WHO IS ON LAYOFF STATUS BECAUSE
9 OF BUDGET CUTS IMPLEMENTED DURING THAT 6-MONTH PERIOD.

10 (C) THE MEMBER FILES A WRITTEN APPLICATION WITH THE RETIRE-
11 MENT BOARD, ON OR AFTER APRIL 1, 1991, BUT NOT LATER THAN MAY 1,
12 1991, STATING A DATE, WHICH DATE SHALL BE ON OR AFTER MAY 2, 1991
13 BUT NOT LATER THAN JULY 1, 1991, ON WHICH HE OR SHE DESIRES TO
14 RETIRE.

15 (2) A MEMBER WHO RETIRES UNDER THIS SECTION, AND WHO AT THE
16 TIME OF HIS OR HER RETIREMENT HAS NOT ATTAINED 62 YEARS OF AGE,
17 SHALL RECEIVE A MONTHLY RETIREMENT ALLOWANCE SUPPLEMENT FOR EACH
18 MONTH, INCLUDING ANY FRACTION OF A MONTH, UNTIL THE RETIRANT
19 ATTAINS 62 YEARS OF AGE. THE AMOUNT OF THE MONTHLY RETIREMENT
20 ALLOWANCE SUPPLEMENT SHALL BE BASED UPON THE ANNUAL BASE SALARY
21 OF THE RETIRANT AS OF THE PAY PERIOD IMMEDIATELY PRECEDING THE
22 DATE OF RETIREMENT, ACCORDING TO THE FOLLOWING SCHEDULE:

MONTHLY RETIREMENT

ANNUAL BASE SALARY

ALLOWANCE SUPPLEMENT

LESS THAN \$10,000.00 \$120.00

AT LEAST \$10,000.00 BUT NOT MORE

THAN \$19,999.99 \$140.00

AT LEAST \$20,000.00 BUT NOT MORE

THAN \$29,999.99 \$160.00

AT LEAST \$30,000.00 \$180.00

(3) A PAYMENT SHALL NOT BE MADE UNDER SUBSECTION (2) FOR ANY

MONTH FOR WHICH THE RETIRANT IS PAID, ON ACCOUNT OF HIS OR HER

STATE EMPLOYMENT, WORKER'S COMPENSATION BENEFITS, UNEMPLOYMENT

COMPENSATION BENEFITS, LONG- OR SHORT-TERM DISABILITY BENEFITS,

FEDERAL SOCIAL SECURITY BENEFITS, DISABILITY BENEFITS UNDER THIS

ACT, OR STATE SALARY; OR IS RECEIVING REMUNERATION FOR ANY CON-

TRACTUAL SERVICES PROVIDED TO THE STATE REPORTED UNDER

SECTION 281 OF THE MANAGEMENT AND BUDGET ACT, ACT NO. 431 OF THE

PUBLIC ACTS OF 1984, BEING SECTION 18.1281 OF THE MICHIGAN

COMPILED LAWS.

(4) IF A PERSON WHO RETIRED UNDER THIS SECTION DIES AFTER

THE EFFECTIVE DATE OF HIS OR HER RETIREMENT BUT BEFORE HAVING

ATTAINED 62 YEARS OF AGE, THE MONTHLY RETIREMENT ALLOWANCE SUP-

PLEMENT OTHERWISE PAYABLE TO THE RETIRANT UNDER SUBSECTION (2)

SHALL BE PAID AS FOLLOWS:

(A) TO THE PERSON OR PERSONS NOMINATED FOR THAT PURPOSE BY

THE RETIRANT BY WRITTEN DESIGNATION DULY EXECUTED AND FILED WITH

THE RETIREMENT BOARD, IF ANY. PAYMENT SHALL BE MADE BY MONTHLY

1 INSTALLMENTS IN THE MANNER PROVIDED UNDER SUBSECTION (2), UNTIL
2 THE RETIRANT WOULD HAVE ATTAINED 62 YEARS OF AGE.

3 (B) IF THE RETIRANT FAILED TO EXECUTE AND FILE A WRITTEN
4 NOMINATION OR NOMINATED HIS OR HER ESTATE, OR IF THE PERSON OR
5 PERSONS NOMINATED PREDECEASE THE RETIRANT, TO THE RETIRANT'S PER-
6 SONAL REPRESENTATIVE OR ESTATE IN A LUMP SUM EQUAL TO THE DIFFER-
7 ENCE BETWEEN THE TOTAL AMOUNT THE RETIRANT WOULD HAVE RECEIVED
8 UNDER SUBSECTION (2), HAD HE OR SHE ATTAINED 62 YEARS OF AGE, AND
9 THE AMOUNT ACTUALLY RECEIVED BY THE RETIRANT UNDER SUBSECTION
10 (2).

11 (5) IF A MEMBER WHO IS ELIGIBLE FOR RETIREMENT UNDER THIS
12 SECTION FILES AN APPLICATION FOR RETIREMENT UNDER SUBSECTION
13 (1)(C) AND DIES BEFORE THE DATE ON WHICH HE OR SHE DESIRES TO
14 RETIRE, THE MONTHLY RETIREMENT ALLOWANCE SUPPLEMENT OTHERWISE
15 PAYABLE UNDER SUBSECTION (2) SHALL BE PAID AS FOLLOWS:

16 (A) TO THE PERSON OR PERSONS NOMINATED FOR THAT PURPOSE BY
17 THE MEMBER BY WRITTEN DESIGNATION DULY EXECUTED AND FILED WITH
18 THE RETIREMENT BOARD, IF ANY. PAYMENT SHALL BE MADE BY MONTHLY
19 INSTALLMENTS IN THE MANNER PROVIDED UNDER SUBSECTION (2), UNTIL
20 THE MEMBER WOULD HAVE ATTAINED 62 YEARS OF AGE.

21 (B) IF THE MEMBER FAILED TO EXECUTE AND FILE A WRITTEN NOMI-
22 NATION OR NOMINATED HIS OR HER ESTATE, OR IF THE PERSON OR PER-
23 SONS NOMINATED PREDECEASE THE MEMBER, TO THE MEMBER'S PERSONAL
24 REPRESENTATIVE OR ESTATE IN A LUMP SUM EQUAL TO THE AMOUNT THE
25 MEMBER WOULD HAVE RECEIVED UNDER SUBSECTION (2) HAD HE OR SHE
26 RETIRED AND ATTAINED 62 YEARS OF AGE.