

HOUSE BILL No. 4068

February 5, 1991, Introduced by Rep. Joe Young, Sr., and referred to the Committee on Senior Citizens and Retirement.

A bill to amend section 12a of Act No. 156 of the Public Acts of 1851, entitled as amended

"An act to define the powers and duties of the county boards of commissioners of the several counties, and to confer upon them certain local, administrative and legislative powers; and to prescribe penalties for the violation of the provisions of this act,"

as amended by Act No. 178 of the Public Acts of 1990, being section 46.12a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 12a of Act No. 156 of the Public Acts of
2 1851, as amended by Act No. 178 of the Public Acts of 1990, being
3 section 46.12a of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 12a. (1) A county board of commissioners at a lawfully
6 held meeting may:

1 (a) Provide group life, health, accident and
2 hospitalization, and disability coverage for a county employee,
3 retired employee, or an employee of an office, board, or depart-
4 ment of the county, including the board of county road commis-
5 sioners, and a dependent of an employee, either with or without
6 cost participation by the employee, and appropriate the necessary
7 funds for the insurance. For a county with 100 employees or
8 more, self-insure for health, accident and hospitalization, and
9 group disability coverage for a county employee, retired employ-
10 ee, or an employee of an office, board, or department of the
11 county, including the board of county road commissioners, and a
12 dependent of an employee, either with or without cost participa-
13 tion by the employee, and appropriate the necessary funds.

14 (b) Adopt and establish a plan by which the county purchases
15 or participates in the cost of an endowment policy or retirement
16 annuity for a county employee or an employee of an office, board,
17 or department of the county, including the board of county road
18 commissioners, to provide monthly pension or retirement benefits
19 for each employee 60 years of age or older in an amount not to
20 exceed \$150.00 per month or 2% of the average monthly earnings of
21 the employee for 5 years immediately before retirement times the
22 years of service of the employee, whichever is the lesser sum.
23 As an option, a county board of commissioners may adopt and
24 establish a plan by which the county pays pension or retirement
25 benefits to a county employee or an employee of an office, board,
26 or department of the county, including the board of county road
27 commissioners, who has been employed for not less than 25 years,

1 or who is 60 years of age or older and has been employed for not
2 less than 5 years, in monthly payments not to exceed 2.5% of the
3 employee's highest average monthly compensation or earnings
4 received from the county or county road fund for 5 years of serv-
5 ice times the total number of years of service of the employee,
6 including a fraction of a year, not to exceed 3/4 of the average
7 final compensation of the employee. A plan may also pay early
8 retirement benefits at 55 years of age or older to the extent of
9 actuarially equivalent benefits not increasing the costs of the
10 plan. Except as provided in subsection (28), endowment policies,
11 retirement benefits, pensions, or annuity retirement benefits in
12 excess of the amounts stipulated in this subdivision may be pro-
13 vided for by a plan of employee participation to cover the cost
14 of the excess. If the employment or the pension or retirement
15 benefits of an employee who participated in the cost of pension
16 or retirement benefits are terminated before the employee
17 receives pension or retirement benefits equal to the total amount
18 of the employee's participation, the balance of the total partic-
19 ipation shall be refunded to the employee at the time of termina-
20 tion, if living, or if deceased, to the employee's heir, legal
21 representative, or designated beneficiary as provided in the plan
22 adopted and established by the county board of commissioners. If
23 a terminated employee is subsequently rehired by the county, the
24 employee may repay the amount of participation refunded to the
25 employee upon the employee's termination, together with compound
26 interest from the date of refund to the dates of repayment at the
27 rates provided in the plan. As conditions for repayment, the

1 plan may require return to employment for a period not to exceed
2 3 years and may require that repayment be completed within a
3 period of not less than 1 year following return to employment. A
4 plan adopted for the payment of retirement benefits or a pension
5 shall grant benefits to an employee eligible for pension or
6 retirement benefits according to a uniform scale for all persons
7 in the same general class or classification. An employee shall
8 not be denied benefits by termination of his or her employment
9 after the employee becomes eligible for benefits under the plan
10 and this section. An endowment policy or annuity purchased pur-
11 suant to this section shall be purchased from an insurer autho-
12 rized to write endowment policies or annuities in this state.

13 (2) In a plan adopted under this section, at least 60% of
14 the total pension or retirement benefit granted to an employee
15 from county funds shall consist of a percentage not to exceed
16 2.5% of the employee's average final compensation times the
17 employee's years of service and shall be granted to each employee
18 eligible for retirement under the plan uniformly and without
19 restriction or limitation other than those prescribed in this
20 section. "Average final compensation" as used in this section
21 means the annual average of the highest actual compensation
22 received by a county employee, other than a county employee who
23 is either a judge of a municipal court of record subject to sub-
24 section (21) or a judge subject to subsection (24), during either
25 a period of 5 consecutive years of service contained within the
26 employee's 10 years of service immediately before the employee's
27 retirement or a period of 5 years of service as specified in the

1 plan. In a county that adopts a plan for granting longevity pay,
2 the county board of commissioners may exclude this longevity pay
3 from average final compensation for the purpose of computing the
4 rate of employee contribution and the amount of benefits payable
5 to an employee upon retirement. "Longevity pay" means increments
6 of compensation payable at annual or semiannual intervals and
7 based upon years of service to the county, exclusive of compensa-
8 tion provided for a given class of positions.

9 (3) A circuit court stenographer is eligible for membership
10 in, and the benefits of, a pension or retirement benefit under a
11 plan established pursuant to this section, or a social security
12 plan established by the county or 1 of the counties that pays a
13 portion of the compensation of a circuit court stenographer.

14 (4) If the employment of a county employee eligible to
15 receive a pension or retirement benefit under a plan established
16 pursuant to this section is terminated after the employee has
17 completed 8 or more years of service in county employment, the
18 employee shall receive the amount of pension or retirement bene-
19 fit to which the employee's service would have entitled the
20 employee under the plan established, if the employee waives the
21 employee's right to a refund of the employee's total participa-
22 tion upon the termination of employment. The payment of pension
23 or retirement benefits shall begin, as provided in the plan,
24 after the employee would have become eligible for retirement
25 under the plan had the employee's employment not been terminated,
26 but not later than 90 days after the employee becomes 65 years of
27 age. The payment of pension or retirement benefits shall not

1 begin until the employee has applied for pension or retirement
2 benefits in the manner prescribed in the plan established.

3 (5) A plan established under this section may provide for
4 pension or retirement benefits for a county employee who becomes
5 totally disabled for work in the county service from any cause,
6 after not less than 10 years of county employment, to the extent
7 of the limitations provided in this section. A plan may also
8 provide for pension or retirement benefits to the extent of the
9 limitations provided in this section or \$400.00 per month, which-
10 ever is the greater sum, for an employee who becomes totally dis-
11 abled for work in the county service from causes that are the
12 direct and proximate result of county employment, to continue for
13 the duration of the disability or until the employee becomes eli-
14 gible for retirement pursuant to other provisions of the plan
15 authorized by this section. A plan may also provide for pension
16 or retirement benefits, to the extent of the limitations provided
17 in this section, for the actual dependents of a county employee
18 who dies while still employed by the county after not less than
19 10 years of county employment, or who dies after leaving county
20 employment with not less than the number of years of service
21 required to vest in the plan but before becoming eligible to
22 receive a pension or retirement benefit. A plan may also provide
23 for pension or retirement benefits to the extent of the limita-
24 tions provided in this section or \$400.00 per month, whichever is
25 greater, for the actual dependents of a deceased county employee
26 whose death is the direct and proximate result of county
27 employment. The plan may provide that the period from the end of

1 the deceased or disabled employee's period of service to the date
2 that employee would have become eligible for retirement be used
3 as service for the sole purpose of computing the amount of dis-
4 ability or death pension.

5 (6) "County employee" includes a bailiff of the district
6 court in the thirty-sixth district who serves pursuant to section
7 8322 of the revised judicature act of 1961, Act No. 236 of the
8 Public Acts of 1961, as amended, being section 600.8322 of the
9 Michigan Compiled Laws, and a person who receives more than 50%
10 of all compensation for personal services, rendered to governmen-
11 tal units, from a county fund or county road fund, except a
12 person, other than a bailiff of the district court in the
13 thirty-sixth district, engaged for special services on a contract
14 or fee basis. The plan adopted under this section, until
15 December 31, 1979, may include as a county employee a person on
16 leave of absence from county employment who is not a member of
17 another retirement system except as a retirant and who pays or
18 arranges payment of contributions equal to the contributions that
19 would have been required to be paid under the plan by both the
20 county and the employee, based upon the compensation the employee
21 would have received from the county, if the employee had not
22 taken a leave of absence or a person who complies with the
23 requirements of such a provision approved for inclusion in a plan
24 by the county board of commissioners before January 1, 1976, who
25 shall be considered to be a county employee during the period of
26 compliance. Provision may be made to exclude a person who is
27 employed on a temporary basis and a person employed in a position

1 normally requiring less than 1,000 hours, or some lesser
2 specified number of hours, work per year. A bailiff serving in
3 the district court in the thirty-sixth district is eligible to
4 receive benefits under this section if a plan has been estab-
5 lished by law by which the cost of benefits is payable from
6 sources including charges on all legal instruments in which the
7 service of process by a bailiff is required and earmarked by law
8 for benefits, and contributions made by the state and each bai-
9 liff pursuant to section 8322(7) of Act No. 236 of the Public
10 Acts of 1961, as amended. The plan shall include provisions by
11 which a bailiff or former bailiff who served as bailiff as of
12 January 1, 1967, may retire after 25 years of service regardless
13 of age, with maximum benefits to be computed as follows: start-
14 ing as of January 1, 1969, the average of any 5 years of earnings
15 of the previous 10 years served in succession before retirement
16 multiplied by 1.9% times the years of service; starting as of
17 June 1, 1975, the average of any 5 years of earnings multiplied
18 by 2% times the years of service. For purposes of this subsec-
19 tion, "earnings" means the salary and fees, other than mileage,
20 received by a bailiff pursuant to section 8322(6) of Act No. 236
21 of the Public Acts of 1961, as amended. The plan shall include
22 provisions by which health, accident, and hospitalization insur-
23 ance premiums may be paid out of the earnings of this fund.
24 These payments shall be made at the discretion of the pension
25 board of trustees. The county that has a retirement fund for
26 bailiffs under this section shall annually review the retirement
27 fund and shall ensure that the fund is maintained in an

1 actuarially sound condition. Copies of the actuarial reports
2 shall be provided to the state judicial council created by chap-
3 ter 91 of Act No. 236 of the Public Acts of 1961, being sections
4 600.9101 to 600.9107 of the Michigan Compiled Laws.

5 (7) An employee while receiving a pension or retirement ben-
6 efit because of disability, pursuant to this section, may be con-
7 sidered as employed in the county service for the purpose of
8 retirement under this section.

9 (8) A county employee who is included by law in another pen-
10 sion or retirement system by reason of the compensation the
11 employee receives from the county may be excluded from a plan
12 established under this section or included only to the extent of
13 the difference between benefits granted under this section and
14 the other pension or retirement system.

15 (9) The county board of commissioners, upon the request of a
16 county employee, by not less than a 3/5 vote may credit that
17 county employee with the amount of government service resulting
18 from employment with the United States government, except mili-
19 tary service, a state, or any of their political subdivisions
20 under the following conditions:

21 (a) Employment by the county occurred within 5 years follow-
22 ing the county employee's separation from service of the last
23 unit of government by which the county employee was employed.

24 (b) Service rendered before the last break in service of
25 more than 5 years shall not be credited.

26 (c) Service that is recognized for the purpose of a deferred
27 retirement allowance under a retirement system or other

1 employer-funded retirement benefit plan, except for a retirement
2 benefit plan under the social security act, chapter 531, 49
3 Stat. 620, of the United States government, a state, or a politi-
4 cal subdivision of a state shall not be credited if the county
5 employee retired under a retirement system of the United States
6 government, a state, or any of their political subdivisions or
7 until the county employee irrevocably forfeits the right to the
8 deferred retirement allowance.

9 (d) The county employee deposits in the plan established
10 under this section an amount equal to the aggregate amount of
11 contributions the county employee would have made had the service
12 been acquired in the employ of the county, plus interest from the
13 dates the contributions would have been made to the date of
14 deposit, at rates determined by the board. If records are insuf-
15 ficient or unavailable to compute the exact amount of required
16 deposit, the board may estimate the amount.

17 (e) The county employee has 8 or more years of credited
18 service in county employment, has legal vesting in the county
19 plan, and deposits in the county employees' retirement system an
20 amount equal to the aggregate amount of contributions the
21 employer would have made had the government service being cred-
22 ited under this section been acquired in the employ of the
23 county.

24 (10) A plan adopted under this section may provide for
25 annual or less frequent postretirement redetermination of a
26 pension. The redetermined amount of pension shall be not greater
27 than the amount of pension otherwise payable multiplied by the

1 following percent: 100%, plus the percentage the county board of
2 commissioners determines appropriate for each full year, exclud-
3 ing a fraction of a year, in the period from the effective date
4 of payments of the pension and the date as of which the redeter-
5 mination is being made. The redetermined amount shall not be
6 less than the amount of pension otherwise payable. A provision
7 of this section that limits the amount of a pension shall not
8 apply to the operation of this subsection redetermining the
9 amount of a pension. As used in this subsection, "the amount of
10 pension otherwise payable" means the amount of pension that would
11 be payable without regard to this subsection. The application of
12 a provision redetermining pension amounts may be restricted to
13 pensions having an effective date of payment either before or
14 after a specified date.

15 (11) The cost of pension or retirement benefits for a county
16 employee under this section may be paid from the same fund from
17 which the employee receives compensation, and the county board of
18 commissioners may appropriate the necessary funds to carry out
19 the purposes of this section. If a county establishes a plan by
20 which the county pays pension or retirement benefits to an
21 employee pursuant to this section, the county shall, in accord-
22 ance with provisions for pension or retirement benefits that are
23 incorporated in the plan, establish and maintain reserves on an
24 actuarial basis in the manner provided in this subsection suffi-
25 cient to finance the pension and retirement and death benefit
26 liabilities under the plan and sufficient to pay the pension and
27 retirement and death benefits as they become due. A county that

1 adopts a retirement plan under this section and establishes
2 reserves on an actuarial basis shall maintain the reserves as
3 provided in this subsection. The reserves shall be determined by
4 an actuarial valuation and established and maintained by yearly
5 appropriations by the county and contributions by employees. The
6 reserves shall be established, maintained, and funded to cover
7 the pension and other benefits provided for in the plan in the
8 same manner and within the same limits as to time as is provided
9 for Benefit Program B in the municipal employees retirement
10 system described in section 14 of the municipal employees retire-
11 ment act OF 1984, Act No. 427 of the Public Acts of 1984, being
12 section 38.1514 of the Michigan Compiled Laws. These reserves
13 are trust funds and shall not be used for any other purpose than
14 the payment of pension, retirement, and other benefits and
15 refunds of employee contributions in accordance with the plan
16 established in a county. An employee's contributions shall be
17 kept and accumulated in a separate fund and used only for the
18 payment of annuities and refunds to employees. This subsection
19 does not apply to a county that adopted a retirement plan under
20 this section and did not establish reserves on an actuarial basis
21 before October 11, 1947.

22 (12) A plan established by a county for the payment of pen-
23 sion and retirement benefits to an employee under this section
24 shall be approved as complying with this section by a county pen-
25 sion plan committee consisting of the attorney general, the state
26 treasurer, and the executive secretary of the state employees'
27 retirement system created by the state employees' retirement act,

1 Act No. 240 of the Public Acts of 1943, as amended, being
2 sections 38.1 to ~~38.47~~ 38.48 of the Michigan Compiled Laws,
3 before the plan becomes effective or operative in the county.
4 Each county retirement plan operating under this section shall be
5 approved by the committee as complying with this section
6 biennially. A financial statement for each county retirement
7 plan operating under this section shall be submitted annually to
8 the county pension plan committee by the county board, official,
9 or employee designated by the county board of commissioners. The
10 financial statement shall be in the form, contain the informa-
11 tion, and be submitted as the county pension plan committee
12 prescribes. The state treasurer shall audit the funds and
13 accounts of county retirement plans established under this sec-
14 tion in the same manner as the state treasurer audits other
15 county accounts and may audit and investigate county retirement
16 plan funds and accounts to the extent necessary to effectuate the
17 purposes of this section. This subsection does not apply to a
18 county that adopted a retirement plan under this section and did
19 not establish reserves on an actuarial basis before October 11,
20 1947.

21 (13) If a county establishes a plan for the payment of pen-
22 sion and retirement benefits to its employees pursuant to this
23 section, the county board of commissioners may provide for a
24 board of trustees to administer the plan and for the manner of
25 election or appointment of the members of the board of trustees.
26 The county board of commissioners may grant authority to the
27 board of trustees to fully administer and operate the plan and to

1 deposit, invest, and reinvest the funds and reserves of the plan
2 within the limitations prescribed by the county board of commis-
3 sioners in the plan. The county board of commissioners may
4 authorize the investment of funds of a county retirement plan
5 established under this section in anything in which the funds of
6 the state employees' retirement system or the funds of the munic-
7 ipal employees retirement system may be invested, pursuant to Act
8 No. 240 of the Public Acts of 1943, as amended, and Act No. 427
9 of the Public Acts of 1984, being sections 38.1501 to ~~38.1555~~
10 38.1556 of the Michigan Compiled Laws. A county retirement plan
11 established under this section may provide for financing, fund-
12 ing, and the payment of benefits in the same manner and to the
13 same extent as is provided for in Act No. 240 of the Public Acts
14 of 1943, as amended, and Act No. 427 of the Public Acts of 1984,
15 may provide for and require contributions by county employees,
16 and may permit additional employee contributions on a voluntary
17 basis.

18 (14) Upon the approval of the county board of commissioners,
19 a member who entered the armed service of the United States
20 before June 1, 1980 or who entered the armed service of the
21 United States on or after June 1, 1980 during a time of war or
22 emergency condition as described in section 1 of Act No. 190 of
23 the Public Acts of 1965, as amended, being section 35.61 of the
24 Michigan Compiled Laws, may elect to receive credited service for
25 not more than 5 years of active military service. Credit for
26 military service shall be given upon request and payment to the
27 retirement system of an amount equal to 5% of the member's

1 full-time or equated full-time annual compensation for the year
2 in which payment is made multiplied by the number of years, and
3 fraction of a year, of credited service that the member elects to
4 purchase up to the maximum. Service shall not be credited if the
5 service is or would be credited under any other federal, state,
6 or local publicly supported retirement system. Service shall not
7 be credited under this subsection until the member has the number
8 of years of credited service needed to vest under the plan. Only
9 completed years and months of armed service shall be credited
10 under this subsection.

11 (15) A member who enters or entered any armed service of the
12 United States may purchase credited service for periods of con-
13 tinuous active duty lasting 30 days or more, subject to the fol-
14 lowing conditions:

15 (a) The county board of commissioners authorizes the pur-
16 chase of credited service under this subsection by an affirmative
17 vote of a majority of the members of the county board of
18 commissioners. The county board of commissioners shall establish
19 a written policy to implement the provisions of this subsection
20 in order to provide uniform application of this subsection to all
21 members of the plan.

22 (b) The member has at least the number of years of credited
23 service needed to vest under the plan, not including any credited
24 service purchased under this subsection and subsection (14).

25 (c) The member pays the plan 5% of the member's annual com-
26 pensation multiplied by the period of credited service being
27 purchased. As used in this subdivision, "annual compensation"

1 means the aggregate amount of compensation paid the member during
2 the 4 most recent calendar quarters for each of which the member
3 was credited 3/12 of a year of credited service.

4 (d) Fractional months of armed service shall not be recog-
5 nized for the purposes of this subsection.

6 (e) Armed service credited a member under subsection (14)
7 shall not be the basis of credited service under this section.

8 (f) Armed service credited a member under this subsection
9 shall not exceed either 5 years or the difference between 5 years
10 and the armed service credited the member under subsection (14).

11 (g) Credited service shall not be granted for periods of
12 armed service that are or could be used for obtaining or increas-
13 ing a benefit from another retirement system.

14 (16) As used in this subsection, "transitional public
15 employment program" means a public service employment program in
16 the area of environmental quality, health care, education, public
17 safety, crime prevention and control, prison rehabilitation,
18 transportation, recreation, maintenance of parks, streets, and
19 other public facilities, solid waste removal, pollution control,
20 housing and neighborhood improvements, rural development, conser-
21 vation, beautification, veterans' outreach, or any other area of
22 human betterment and community improvement as part of a program
23 of comprehensive manpower services authorized, undertaken, and
24 financed pursuant to the former comprehensive employment and
25 training act of 1973, Public Law 93-203. A person participating
26 in a transitional public employment program shall not be eligible
27 for membership in a retirement system or pension plan established

1. under this section. If the person later becomes a member of a
2 retirement system or pension plan established under this section
3 within 12 months after the date of termination as a participant
4 in a transitional public employment program, service credit shall
5 be given for employment in the transitional public employment
6 program for purposes of determining a retirement allowance upon
7 the payment by the person and the person's employer under the
8 transitional public employment program from funds provided under
9 the former comprehensive employment and training act of 1973,
10 Public Law 93-203, as funds permit, to the retirement system of
11 the contributions, plus regular interest, the person and the
12 employer would have paid had the employment been rendered in a
13 position covered by this section. During the person's employment
14 in the transitional public employment program, the person's
15 employer shall provide an opportunity by payroll deduction for
16 the person to make his or her employee contribution to the appli-
17 cable pension system. To provide for the eventual payment of the
18 employer's contribution, the person's employer shall during this
19 same period place in reserve a reasonable but not necessarily an
20 actuarially determined amount equal to the contributions that the
21 employer would have paid to the retirement system for those
22 employees in the transitional public employment program as if
23 they were members under this section, but only for that number of
24 employees that the employer determined would transfer from the
25 transitional public employment program into positions covered by
26 this section. If the funds provided under the former
27 comprehensive employment and training act of 1973, Public Law

1 93-203, are insufficient, the remainder of the employer
2 contributions shall be paid by the person's current employer.

3 (17) Subsection (16) does not exclude the participant in a
4 transitional public employment program from the accident, dis-
5 ability, or other benefits available to members of the retirement
6 system covered by this section.

7 (18) If a probate judge who is a member of a plan estab-
8 lished under this section contributes for not less than 20 years,
9 the county board of commissioners may allow the probate judge to
10 cease further contributions.

11 (19) An employee of the circuit court in the third judicial
12 circuit, the common pleas court of the city of Detroit, or the
13 recorder's court of the city of Detroit who became an employee of
14 the state judicial council on September 1, 1981, and who was 44
15 years of age or older as of that date, and who will have accumu-
16 lated 25 or more years of service credit by September 1, 1987,
17 shall continue to be eligible for membership in, and the benefits
18 of, a pension or retirement benefit plan established pursuant to
19 this section in the same manner as the employee was eligible
20 before September 1, 1981. A person who was an employee of the
21 circuit court in the third judicial circuit, the common pleas
22 court of the city of Detroit, or the recorder's court of the city
23 of Detroit on August 31, 1981, who last entered county employment
24 prior to November 2, 1956, who became an employee of the state
25 judicial council on September 1, 1981, and who accumulated not
26 less than 24 years of service credit by August 31, 1981, shall
27 continue to be eligible for membership in, and the benefits of, a

1 pension or retirement benefit plan established pursuant to this
2 section in the same manner as the employee was eligible before
3 September 1, 1981. An election to continue to be a member of a
4 pension or retirement benefit plan established pursuant to this
5 section as authorized by section 594(2) of the revised judicature
6 act of 1961, Act No. 236 of the Public Acts of 1961, being sec-
7 tion 600.594 of the Michigan Compiled Laws, or section 36(2) of
8 Act No. 369 of the Public Acts of 1919, being section 725.36 of
9 the Michigan Compiled Laws, is not effective unless the employee
10 has made the election in the manner prescribed by those sections
11 and has made the payments required by those sections.

12 (20) A plan adopted under this section may provide that an
13 employee of the circuit court in the third judicial circuit, the
14 common pleas court of the city of Detroit, or the recorder's
15 court of the city of Detroit who is a member of the Wayne county
16 employees' retirement system on August 31, 1981, who becomes an
17 employee of the state judicial council and a member of the state
18 employees' retirement system on September 1, 1981, receive a ben-
19 efit based on the annual average of the highest actual compensa-
20 tion received by the employee during a period of 5 years of
21 county or state service.

22 (21) Beginning September 1, 1981, for determining the
23 retirement benefit for a county employee who is a judge of a
24 municipal court of record pursuant to subsection (2), "average
25 final compensation" means the annual average of the highest
26 actual compensation received by the judge as additional salary
27 pursuant to section 13(2) of Act No. 369 of the Public Acts of

1 1919, as amended, being section 725.13 of the Michigan Compiled
2 Laws, during a period of 5 years of service as specified in the
3 plan. This subsection shall not be construed to diminish or
4 impair an accrued financial benefit.

5 (22) Beginning September 1, 1981, for each county employee
6 who is a judge of a municipal court of record, or of the circuit
7 or district court, the sum of the average final compensation
8 determined for that county employee pursuant to this section and
9 the final salary determined for that county employee as a member
10 of the state of Michigan judges' retirement system pursuant to
11 the judges' retirement act, Act No. 198 of the Public Acts of
12 1951, as amended, being sections 38.801 to 38.831 of the Michigan
13 Compiled Laws, shall not exceed the employee's total annual judi-
14 cial salary payable from all sources at the time of his or her
15 retirement. This subsection shall not be construed to diminish
16 or impair an accrued financial benefit.

17 (23) Beginning September 1, 1981, for each county employee
18 who is a judge of the probate court, the sum of the average final
19 compensation calculated for that employee pursuant to this sec-
20 tion and the final salary calculated for that employee as a
21 member of the state of Michigan probate judges retirement system
22 pursuant to the probate judges retirement act, Act No. 165 of the
23 Public Acts of 1954, as amended, being sections 38.901 to 38.933
24 of the Michigan Compiled Laws, shall not exceed the employee's
25 total annual judicial salary payable from all sources at the time
26 of his or her retirement. This subsection shall not be construed
27 to diminish or impair an accrued financial benefit.

1 (24) Beginning September 1, 1981, for determining a
2 retirement benefit pursuant to subsection (2) for a county
3 employee who is a judge who receives an annuity pursuant to sec-
4 tion 14(5) of Act No. 198 of the Public Acts of 1951, as amended,
5 being section 38.814 of the Michigan Compiled Laws, "average
6 final compensation" means the difference between the judge's
7 total annual salary payable from all sources on August 31, 1981,
8 and the judge's state base salary payable on August 31, 1981.
9 This subsection shall not be construed to diminish or impair an
10 accrued financial benefit.

11 (25) Beginning January 1, 1983, the sum of the final salary
12 determined for each county employee who is a judge of the probate
13 court used as the basis for determining the judge's retirement
14 allowance as a member of a retirement system established pursuant
15 to this section and the salary or compensation figure used as the
16 basis for determining the state of Michigan judge's retirement
17 allowance as a member of the judges' retirement system created by
18 Act No. 198 of the Public Acts of 1951, shall not exceed the
19 judge's total annual salary payable from all sources at the time
20 of his or her retirement. This subsection shall not be construed
21 to diminish or impair an accrued financial benefit.

22 (26) The county board of commissioners, upon the request of
23 a county employee, by not less than a 3/5 vote may credit that
24 county employee with the amount of membership service that the
25 county employee was previously credited with by the retirement
26 system established under this section under the following
27 conditions:

1 (a) The membership service previously credited to the county
2 employee was service rendered for the same county.

3 (b) Service that is recognized for the purpose of a deferred
4 retirement allowance under a retirement system or other
5 employer-funded retirement benefit plan, except for a retirement
6 benefit plan under the social security act, chapter 531, 49
7 Stat. 620, of the United States government, a state, or a politi-
8 cal subdivision of a state shall not be credited if the county
9 employee retired under a retirement system of the United States
10 government, a state, or any of their political subdivisions or
11 until the county employee irrevocably forfeits the right to the
12 deferred retirement allowance.

13 (c) The county employee deposits in the plan established
14 under this section an amount equal to the aggregate amount of
15 contributions the county employee made at the time of the previ-
16 ous membership service plus interest from the date of withdrawal
17 of the accumulated contributions to the date of deposit, at rates
18 determined by the board. If records are insufficient or unavail-
19 able to compute the exact amount of required deposit, the board
20 may estimate the amount.

21 (d) The county employee deposits in the county employees'
22 retirement system an amount equal to the aggregate amount of con-
23 tributions the employer made at the time of the previous member-
24 ship service plus interest from the date of separation to the
25 date of deposit, at rates determined by the board.

26 (27) A person participating in a program described in this
27 subsection is not eligible for membership in a retirement system

1 or pension plan established under this section. In addition,
2 that person shall not receive service credit for the employment
3 described in this subsection even though the person subsequently
4 becomes or has been a member of the retirement system. This sub-
5 section applies to all of the following:

6 (a) A person, not regularly employed by the county, who is
7 employed by the county through participation in a program estab-
8 lished pursuant to the job training partnership act, Public Law
9 97-300, 96 Stat. 1322.

10 (b) A person, not regularly employed by the county, who is
11 employed by the county through participation in a program estab-
12 lished pursuant to the Michigan opportunity and skills training
13 program, first established under sections 12 to 23 of Act No. 259
14 of the Public Acts of 1983.

15 (c) A person, not regularly employed by the county, who is
16 employed by the county through participation in a program estab-
17 lished pursuant to the Michigan community service corps program,
18 first established under sections 25 to 35 of Act No. 259 of the
19 Public Acts of 1983 and sections 148 to 160 of Act No. 246 of the
20 Public Acts of 1984.

21 (d) A person, not regularly employed by the county, who is
22 hired by the county to administer a program described in subdivi-
23 sion (a), (b), or (c).

24 (28) If a county enters into a collective bargaining agree-
25 ment pursuant to Act No. 336 of the Public Acts of 1947, being
26 sections 423.201 to 423.216 of the Michigan Compiled Laws, which
27 provides for retirement benefits that are in excess of the

1 retirement benefits otherwise authorized to be provided under
2 this section for employees of the county who are covered by a
3 plan under this section, then the county board of commissioners
4 may amend or adopt a plan under this section to provide those
5 benefits to employees who are members of the bargaining unit cov-
6 ered by the agreement, and may, after December 31, 1987, amend or
7 adopt a plan under this section to provide those benefits to
8 other employees of the county.

9 (29) Beginning on April 30, 1990, 1 of the following condi-
10 tions shall apply to a retirant who is receiving a pension or
11 retirement benefit from a plan under this section if the retirant
12 becomes employed by a county that has established a plan under
13 this section:

14 (a) Payment of the pension or retirement benefit to the
15 retirant shall be suspended if the retirant is employed by the
16 county from which the retirant retired. Suspension of the pay-
17 ment of the pension or retirement benefit shall become effective
18 the first day of the calendar month that follows the sixtieth day
19 after the retirant is employed by the county. Payment of the
20 pension or retirement benefit shall resume on the first day of
21 the calendar month that follows termination of the employment.
22 Payment of the pension or retirement benefit shall be resumed
23 without change in amount or conditions by reason of the
24 employment. The retirant shall not be a member of the plan
25 during the period of employment.

26 (b) Payment of the pension or retirement benefit to the
27 retirant shall continue without change in amount or conditions by

1 reason of the employment if the retirant becomes employed by a
2 county other than the county from which the retirant retired.
3 For the purposes of membership and potential benefit entitlement
4 under the plan of the other county, the retirant shall be consid-
5 ered in the same manner as an individual with no previous record
6 of employment by that county.

7 (30) A county may increase the percentage of the highest
8 average monthly compensation or earnings that was used to calcu-
9 late the pension or retirement benefit under subsection (1)(b) of
10 a person receiving a pension or retirement benefit under this
11 section on the date the county increases the percentage of com-
12 pensation or earnings. The county shall recalculate the pension
13 or retirement benefit using the increased percentage of compensa-
14 tion or earnings. The person receiving the pension or retirement
15 benefit is eligible to receive an adjusted pension or retirement
16 benefit based upon the recalculation effective the first day of
17 the month following the date the county increases the percentage
18 of compensation or earnings under this subsection.

19 (31) If a county retirement plan established under this sec-
20 tion provides an optional form of payment of a retirement allow-
21 ance, a retirement allowance may be made payable under this sub-
22 section, by resolution of the county board of commissioners, to
23 the surviving spouse of a deceased retirant if all of the
24 requirements of this subsection are met. If a member of a county
25 retirement plan established under this section retired after
26 ~~May~~ MARCH 1, 1981 but before November 12, 1985 elected to
27 receive his or her retirement allowance in life payments to the

1 retirant, and died after November 1, 1989 but before December 31,
2 1989, the surviving spouse of that deceased retirant shall
3 receive a retirement allowance pursuant to this subsection. The
4 county board of commissioners shall compute the retirement allow-
5 ance in the same manner as if, on the day before the retirant's
6 death, the deceased retirant had elected to receive a reduced
7 retirement allowance in life payments to the retirant with full
8 continuation to the retirement allowance beneficiary and had nom-
9 inated the surviving spouse as the retirement allowance
10 beneficiary. The surviving spouse shall begin to receive the
11 retirement allowance under this subsection effective the first
12 day of the month following the month in which application to the
13 county retirement plan is made by the surviving spouse. A pay-
14 ment of a retirement allowance under this subsection shall not be
15 paid for any month before the first month a retirement allowance
16 is payable under this subsection. As used in this subsection,
17 "spouse" means the person, if any, to whom the deceased retirant
18 was married on the effective date of his or her retirement under
19 the county retirement plan and on the date of his or her death.