

HOUSE BILL No. 4761

May 1, 1991, Introduced by Reps. Ciaramitaro, Gubow, Barns, Fitzgerald, Nye and Brown and referred to the Committee on Senior Citizens and Retirement.

A bill to amend sections 46, 82, 84, 85, 86, 87, 89, and 90 of Act No. 300 of the Public Acts of 1980, entitled "The public school employees retirement act of 1979," sections 46, 82, 84, 85, 89, and 90 as amended by Act No. 194 of the Public Acts of 1989, being sections 38.1346, 38.1382, 38.1384, 38.1385, 38.1386, 38.1387, 38.1389, and 38.1390 of the Michigan Compiled Laws; and to add section 83a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 46, 82, 84, 85, 86, 87, 89, and 90 of
2 Act No. 300 of the Public Acts of 1980, sections 46, 82, 84, 85,
3 89, and 90 as amended by Act No. 194 of the Public Acts of 1989,
4 being sections 38.1346, 38.1382, 38.1384, 38.1385, 38.1386,
5 38.1387, 38.1389, and 38.1390 of the Michigan Compiled Laws, are
6 amended and section 83a is added to read as follows:

1 Sec. 46. (1) ~~A~~ EXCEPT AS OTHERWISE PROVIDED IN THIS
2 SECTION, A retirement allowance, an optional benefit, or any
3 other benefit accrued or accruing to a person under this act, the
4 reserves created by this act, and the money, investments, or
5 income of those reserves ~~are~~ are exempt from state, county,
6 municipal, or other local tax ~~and shall~~ ARE not ~~be~~
7 subject to execution, garnishment, attachment, the operation of
8 bankruptcy or insolvency laws, or other process of law. ~~except~~
9 ~~as provided in this section.~~ The right to a retirement allow-
10 ance, an optional benefit, or any other benefit accrued or accru-
11 ing to a person under this act ~~shall be~~ IS unassignable, except
12 as specifically provided in this act.

13 (2) The retirement system may offset retirement benefits or
14 refunds payable under this act against amounts owed to the
15 retirement system by a member, retirant, retirement allowance
16 beneficiary, or refund beneficiary.

17 (3) If the retirement system is required by the federal gov-
18 ernment pursuant to a court order to transmit a part of a
19 member's contributions standing to the member's credit in the
20 reserve for employee contributions to a federal agency, the serv-
21 ice credit that is covered by the payment shall be forfeited in
22 the same manner as if the employee had requested and been paid a
23 refund of the member's most recent contributions.

24 (4) A retirement allowance, an optional benefit, accumulated
25 contributions, or any other benefit to a member, a deferred
26 member, a retirement allowance beneficiary, or a retirant under
27 this act ~~shall be~~ IS subject to award by a court pursuant to

1 section 88 of chapter 84 of the Revised Statutes of 1846, being
2 section 552.18 of the Michigan Compiled Laws, and to any other
3 order of a court pertaining to ALIMONY OR child support.

4 However, this subsection does not permit or require a benefit to
5 be paid or to be provided that is not otherwise available under
6 this act.

7 (5) If an award or order described in subsection (4)
8 requires the retirement system to withhold payment of a retire-
9 ment allowance, deferred retirement allowance, accumulated con-
10 tributions, or other benefit from the person to whom it is due or
11 requires the retirement system to ~~make payment~~ PAY or requires
12 the person to request that the retirement system ~~make payment~~
13 ~~of~~ PAY a retirement allowance, deferred retirement allowance,
14 accumulated contributions, or other benefit, for the purpose of
15 meeting the person's obligations to a spouse, former spouse, or
16 child, as provided in subsection (4), the withholding or payment
17 provisions of the award or order ~~shall be~~ ARE effective only
18 against such amounts as they become payable to the person other-
19 wise entitled to receive the retirement allowance UNLESS OTHER-
20 WISE PROVIDED IN AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER
21 SECTION 83A. The limitation contained in this subsection ~~shall~~
22 DOES not apply to the accumulated contributions of a person who
23 has terminated employment ~~prior to~~ BEFORE acquiring a vested
24 member status.

25 (6) A RETIREMENT ALLOWANCE OR AN OPTIONAL BENEFIT PAYABLE TO
26 A MEMBER, DEFERRED MEMBER, OR RETIRANT UNDER THIS ACT IS SUBJECT
27 TO AN ELIGIBLE DOMESTIC RELATIONS ORDER PURSUANT TO SECTION 83A.

1 Sec. 82. (1) A member who terminates reporting unit service
2 before 60 years of age for a reason other than the member's
3 retirement or death, who does not withdraw accumulated contribu-
4 tions standing to the member's credit in the reserve for employee
5 contributions and the reserve for member investment plan, and who
6 has or maintains in effect 10 or more years of credited service
7 ~~shall be~~ IS entitled to a deferred vested service retirement
8 allowance computed pursuant to section 84 based upon the last
9 year of credited service of the member's final average compensa-
10 tion period. Upon or after 60 years of age, entitlement of the
11 member's deferred vested service retirement allowance shall begin
12 the first day of the calendar month ~~next following~~ AFTER the
13 deferred member's written application IS filed with the retire-
14 ment board on forms furnished by the board. The deferred
15 member's entitlement to a deferred vested service retirement
16 allowance based on prior service or contributory membership serv-
17 ice, or both, shall be forfeited if the deferred member withdraws
18 from the retirement system the member's accumulated
19 contributions, unless the service is reinstated as provided in
20 section 66. A member who meets all of the qualifications of this
21 subsection, has 30 or more years of credited service, and leaves
22 service before the member's fifty-fifth birthday for a reason
23 other than retirement or death ~~shall be~~ IS entitled to a
24 deferred vested service retirement allowance at 55 years of age.

25 (2) If a member, before terminating reporting unit services,
26 selects the option provided in section 85(1)(b), but dies before
27 the effective date of the member's deferred vested service

1 retirement allowance, the option provided in section 85(1)(b)
2 and selected by the deferred member shall be paid to the retire-
3 ment allowance beneficiary, at the time the deceased deferred
4 member would have otherwise been eligible to begin receiving the
5 deferred vested service retirement allowance.

6 (3) A DEFERRED VESTED RETIREMENT ALLOWANCE PAYABLE UNDER
7 THIS SECTION IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER
8 UNDER SECTION 83A.

9 SEC. 83A. (1) AS USED IN THIS SECTION:

10 (A) "ALTERNATE PAYEE" MEANS A SPOUSE OF A PARTICIPANT UNDER
11 A JUDGMENT OF SEPARATE MAINTENANCE, OR A FORMER SPOUSE, CHILD, OR
12 DEPENDENT OF A PARTICIPANT, WHO IS NAMED IN AN ELIGIBLE DOMESTIC
13 RELATIONS ORDER.

14 (B) "BENEFIT" MEANS A RETIREMENT ALLOWANCE OR AN OPTIONAL
15 BENEFIT ACCRUED OR ACCRUING TO A PARTICIPANT UNDER THIS ACT OR A
16 POSTRETIREMENT SUBSIDY PAYABLE TO A PARTICIPANT UNDER THIS ACT.

17 (C) "DOMESTIC RELATIONS ORDER" MEANS A JUDGMENT, DECREE, OR
18 ORDER OF A COURT MADE PURSUANT TO THE DOMESTIC RELATIONS LAW OF
19 THIS STATE AND RELATING TO THE PROVISION OF ALIMONY PAYMENTS,
20 CHILD SUPPORT, OR MARITAL PROPERTY RIGHTS TO A SPOUSE OF A PAR-
21 TICIPANT UNDER A JUDGMENT OF SEPARATE MAINTENANCE, OR A FORMER
22 SPOUSE, CHILD, OR DEPENDENT OF A PARTICIPANT.

23 (D) "EARLIEST RETIREMENT DATE" MEANS THE EARLIEST DATE ON
24 WHICH A PARTICIPANT MEETS ALL OF THE REQUIREMENTS FOR RETIREMENT
25 UNDER THIS ACT EXCEPT FOR TERMINATION OF EMPLOYMENT.

26 (E) "ELIGIBLE DOMESTIC RELATIONS ORDER" OR "EDRO" MEANS A
27 DOMESTIC RELATIONS ORDER THAT IS CONSIDERED AN ELIGIBLE DOMESTIC

1 RELATIONS ORDER UNDER SUBSECTION (10) OR THAT MEETS ALL OF THE
2 FOLLOWING REQUIREMENTS:

3 (i) THE DOMESTIC RELATIONS ORDER STATES THE NAME, LAST KNOWN
4 ADDRESS, AND SOCIAL SECURITY NUMBER OF THE PARTICIPANT.

5 (ii) THE DOMESTIC RELATIONS ORDER STATES THE NAME, LAST
6 KNOWN ADDRESS, AND SOCIAL SECURITY NUMBER OF THE ALTERNATE
7 PAYEE.

8 (iii) THE DOMESTIC RELATIONS ORDER STATES THE AMOUNT OR PER-
9 CENTAGE OF THE BENEFIT TO BE PAID TO AN ALTERNATE PAYEE, OR THE
10 MANNER UNDER WHICH THE RETIREMENT SYSTEM IS TO DETERMINE THE
11 AMOUNT OR PERCENTAGE OF THE BENEFIT TO BE PAID TO AN ALTERNATE
12 PAYEE.

13 (iv) THE DOMESTIC RELATIONS ORDER STATES THAT IT APPLIES TO
14 THE MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM AND THAT
15 THE RETIREMENT SYSTEM SHALL MAKE PAYMENTS TO THE ALTERNATE PAYEE
16 AS REQUIRED UNDER THE ELIGIBLE DOMESTIC RELATIONS ORDER AND THIS
17 SECTION.

18 (v) THE DOMESTIC RELATIONS ORDER DOES NOT REQUIRE THE
19 RETIREMENT SYSTEM TO PROVIDE A TYPE OR FORM OF BENEFIT NOT PRO-
20 VIDED BY THIS ACT OR A FORM OF PAYMENT NOT PROVIDED BY THIS
21 SECTION.

22 (vi) THE DOMESTIC RELATIONS ORDER DOES NOT REQUIRE THE
23 RETIREMENT SYSTEM TO PROVIDE AN INCREASED BENEFIT DETERMINED ON
24 THE BASIS OF ACTUARIAL VALUE.

25 (vii) THE DOMESTIC RELATIONS ORDER DOES NOT REQUIRE THE PAY-
26 MENT OF A BENEFIT TO AN ALTERNATE PAYEE THAT IS REQUIRED TO BE

1 PAID TO ANOTHER ALTERNATE PAYEE UNDER A PREVIOUSLY FILED ELIGIBLE
2 DOMESTIC RELATIONS ORDER.

3 (viii) THE DOMESTIC RELATIONS ORDER IS FILED BEFORE THE
4 PARTICIPANT'S RETIREMENT ALLOWANCE EFFECTIVE DATE.

5 (F) "PARTICIPANT" MEANS A MEMBER, DEFERRED MEMBER, DECEASED
6 FORMER MEMBER, OR RETIRANT UNDER THIS ACT.

7 (G) "POSTRETIREMENT SUBSIDY" INCLUDES, BUT IS NOT LIMITED
8 TO, ALL OF THE FOLLOWING:

9 (i) A SUPPLEMENTAL PAYMENT MADE PURSUANT TO SECTION 104A.

10 (ii) A PERCENTAGE INCREASE TO A BENEFIT PAYABLE TO A
11 PARTICIPANT.

12 (iii) ANY OTHER PAYMENT TO A PARTICIPANT OR INCREASE TO A
13 BENEFIT PAYABLE TO A PARTICIPANT PURSUANT TO THIS ACT, EXCLUDING
14 HEALTH BENEFITS.

15 (2) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, AN ALTER-
16 NATE PAYEE IS ENTITLED TO AN ACTUAL INTEREST IN A SHARE OF A BEN-
17 EFIT THAT IS OR WILL BECOME PAYABLE TO A PARTICIPANT UNDER THIS
18 ACT, IF SO PROVIDED IN AN EDRO FILED WITH THE RETIREMENT SYSTEM.
19 THE RETIREMENT SYSTEM SHALL ADMINISTER THE PAYMENT OF A BENEFIT
20 UNDER THIS ACT PURSUANT TO THE EDRO AND THIS SECTION.

21 (3) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE PAY-
22 MENT OF A BENEFIT TO AN ALTERNATE PAYEE UNDER AN EDRO AND THIS
23 SECTION SHALL BEGIN ON THE RETIREMENT ALLOWANCE EFFECTIVE DATE OF
24 THE PARTICIPANT. THE PAYMENT OF A BENEFIT UNDER AN EDRO AND THIS
25 SECTION SHALL BE PAID IN 1 OF THE FOLLOWING FORMS:

26 (A) A SINGLE LIFE ANNUITY THAT IS EQUAL TO THE ACTUARIAL
27 EQUIVALENT OF THE ALTERNATE PAYEE'S SHARE OF THE BENEFIT PAYABLE

1 THROUGHOUT THE LIFE OF THE ALTERNATE PAYEE. IF THE PARTICIPANT
2 IS ENTITLED TO THE PAYMENT OF A BENEFIT THAT IS NOT REDUCED UNDER
3 SECTION 84(2), THE ALTERNATE PAYEE'S SINGLE LIFE ANNUITY SHALL BE
4 CALCULATED USING THE PARTICIPANT'S UNREDUCED BENEFIT. IF THE
5 PARTICIPANT IS ONLY ENTITLED TO THE PAYMENT OF A BENEFIT THAT IS
6 REDUCED UNDER SECTION 84(2), THE ALTERNATE PAYEE'S SINGLE LIFE
7 ANNUITY SHALL BE CALCULATED USING THE PARTICIPANT'S BENEFIT AS
8 REDUCED BY SECTION 84(2).

9 (B) A REDUCED BENEFIT THAT IS EQUAL TO THE ACTUARIAL EQUIVA-
10 LENT OF THE TOTAL BENEFIT BEING DIVIDED UNDER THE EDRO PAYABLE
11 THROUGHOUT THE LIVES OF THE PARTICIPANT AND THE ALTERNATE PAYEE.
12 THE REDUCED BENEFIT SHALL BE PAYABLE IN THE MANNER PROVIDED UNDER
13 SECTION 85(1)(B) OR (C). THE EDRO SHALL SPECIFY THE PERCENTAGE
14 OR AMOUNT OF THE REDUCED BENEFIT THAT IS PAYABLE UNDER THIS SUB-
15 DIVISION TO THE PARTICIPANT AND TO THE ALTERNATE PAYEE WHILE BOTH
16 ARE ALIVE. IF THE PARTICIPANT PREDECEASES THE ALTERNATE PAYEE
17 WHILE A REDUCED BENEFIT IS BEING PAID TO THE PARTICIPANT AND THE
18 ALTERNATE PAYEE UNDER THIS SUBDIVISION, THE SURVIVOR PORTION OF
19 THE REDUCED BENEFIT SHALL BE PAYABLE TO THE ALTERNATE PAYEE. IF
20 THE ALTERNATE PAYEE PREDECEASES THE PARTICIPANT WHILE A REDUCED
21 BENEFIT IS BEING PAID TO THE PARTICIPANT AND THE ALTERNATE PAYEE
22 UNDER THIS SUBDIVISION, THE ALTERNATE PAYEE'S PERCENTAGE OR
23 AMOUNT OF THE REDUCED BENEFIT SHALL REVERT TO AND BECOME PAYABLE
24 TO THE PARTICIPANT.

25 (C) A SINGLE LIFE ANNUITY THAT IS EQUAL TO THE ALTERNATE
26 PAYEE'S SHARE OF THE BENEFIT PAYABLE THROUGHOUT THE LIFE OF THE
27 PARTICIPANT.

1 (4) AN EDRO MAY PROVIDE FOR THE PAYMENT OF A BENEFIT TO AN
2 ALTERNATE PAYEE BEGINNING ON OR AFTER THE PARTICIPANT'S EARLIEST
3 RETIREMENT DATE BUT BEFORE THE PARTICIPANT TERMINATES EMPLOYMENT
4 AS PROVIDED IN THIS SUBSECTION. AN ALTERNATE PAYEE SHALL BEGIN
5 TO RECEIVE THE PAYMENT OF A BENEFIT UNDER THIS SUBSECTION EFFEC-
6 TIVE THE FIRST DAY OF THE MONTH IMMEDIATELY FOLLOWING THE MONTH
7 IN WHICH THE ALTERNATE PAYEE NOTIFIES THE RETIREMENT SYSTEM OF
8 HIS OR HER ELECTION TO BEGIN TO RECEIVE PAYMENT OF HIS OR HER
9 INTEREST IN THE BENEFIT OF A PARTICIPANT. IF AN ALTERNATE PAYEE
10 ELECTS TO RECEIVE HIS OR HER INTEREST IN THE BENEFIT OF A PARTIC-
11 IPANT AFTER THE PARTICIPANT'S EARLIEST RETIREMENT DATE BUT BEFORE
12 THE PARTICIPANT'S TERMINATION OF EMPLOYMENT, THE ALTERNATE PAYEE
13 IS ONLY ENTITLED TO THE ACTUARIAL EQUIVALENT OF THE ALTERNATE
14 PAYEE'S SHARE OF THE PARTICIPANT'S BENEFIT THAT WOULD BE PAYABLE
15 WHEN THE PARTICIPANT REACHES AGE 60. IF THE PARTICIPANT RETIRES
16 BEFORE AGE 60, THE RETIREMENT SYSTEM SHALL RECALCULATE THE BENE-
17 FIT PAYABLE TO THE ALTERNATE PAYEE SO THAT THE RECALCULATED BENE-
18 FIT PAYABLE TO THE ALTERNATE PAYEE PLUS THE BENEFIT PREVIOUSLY
19 PAID TO THE ALTERNATE PAYEE ARE THE ACTUARIAL EQUIVALENT OF THE
20 ALTERNATE PAYEE'S SHARE OF THE BENEFIT PAYABLE TO THE
21 PARTICIPANT. IF THE RECALCULATED BENEFIT IS MORE THAN THE BENE-
22 FIT THE ALTERNATE PAYEE IS RECEIVING, THE RETIREMENT SYSTEM SHALL
23 BEGIN PAYING THE RECALCULATED BENEFIT TO THE ALTERNATE PAYEE
24 EFFECTIVE THE FIRST DAY OF THE MONTH IMMEDIATELY FOLLOWING THE
25 MONTH IN WHICH THE PARTICIPANT RETIRES.

26 (5) AN EDRO MAY PROVIDE THAT A SPOUSE UNDER A JUDGMENT OF
27 SEPARATE MAINTENANCE OR A FORMER SPOUSE IS CONSIDERED THE SPOUSE

1 OF A PARTICIPANT FOR THE PURPOSE OF RECEIVING A BENEFIT AS A
2 SURVIVING SPOUSE UNDER SECTION 89 OR 90. THE BENEFIT PAYABLE TO
3 A SPOUSE UNDER A JUDGMENT OF SEPARATE MAINTENANCE OR A FORMER
4 SPOUSE AS A SURVIVING SPOUSE UNDER THIS SUBSECTION SHALL BE COM-
5 PUTED AS PROVIDED IN THE EDRO AND SECTION 89 OR 90. IF THE
6 AMOUNT OR PERCENTAGE OF THE BENEFIT TO BE PAID TO A SPOUSE UNDER
7 A JUDGMENT OF SEPARATE MAINTENANCE OR A FORMER SPOUSE AS THE SUR-
8 VIVING SPOUSE OF THE PARTICIPANT UNDER THIS SUBSECTION IS LESS
9 THAN THE ENTIRE AMOUNT PAYABLE UNDER SECTION 89 OR 90, THE SUR-
10 VIVING SPOUSE OR OTHER BENEFICIARY OF THE PARTICIPANT, AS DETER-
11 MINED UNDER SECTION 89 OR 90, SHALL BE ENTITLED TO RECEIVE THE
12 PORTION OF THE BENEFIT NOT PAYABLE TO A SPOUSE UNDER A JUDGMENT
13 OF SEPARATE MAINTENANCE OR A FORMER SPOUSE UNDER THIS
14 SUBSECTION.

15 (6) IF AN ALTERNATE PAYEE UNDER THIS SECTION DIES BEFORE
16 RECEIVING ANY PAYMENT OF HIS OR HER INTEREST IN A BENEFIT PURSU-
17 ANT TO THIS SECTION AND AN EDRO, THAT INTEREST REVERTS TO THE
18 PARTICIPANT.

19 (7) THE CREATION, ASSIGNMENT, OR RECOGNITION OF A RIGHT OF
20 AN ALTERNATE PAYEE TO AN ACTUAL INTEREST IN A SHARE OF A BENEFIT
21 THAT IS OR WILL BECOME PAYABLE TO A PARTICIPANT PURSUANT TO AN
22 EDRO UNDER THIS SECTION IS NOT A PROHIBITED ASSIGNMENT UNDER
23 SECTION 46.

24 (8) THE RETIREMENT SYSTEM SHALL ESTABLISH A REASONABLE PRO-
25 CEDURE TO DETERMINE IF A DOMESTIC RELATIONS ORDER IS AN EDRO
26 UNDER THIS SECTION. THE RETIREMENT SYSTEM SHALL PROMPTLY NOTIFY
27 THE PARTICIPANT AND ALTERNATE PAYEE NAMED IN A DOMESTIC RELATIONS

1 ORDER THAT THE RETIREMENT SYSTEM HAS RECEIVED THE DOMESTIC
2 RELATIONS ORDER. THE NOTICE SHALL INCLUDE A DESCRIPTION OF THE
3 PROCEDURE BY WHICH THE RETIREMENT SYSTEM DETERMINES IF THE DOMES-
4 TIC RELATIONS ORDER IS AN EDRO UNDER THIS SECTION.

5 (9) THE RETIREMENT SYSTEM SHALL, WITHIN A REASONABLE PERIOD
6 OF TIME AFTER RECEIVING A DOMESTIC RELATIONS ORDER, DETERMINE IF
7 THE DOMESTIC RELATIONS ORDER IS AN EDRO UNDER THIS SECTION. IF
8 THE RETIREMENT SYSTEM DETERMINES THAT THE DOMESTIC RELATIONS
9 ORDER IS AN EDRO UNDER THIS SECTION, THE RETIREMENT SYSTEM SHALL
10 PROMPTLY NOTIFY THE PARTICIPANT AND ALTERNATE PAYEE NAMED IN THE
11 EDRO THAT THE DOMESTIC RELATIONS ORDER IS AN EDRO. THE RETIRE-
12 MENT SYSTEM SHALL BEGIN THE PAYMENT OF A BENEFIT UNDER THIS SEC-
13 TION PURSUANT TO THE EDRO AND THIS SECTION ON THE FIRST DAY OF
14 THE MONTH FOLLOWING THE MONTH IN WHICH THE DOMESTIC RELATIONS
15 ORDER WAS DETERMINED TO BE AN EDRO OR THE FIRST DAY OF THE MONTH
16 FOLLOWING THE MONTH IN WHICH A BENEFIT IS PAYABLE UNDER THE EDRO
17 AND THIS SECTION, WHICHEVER IS LATER. IF THE RETIREMENT SYSTEM
18 DETERMINES THAT THE DOMESTIC RELATIONS ORDER IS NOT AN EDRO ORDER
19 UNDER THIS SECTION, THE RETIREMENT SYSTEM SHALL PROMPTLY NOTIFY
20 THE PARTICIPANT AND ALTERNATE PAYEE NAMED IN THE DOMESTIC RELA-
21 TIONS ORDER THAT THE DOMESTIC RELATIONS ORDER IS NOT AN EDRO.
22 THE RETIREMENT SYSTEM SHALL SPECIFY IN THE NOTICE WHY THE RETIRE-
23 MENT SYSTEM DETERMINED THAT THE DOMESTIC RELATIONS ORDER IS NOT
24 AN EDRO UNDER THIS SECTION. A DETERMINATION BY THE RETIREMENT
25 SYSTEM THAT A DOMESTIC RELATIONS ORDER IS NOT AN EDRO UNDER THIS
26 SECTION DOES NOT PROHIBIT A PARTICIPANT, ALTERNATE PAYEE, OR

1 COURT FROM FILING AN AMENDED DOMESTIC RELATIONS ORDER WITH THE
2 RETIREMENT SYSTEM UNDER THIS SECTION.

3 (10) A DOMESTIC RELATIONS ORDER FILED WITH THE RETIREMENT
4 SYSTEM BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
5 THIS SECTION IS CONSIDERED AN EDRO UNDER THIS SECTION IF THE
6 RETIREMENT SYSTEM IS MAKING PAYMENTS UNDER THE DOMESTIC RELATIONS
7 ORDER ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
8 SECTION OR TO THE EXTENT A DOMESTIC RELATIONS ORDER IS CONSISTENT
9 WITH THE PROVISIONS OF THIS SECTION. THIS SUBSECTION DOES NOT
10 PROHIBIT A PARTICIPANT, ALTERNATE PAYEE, OR COURT FROM FILING AN
11 AMENDED DOMESTIC RELATIONS ORDER UNDER THIS SECTION.

12 Sec. 84. (1) Except as provided in subsection (2) OR (7),
13 upon the member's retirement from service as provided in
14 section 81, 81A, OR 82, a member shall receive a retirement
15 allowance that equals the product of the member's total years,
16 and fraction of a year, of credited service multiplied by 1.5% of
17 the member's final average compensation. A member shall not be
18 allowed to use more than 15 years of out of system public educa-
19 tion service, or more out of system public education service than
20 service performed under this act or former Act No. 136 of the
21 Public Acts of 1945 unless, before July 1, 1974, the member
22 applied for out of system public education service credit based
23 upon payment of contributions for the service as required under
24 section 69, or former acts in which case the total out of system
25 public education service credited, not to exceed 15 years, shall
26 be used to compute the member's retirement allowance if the
27 minimum service requirements performed under this act or former

1 acts or as a state employee under the state employees' retirement
2 act, Act No. 240 of the Public Acts of 1943, as amended, BEING
3 SECTIONS 38.1 TO 38.48 OF THE MICHIGAN COMPILED LAWS, are met.
4 Credit for state of Michigan service shall be on the same basis
5 for eligibility for retirement provided in this act as if the
6 service were performed under this act, former Act No. 136 of the
7 Public Acts of 1945, former Act No. 56 of the Public Acts of
8 1941, or former Act No. 184 of the Public Acts of 1937.

9 (2) If a member having less than 30 years credited service
10 retires before the member's sixtieth birthday as provided in
11 section 81, the member's retirement allowance provided in
12 subsection (1) shall be reduced $1/2$ of 1% for each month, and
13 fraction of a month, within the period from the effective date of
14 the member's retirement to the date of the member's sixtieth
15 birthday, and shall continue at that same percentage after
16 ~~becoming~~ THE MEMBER ATTAINS 60 years of age.

17 (3) The reduction of $1/2$ of 1% for each month and fraction
18 of a month from the member's retirement allowance effective date
19 to the date of the member's sixtieth birthday provided for in
20 former Act No. 136 of the Public Acts of 1945, applicable to a
21 member who retired before July 1, 1974 and before attainment of
22 age 60, ~~shall~~ DOES not apply to a member who retired before
23 that date, at age 55 or more, having 30 or more years of credited
24 service. The retirement allowance shall be recalculated disre-
25 garding the reduction and the person receiving the retirement
26 allowance ~~shall be~~ IS eligible to receive an adjusted
27 retirement allowance based on the recalculation beginning

1 January 1, 1986, but ~~shall~~ IS not ~~be~~ eligible to receive the
2 adjusted amount attributable to any month beginning before
3 January 1, 1986.

4 (4) The reduction provided for in subsection (2) ~~shall~~
5 DOES not apply to a member who retires under either section 86 or
6 87, or to a retirement allowance beneficiary who is granted an
7 allowance under section 43c(c), 89, or 90.

8 (5) The retirement allowance of a person who satisfies the
9 requirements of this subsection shall be recalculated based on
10 1.5% of final average compensation times years of credited
11 service. The person receiving the retirement allowance ~~shall~~
12 ~~be~~ IS eligible to receive an adjusted retirement allowance based
13 on the recalculation beginning January 1, 1986, but ~~shall~~ IS
14 not ~~be~~ eligible to receive the adjusted amount attributable to
15 any month beginning before January 1, 1986. A retirement allow-
16 ance shall be recalculated under this subsection if 1 of the fol-
17 lowing applies:

18 (a) The retirement allowance was payable to a retirant or
19 retirement allowance beneficiary under chapter II of former Act
20 No. 136 of the Public Acts of 1945, and the retirement allowance
21 effective date was on or after July 1, 1956 but before July 1,
22 1974.

23 (b) The retirement allowance was payable to a plan II retir-
24 ant or retirement allowance beneficiary under chapter I of former
25 Act No. 136 of the Public Acts of 1945, and the retirement allow-
26 ance effective date was before July 1, 1974.

1 (6) A member retiring pursuant to section 81, 81A, OR 82 who
2 acquires at least 5 years of combined credited service under this
3 act or under former Act No. 136 of the Public Acts of 1945, and
4 who is already in receipt of a retirement allowance under chapter
5 II of former Act No. 136 of the Public Acts of 1945, may elect to
6 return to the retirement system any retirement allowance payments
7 received, and receive a single retirement allowance computed on
8 the combined years of service credited under this act and any
9 former act.

10 (7) A RETIREMENT ALLOWANCE PAYABLE UNDER THIS SECTION IS
11 SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER
12 SECTION 83A.

13 Sec. 85. (1) A retiring member or retiring deferred member
14 who meets the requirements of section 81 or 81a OR A MEMBER WHOM
15 THE RETIREMENT BOARD FINDS TO BE TOTALLY AND PERMANENTLY DISABLED
16 AND ELIGIBLE TO RECEIVE A RETIREMENT ALLOWANCE UNDER SECTION 86
17 OR 87 shall elect to receive his or her retirement allowance
18 under 1 of the payment options provided in this subsection. The
19 election shall be in writing and filed with the retirement board
20 at least 15 days before the effective date of the retirement
21 allowance EXCEPT AS PROVIDED FOR A DISABILITY RETIRANT UNDER SEC-
22 TION 86 OR 87. The amount of retirement allowance under either
23 subdivision (b) or (c) shall be the actuarial equivalent of the
24 amount of retirement allowance under subdivision (a). The
25 options are as follows:

26 (a) A retirant shall be paid a straight retirement allowance
27 for life computed pursuant to section 84. An additional

1 retirement allowance payment shall not be made upon the
2 retirant's death.

3 (b) A retirant shall be paid a reduced retirement allowance
4 for life with the provision that upon the retirant's death, pay-
5 ment of the reduced retirement allowance is continued throughout
6 the lifetime of the retirement allowance beneficiary whom the
7 member or deferred member designates in a writing filed with the
8 retirement board at the time of election of this option. A
9 member or deferred member may elect this option and designate a
10 retirement allowance beneficiary under the conditions set forth
11 in section 82(2) or 89(3).

12 (c) A retirant shall be paid a reduced retirement allowance
13 for life with the provision that upon the retirant's death, pay-
14 ment of 1/2 of the reduced retirement allowance is continued
15 throughout the lifetime of the retirement allowance beneficiary
16 whom the member designated in a writing filed with the retirement
17 board at the time of election of the option.

18 (2) In addition to the election under subsection (1), a
19 retirant, other than A disability retirant who is 60 years of age
20 or less, may elect to coordinate his or her retirement allowance
21 with an estimated primary social security benefit. The retirant
22 shall be paid an increased retirement allowance until 62 years of
23 age and a reduced retirement allowance after 62 years of age.
24 The increased retirement allowance paid until 62 years of age
25 shall approximate the sum of the reduced retirement allowance
26 payable after 62 years of age and the retirant's estimated social
27 security primary insurance amount. The estimated social security

1 primary insurance amount shall be determined by the retirement
2 system. The election under this subsection shall be made at the
3 same time and in the same manner as required under
4 subsection (1).

5 (3) ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE
6 election of ~~the~~ A payment option in subsections (1) and (2)
7 shall not be changed on or after the effective date of the
8 retirement allowance. Except as provided in subsection (5), the
9 retirement allowance beneficiary selected under subsection (1)(b)
10 or (c) shall not be changed on or after the effective date of the
11 retirement allowance ~~—~~ and shall be either a spouse, brother,
12 sister, parent, or child, including an adopted child, of the
13 member, deferred member, retiring member, or retiring deferred
14 member entitled to make the election under this act. Another
15 retirement allowance beneficiary shall not be selected. If a
16 member, deferred member, retiring member, or retiring deferred
17 member is married at the retirement allowance effective date, an
18 election under subsection (1), other than an election under
19 subsection (1)(b) or (c) naming the spouse as retirement allow-
20 ance beneficiary, shall not be effective unless the election is
21 signed by the spouse, except that this requirement may be waived
22 by the board if the signature of a spouse cannot be obtained
23 because of extenuating circumstances. For purposes of this sub-
24 section, "spouse" means the person to whom the member, deferred
25 member, retiring member, or retiring deferred member is married
26 at the retirement allowance effective date. Payment to a

1 retirement allowance beneficiary shall start the first day of the
2 month following the retirant's death.

3 (4) If the retirement allowance beneficiary selected under
4 subsection (1)(b) or (c) predeceases the retirant, the retirant's
5 benefit shall revert to a straight retirement allowance including
6 post-retirement adjustments, if any, shall be effective the first
7 of the month following the death, and shall be paid during the
8 remainder of the retirant's life. This subsection ~~shall apply~~
9 ~~to any~~ APPLIES TO A retirant whose effective date of retirement
10 is after June 28, 1976, but the straight retirement allowance
11 shall not be payable for any month beginning before the later of
12 the retirement allowance beneficiary's death or October 31,
13 1980. This subsection ~~shall also apply to any~~ ALSO APPLIES TO
14 A retirant whose effective date of retirement was on or before
15 June 28, 1976, but the straight retirement allowance shall not be
16 payable for any month beginning before the later of the retire-
17 ment allowance beneficiary's death or January 1, 1986. A retir-
18 ant who on January 1, 1986 is receiving a reduced retirement
19 allowance because the retirant designated a retirement allowance
20 beneficiary and the retirement allowance beneficiary predeceased
21 the retirant ~~shall be~~ IS eligible to receive the straight
22 retirement allowance beginning January 1, 1986, but the straight
23 retirement allowance shall not be payable for any month beginning
24 before January 1, 1986.

25 (5) A retirant who returns to service pursuant to section 61
26 and whose retirement allowance beneficiary selected under
27 subsection (1)(b) or (c) predeceases the member before he or she

1 again becomes a retirant may again choose a retirement allowance
2 beneficiary pursuant to subsection (1)(b) or (c).

3 (6) IF A RETIRANT RECEIVING A REDUCED RETIREMENT ALLOWANCE
4 UNDER SUBSECTION (1)(B) OR (C) IS DIVORCED FROM THE SPOUSE WHO
5 HAD BEEN DESIGNATED AS THE RETIRANT'S RETIREMENT ALLOWANCE BENE-
6 FICIARY UNDER SUBSECTION (1)(B) OR (C), THE ELECTION OF A REDUCED
7 RETIREMENT ALLOWANCE PAYMENT OPTION SHALL BE CONSIDERED VOID BY
8 THE RETIREMENT SYSTEM IF THE JUDGMENT OF DIVORCE OR AWARD OR
9 ORDER OF THE COURT, OR AN AMENDED JUDGMENT OF DIVORCE OR AWARD OR
10 ORDER OF THE COURT, DESCRIBED IN SECTION 46 AND DATED AFTER THE
11 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION
12 PROVIDES THAT THE ELECTION OF A REDUCED RETIREMENT ALLOWANCE PAY-
13 MENT OPTION UNDER SUBSECTION (1)(B) OR (C) IS TO BE CONSIDERED
14 VOID BY THE RETIREMENT SYSTEM AND THE RETIRANT PROVIDES A CERTI-
15 FIED COPY OF THE JUDGMENT OF DIVORCE OR AWARD OR ORDER OF THE
16 COURT, OR AN AMENDED JUDGMENT OF DIVORCE OR AWARD OR ORDER OF THE
17 COURT, TO THE RETIREMENT SYSTEM. IF THE ELECTION OF A REDUCED
18 RETIREMENT ALLOWANCE PAYMENT OPTION UNDER SUBSECTION (1)(B) OR
19 (C) IS CONSIDERED VOID BY THE RETIREMENT SYSTEM UNDER THIS SUB-
20 SECTION, THE RETIRANT'S RETIREMENT ALLOWANCE SHALL REVERT TO A
21 STRAIGHT RETIREMENT ALLOWANCE, INCLUDING POSTRETIREMENT ADJUST-
22 MENTS, IF ANY, SUBJECT TO AN AWARD OR ORDER OF THE COURT AS
23 DESCRIBED IN SECTION 46. THE RETIREMENT ALLOWANCE SHALL REVERT
24 TO A STRAIGHT RETIREMENT ALLOWANCE UNDER THIS SUBSECTION EFFEC-
25 TIVE THE FIRST OF THE MONTH AFTER THE DATE THE RETIREMENT SYSTEM
26 RECEIVES A CERTIFIED COPY OF THE JUDGMENT OF DIVORCE OR AWARD OR
27 ORDER OF THE COURT. THIS SUBSECTION DOES NOT SUPERSEDE A

1 JUDGMENT OF DIVORCE OR AWARD OR ORDER OF THE COURT IN EFFECT ON
2 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
3 SUBSECTION. THIS SUBSECTION DOES NOT REQUIRE THE RETIREMENT
4 SYSTEM TO DISTRIBUTE OR PAY RETIREMENT ASSETS ON BEHALF OF A
5 RETIRANT IN AN AMOUNT THAT EXCEEDS THE ACTUARIALLY DETERMINED
6 AMOUNT THAT WOULD OTHERWISE BECOME PAYABLE IF A JUDGMENT OF
7 DIVORCE HAD NOT BEEN RENDERED.

8 (7) ~~-(6)-~~ If the retirement allowance payments terminate
9 before an aggregate amount equal to the retirant's accumulated
10 contributions has been paid, the difference between the
11 retirant's accumulated contributions and the aggregate amount of
12 retirement allowance payments made shall be paid to the person
13 designated in a writing filed with the retirement board on a form
14 provided by the retirement board. If the designated person does
15 not survive the retirant or retirement allowance beneficiary, the
16 difference shall be paid to the deceased recipient's estate or to
17 the legal representative of the deceased recipient.

18 (8) A RETIREMENT ALLOWANCE PAYABLE UNDER A PAYMENT OPTION
19 PROVIDED IN THIS SECTION IS SUBJECT TO AN ELIGIBLE DOMESTIC RELA-
20 TIONS ORDER UNDER SECTION 83A.

21 Sec. 86. (1) A member whom the retirement board finds to
22 have become totally and permanently disabled for purposes of
23 employment by his or her reporting unit by reason of personal
24 injury or mental or physical illness before termination of
25 reporting unit service and employment shall receive a disability
26 allowance if all of the following requirements are met:

1 (a) The member has not met age and service requirements of
2 section ~~81(a)~~ 81(1)(A) or (b).

3 (b) The member has at least 10 years of credited service in
4 effect before termination of employment.

5 (c) The member or reporting unit makes written application
6 to the retirement board not more than 12 months after the date
7 the member terminated public school employment.

8 (d) The ~~person~~ MEMBER undergoes an examination by 1 or
9 more practicing physicians or medical officers designated by the
10 retirement board who certify to the retirement board that the
11 member is totally and permanently disabled for performing the
12 duties for the member's position or A similar position for which
13 the member is qualified by reason of training, experience, or
14 both.

15 (2) The retirement board may extend the application time
16 limit provided in subsection (1) not more than 24 months for a
17 member or deferred member who satisfies the other requirements of
18 subsection (1), if evidence of extenuating circumstances is
19 presented to the satisfaction of the retirement board.

20 (3) The member's disability retirement allowance shall be
21 computed pursuant to section 84. The effective date of the dis-
22 ability retirant's allowance shall be determined pursuant to
23 section 83.

24 (4) A DISABILITY RETIREMENT ALLOWANCE PAYABLE UNDER THIS
25 SECTION IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER
26 SECTION 83A.

1 Sec. 87. (1) A member whom the retirement board finds to
2 have become totally and permanently disabled from any gainful
3 employment by reason of personal injury or mental or physical
4 illness while serving as an employee of that reporting unit shall
5 receive a duty disability retirement allowance if all of the fol-
6 lowing requirements are met:

7 (a) The member has not met age and service requirements of
8 section ~~81(a)~~ 81(1)(A) or (b).

9 (b) The member is in receipt of weekly worker's disability
10 compensation on account of employment by a reporting unit.

11 (c) The member or reporting unit makes written application
12 to the retirement board not more than 12 months after the date
13 the member terminated public school employment.

14 (d) The member undergoes an examination by 1 or more prac-
15 ticing physicians or medical officers designated by the retire-
16 ment board who certify to the retirement board that the member is
17 totally and permanently disabled for performing the duties for
18 the member's position for which the member is qualified by reason
19 of training ~~—~~ or experience, or both.

20 (2) The member's duty disability retirement allowance shall
21 be computed pursuant to section 84. The effective date of the
22 duty disability retirant's allowance shall be the first of the
23 month following the month in which the member terminates employ-
24 ment and is in receipt of weekly worker's disability
25 compensation. The years of service credit used in computing the
26 retirant's duty disability retirement allowance shall not be less
27 than 10 years. If the member has less than 5 consecutive years

1 of credited service, the average of the member's annual
2 compensation shall be used.

3 (3) Upon recovery and return to reporting unit service or
4 upon termination of the statutory period for the payment of a
5 disability retirant's worker's disability compensation, if any,
6 arising on account of the retirant's reporting unit service, the
7 retirant shall be given service credit for the period and the
8 retirant's disability retirement allowance shall be adjusted to
9 include the additional credit.

10 (4) A DUTY DISABILITY RETIREMENT ALLOWANCE PAYABLE UNDER
11 THIS SECTION IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER
12 UNDER SECTION 83A.

13 Sec. 89. (1) If a member who continues as a public school
14 employee on or after either the date the member has 15 years of
15 credited service in effect, or the date of the member's sixtieth
16 birthday if the member has 10 years of credited service in
17 effect, dies before the effective date of his or her retirement
18 and leaves a surviving spouse to whom the deceased member was
19 married at time of death, the surviving spouse shall receive a
20 retirement allowance computed in the same manner as if the
21 deceased member had retired effective the day preceding the date
22 of the deceased member's death, elected the option set forth in
23 subsection (3), and nominated the surviving spouse as retirement
24 allowance beneficiary. The surviving spouse's retirement allow-
25 ance shall terminate upon the surviving spouse's death. A sur-
26 viving spouse who on June 27, 1984, is receiving a retirement
27 allowance under this section or the predecessor to this section

1 under former Act No. 136 of the Public Acts of 1945 ~~shall be~~ IS
2 eligible to continue receiving that retirement allowance regard-
3 less of the surviving spouse's remarriage. A surviving spouse
4 whose retirement allowance under this section or the predecessor
5 to this section under former Act No. 136 of the Public Acts of
6 1945 was terminated due to the surviving spouse's remarriage
7 ~~shall be~~ IS eligible to receive that allowance beginning on the
8 first day of the month following the month in which written
9 application for reinstatement is filed with the board, but ~~shall~~
10 ~~not be~~ IS NOT eligible to receive the allowance attributable to
11 any month beginning before the month of reinstatement under this
12 section. A surviving spouse of a person who was a deferred
13 member on October 31, 1980, who becomes eligible to receive a
14 retirement allowance under this section or the predecessor to
15 this section under former Act No. 136 of the Public Acts of 1945,
16 ~~shall be~~ IS eligible to receive that retirement allowance and
17 that allowance shall not be ~~subject to termination~~ TERMINATED
18 because of the surviving spouse's remarriage.

19 (2) If the other requirements of subsection (1) are met but
20 a surviving spouse does not exist, each of the deceased member's
21 surviving children less than 18 years of age shall receive an
22 allowance of an equal share of the retirement allowance ~~which~~
23 THAT would have been paid to the spouse if living at the time of
24 the deceased member's death. Payments under this subsection
25 shall cease upon the surviving child's marriage, adoption, or
26 becoming 18 years of age, whichever occurs first.

1 (3) A member who continues as a public school employee on or
2 after either the date the member has 15 years of credited service
3 in effect, or the date of the member's sixtieth birthday if the
4 member has 10 years of credited service in effect, may elect the
5 option provided in section 85(1)(b) and nominate a retirement
6 allowance beneficiary as provided in section 85(3). The election
7 shall be in writing and filed with the retirement board in a
8 manner and form prescribed by the retirement board. The election
9 shall be void upon the member's retirement, termination of
10 employment except as provided in section 82(2), OR divorce, UPON
11 the retirement allowance beneficiary's death, or upon the retire-
12 ment allowance beneficiary no longer being dependent upon the
13 member before the member's death. If a member who has an option
14 election under section 85(1)(b) in effect dies before the effec-
15 tive date of his or her retirement, the member's retirement
16 allowance beneficiary, so long as the beneficiary continues to be
17 so dependent, shall receive the same retirement allowance as the
18 retirement allowance beneficiary would have been entitled to
19 receive under the option provided in section 85(1)(b) if the
20 member had been regularly retired pursuant to section 81 or 82
21 the day preceding the date of the member's death, even though the
22 member may not have acquired entitlement to service retirement.
23 The surviving spouse of the deceased member ~~shall be~~ IS pre-
24 sumed to be 50% dependent on the deceased member for his or her
25 own financial support. The surviving spouse's retirement allow-
26 ance shall terminate upon the surviving spouse's death.

1 (4) If at the time a retirement allowance beneficiary's
2 retirement allowance granted by this section is terminated, the
3 aggregate amount of retirement allowance payments received by the
4 retirement allowance beneficiary are less than the accumulated
5 contributions credited to the deceased member's account in the
6 reserve for employee contributions at the time of the deceased
7 member's death, the difference between the deceased member's
8 accumulated contributions and the aggregate amount of retirement
9 allowance payments received by the retirement allowance benefi-
10 ciary shall be paid to the deceased member's refund beneficiary.

11 (5) For a member who contributes to the member investment
12 plan, the credited service eligibility requirement applicable to
13 the survivor benefits provided in this section ~~are~~ IS subject
14 to section 43c.

15 (6) THE PAYMENT OF A RETIREMENT ALLOWANCE UNDER THIS SECTION
16 IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER
17 SECTION 83A.

18 Sec. 90. (1) If a member dies as a result of injury or ill-
19 ness arising out of and in the course of the member's reporting
20 unit service for which worker's disability compensation is paid,
21 or a duty disability retirant who is in receipt of weekly
22 worker's disability compensation on account of the retirant's
23 reporting unit service dies from the same causes for which the
24 person retired within 36 months after the retirant's retirement,
25 and in either case the death or the illness or injury resulting
26 in death is found by the retirement board to have resulted,
27 without the member's or retirant's willful negligence, from the

1 performance of the member's or retirant's reporting unit service,
2 the surviving spouse of the deceased member or retirant shall
3 receive a retirement allowance computed in the same manner as if
4 the member or retirant had retired for reasons of age and service
5 effective the day preceding the date of the member's or
6 retirant's death, elected the option provided in
7 section 85(1)(b), and nominated the surviving spouse as retire-
8 ment allowance beneficiary. The surviving spouse's retirement
9 allowance shall terminate upon death. A surviving spouse who on
10 June 27, 1984, is receiving a retirement allowance under this
11 section or the predecessor to this section under former Act
12 No. 136 of the Public Acts of 1945 ~~shall be~~ IS eligible to con-
13 tinue receiving that retirement allowance regardless of the sur-
14 viving spouse's remarriage. A surviving spouse whose retirement
15 allowance under this section or the predecessor to this section
16 under former Act No. 136 of the Public Acts of 1945 was termi-
17 nated due to the surviving spouse's remarriage ~~shall be~~ IS eli-
18 gible to receive that allowance beginning on the first day of the
19 month following the month in which written application for rein-
20 statement is filed with the board, but ~~shall not be~~ IS NOT eli-
21 gible to receive the allowance attributable to any month begin-
22 ning before the month of reinstatement under this section.

23 (2) If the other requirements of subsection (1) are met but
24 a surviving spouse does not exist, each child of the deceased
25 member or duty disability retirant who is less than 18 years of
26 age shall receive an allowance of an equal share of the
27 retirement allowance ~~which~~ THAT would have been paid to the

1 spouse if living at the time of the member's or retirant's
2 death. Payments under this subsection shall cease upon marriage,
3 adoption, or becoming 18 years of age, whichever occurs first.

4 (3) If the other requirements of subsection (1) are met and
5 neither a surviving spouse nor an eligible child surviving the
6 deceased member or duty disability retirant exists, a monthly
7 allowance shall be paid to 1 surviving dependent parent whom the
8 retirement board finds to be totally and permanently disabled and
9 to have been dependent upon the deceased member or retirant for
10 at least 50% of the parent's financial support. The allowance
11 shall be computed in the same manner as if the deceased member or
12 retirant had retired for reasons of age and service effective the
13 day preceding the member's or retirant's death, elected the
14 option provided in section 85(1)(b), and nominated the surviving
15 parent as retirement allowance beneficiary. The surviving
16 parent's beneficiary retirement allowance shall terminate upon
17 marriage or death.

18 (4) The retirement allowance beneficiary's duty death
19 retirement allowance shall be computed pursuant to section 84,
20 except that the reduction for early retirement ~~shall~~ DOES not
21 apply. The effective date of the retirement allowance
22 beneficiary's duty death retirement allowance ~~shall be~~ IS the
23 first of the month following the month in which the member or
24 retirant died. The years of service credit used in computing the
25 retirement allowance beneficiary's duty death retirement allow-
26 ance shall not be less than 10 years. If the deceased member or
27 duty disability retirant has less than 5 consecutive years of

1 credited service, the average of the decedent's annual
2 compensation shall be used.

3 (5) Instead of the duty death benefits provided in this sec-
4 tion to an eligible retirement allowance beneficiary, the retire-
5 ment allowance beneficiary, before receipt of his or her first
6 payment, may elect to accept a refund of the deceased member or
7 duty disability retirant's accumulated contributions.

8 (6) If, at the time a retirement allowance beneficiary's
9 duty death retirement allowance granted by this section is termi-
10 nated, the aggregate amount of retirement allowance payments
11 received by the retirement allowance beneficiary is less than the
12 accumulated contributions credited to the deceased member's or
13 duty disability retirant's account in the reserve for employee
14 contributions and the reserve for member investment plan at the
15 time of the member's or retirant's death, the difference between
16 the accumulated contributions and the aggregate amount of retire-
17 ment allowance payments received by the retirement allowance ben-
18 eficiary shall be paid to the legal representative of the
19 deceased member's or retirant's estate.

20 (7) THE PAYMENT OF A RETIREMENT ALLOWANCE UNDER THIS SECTION
21 IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER
22 SECTION 83A.