

# HOUSE BILL No. 4762

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

A bill to amend sections 20, 22, 23, 25, 27, 31, and 40 of Act No. 240 of the Public Acts of 1943, entitled as amended "State employees' retirement act,"

sections 20, 23, and 27 as amended by Act No. 241 of the Public Acts of 1987, section 22 as amended by Act No. 57 of the Public Acts of 1987, section 25 as amended by Act No. 1 of the Public Acts of 1986, section 31 as amended by Act No. 177 of the Public Acts of 1990, and section 40 as amended by Act No. 35 of the Public Acts of 1985, being sections 38.20, 38.22, 38.23, 38.25, 38.27, 38.31, and 38.40 of the Michigan Compiled Laws; and to add section 32a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 20, 22, 23, 25, 27, 31, and 40 of Act  
2 No. 240 of the Public Acts of 1943, sections 20, 23, and 27 as  
3 amended by Act No. 241 of the Public Acts of 1987, section 22 as

1 amended by Act No. 57 of the Public Acts of 1987, section 25 as  
 2 amended by Act No. 1 of the Public Acts of 1986, section 31 as  
 3 amended by Act No. 177 of the Public Acts of 1990, and section 40  
 4 as amended by Act No. 35 of the Public Acts of 1985, being sec-  
 5 tions 38.20, 38.22, 38.23, 38.25, 38.27, 38.31, and 38.40 of the  
 6 Michigan Compiled Laws, are amended and section 32a is added to  
 7 read as follows:

8       Sec. 20. (1) Upon his or her retirement, as provided for in  
 9 section 19 OR 19A, a member shall receive a retirement allowance  
 10 equal to the member's number of years and fraction of a year of  
 11 credited service multiplied by ~~+1 1/2%~~ 1.5% of his or her final  
 12 average compensation. The member's retirement allowance shall be  
 13 subject to subsection (3). Upon his or her retirement, ~~he or~~  
 14 ~~she shall have the right to~~ THE MEMBER MAY elect an option pro-  
 15 vided for in section 31(1).

16       (2) Pursuant to rules promulgated by the RETIREMENT board, a  
 17 member who retires ~~prior to~~ BEFORE becoming 65 years of age may  
 18 elect to have his or her regular retirement allowance equated on  
 19 an actuarial basis to provide an increased retirement allowance  
 20 payable to his or her attainment of ~~age~~ 65 YEARS OF AGE and a  
 21 reduced retirement allowance payable ~~thereafter~~ AFTER 65 YEARS  
 22 OF AGE. His or her increased retirement allowance payable to age  
 23 65 shall approximately equal the sum of his or her reduced  
 24 retirement allowance payable after age 65 and his or her esti-  
 25 mated social security primary insurance amount. In addition,  
 26 upon retirement, ~~he or she~~ THE MEMBER may elect an option  
 27 provided for in section 31(1).

1       (3) If a retirant dies before receiving payment of his or  
2 her retirement allowance in an aggregate amount equal to the  
3 retirant's accumulated contributions credited to the retirant in  
4 the employees' savings fund at the time of his or her retirement,  
5 the difference between his or her accumulated contributions and  
6 the amount of retirement allowance received by him or her shall  
7 be paid to the person or persons ~~as~~ THAT he or she nominated by  
8 written designation duly executed and filed with the RETIREMENT  
9 board. If the person or persons do not survive the retirant,  
10 then the difference, if any, shall be paid to ~~his or her~~ THE  
11 RETIRANT'S legal representative OR ESTATE. Benefits shall not be  
12 paid under this subsection on account of the death of the retir-  
13 ant if he or she elected AN option ~~A or B~~ provided for in sec-  
14 tion 31(1).

15       (4) If a member has 10 or more years of credited service, or  
16 has 5 or more years ~~—~~ OF credited service as an elected officer  
17 or in a position in the executive branch or the legislative  
18 branch excepted or exempt from the classified state civil service  
19 as provided in section 5 of article XI of the state constitution  
20 of 1963, and is separated from the service of the state for a  
21 reason other than retirement or death, he or she shall remain a  
22 member during the period of absence from the state service for  
23 the exclusive purpose of receiving a retirement allowance pro-  
24 vided for in this section. If the member withdraws all or part  
25 of his or her accumulated contributions, he or she shall cease to  
26 be a member. Upon becoming 60 years of age or older, the member  
27 may retire upon his or her written application to the retirement

1 board as provided in section 19(1). If a member ~~has selected~~  
 2 ELECTS an option as provided under section 31(4), but ~~died prior~~  
 3 ~~to~~ DIES BEFORE the effective date of his or her retirement, the  
 4 option ~~selected~~ ELECTED by the member shall be carried out and  
 5 the beneficiary of the member ~~shall be~~ IS entitled to all  
 6 advantages due under that option.

7 (5) A person who is a member after January 1, 1981, who has  
 8 at least 5 years of credited service, and whose employment with  
 9 the department of mental health is terminated by reason of reduc-  
 10 tion in force related to deinstitutionalization ~~which~~ THAT may  
 11 or may not result in facility closure, shall remain a member  
 12 during the period of absence from the state service for the  
 13 exclusive purpose of receiving a service retirement allowance as  
 14 provided in this subsection. ~~For purposes of~~ AS USED IN this  
 15 subsection, "deinstitutionalization" means planned reduction of  
 16 state center or hospital beds through placement of individuals  
 17 from the hospital or facility, or through limiting admissions to  
 18 centers and hospitals, or both. If a member withdraws all or  
 19 part of the member's accumulated contributions, the member shall  
 20 cease to be a member. Upon becoming 60 years of age or older,  
 21 the member may retire upon written application to the retirement  
 22 board. The application shall specify a date, not less than 30  
 23 days ~~nor~~ OR more than 90 days after the execution and filing of  
 24 the application, on which the member desires to retire. Upon  
 25 retirement, the member shall receive a retirement allowance equal  
 26 to the number of years and fraction of a year of credited state  
 27 service multiplied by ~~1 1/2%~~ 1.5% of the member's final average

1 compensation. Upon retirement, the member may elect an option  
2 provided in section 31(1). If the member ~~selected~~ ELECTS an  
3 option provided for in section 31(4), but ~~died~~ DIES before the  
4 effective date of retirement, the option ~~selected~~ ELECTED by  
5 the member shall be carried out and a beneficiary of the member  
6 ~~shall be~~ IS entitled to all advantages due under the option.

7 (6) A retirant or the beneficiary of a retirant who retired  
8 before July 1, 1974 shall have his or her retirement allowance  
9 recalculated based on the retirant's number of years and fraction  
10 of a year of credited service multiplied by 1.5% of his or her  
11 final average compensation. The retirant or beneficiary ~~shall~~  
12 ~~be~~ IS eligible to receive the recalculated retirement allowance  
13 beginning October 1, 1987, but ~~shall not be~~ IS NOT eligible to  
14 receive the adjusted amount attributable to any month beginning  
15 before October 1, 1987. The recalculated retirement allowance  
16 provided by this subsection shall be paid by January 1, 1988 and  
17 shall be the basis on which future adjustments to the allowance,  
18 including the supplement provided by section 20h, are  
19 calculated. The retirement allowance of a retirant who dies  
20 before January 1, 1988, and who ~~has not nominated~~ DID NOT  
21 NOMINATE a retirement allowance beneficiary pursuant to  
22 section 31, shall not be recalculated pursuant to this  
23 subsection.

24 (7) Each retirement allowance payable under this act shall  
25 date from the first of the month following the month in which the  
26 applicant satisfies the age and service or other requirements for  
27 receiving the retirement allowance and terminates state service.

1 A full month's retirement allowance shall be payable for the  
2 month in which a retirement allowance ceases.

3 (8) THE PAYMENT OF A RETIREMENT ALLOWANCE UNDER THIS SECTION  
4 IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER  
5 SECTION 32A.

6 Sec. 22. (1) Upon retirement for disability, as provided in  
7 section 21, a member who has attained 60 YEARS OF age ~~60~~ shall  
8 receive a service retirement allowance as provided for in section  
9 20. ~~Notwithstanding that he or she may~~ IF A MEMBER DOES not  
10 have 10 years of credited service, he or she shall be credited  
11 with 10 years of service.

12 (2) THE PAYMENT OF A SERVICE RETIREMENT ALLOWANCE UNDER THIS  
13 SECTION IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER  
14 SECTION 32A.

15 Sec. 23. (1) Upon retirement for disability, as provided  
16 for in section 21, a member who has not attained ~~age~~ 60 years  
17 OF AGE shall receive the following benefits, subject to the pro-  
18 visions of sections 33 and 34:

19 (a) A disability retirement allowance of 2/3 of the  
20 retirant's final average compensation. ~~THE~~ retirement allow-  
21 ance ~~to~~ SHALL begin as of date of the retirant's disability,  
22 but not more than 6 months before the date the retirant's appli-  
23 cation for disability retirement was filed with the retirement  
24 board, and not before the date the retirant's name last appeared  
25 on a state payroll with pay, whichever is later, and ~~to~~ SHALL  
26 continue to ~~the attainment of age 60 years or~~ 60 YEARS OF AGE,  
27 recovery, or death, whichever ~~event shall first occur~~ OCCURS

1 FIRST. The disability retirement allowance payable to a  
2 disability retirant shall not exceed \$6,000.00 per annum, nor be  
3 more than an amount which when added to the statutory worker's  
4 compensation benefits applicable in the retirant's case shall  
5 exceed the retirant's final compensation. The increase in the  
6 maximum amount payable under this subdivision as provided by  
7 ~~this 1987 amendatory act~~ ACT NO. 241 OF THE PUBLIC ACTS OF 1987  
8 shall be payable to retirants on the pension payroll as of  
9 July 1, 1987.

10 (b) Upon attaining ~~age~~ 60 years OF AGE or July 1, 1987,  
11 whichever is later, the disability retirant shall receive a  
12 retirement allowance computed according to section 20. In com-  
13 puting the retirant's retirement allowance, the retirant shall be  
14 given membership service credit for the period during which the  
15 retirant was receiving the disability retirement allowance pro-  
16 vided for in subdivision (a). If the computation results in a  
17 retirement allowance less than the disability retirement allow-  
18 ance provided in subdivision (a), the retirant shall receive a  
19 retirement allowance equal to the disability retirement  
20 allowance. Upon attaining ~~age~~ 60 years OF AGE or July 1, 1987,  
21 whichever is later, the retirant may elect an option provided for  
22 in section 31(1).

23 (c) During the period a disability retirant is receiving a  
24 disability retirement allowance, as provided for in subdivision  
25 (a), the retirant's contributions to the employees' savings fund  
26 shall be suspended and the balance in the fund, standing to the  
27 retirant's credit as of the date the disability retirement

1 allowance begins, shall remain in the savings fund and shall be  
2 accumulated at regular interest. Upon attaining ~~age~~ 60 years  
3 OF AGE or July 1, 1987, whichever is later, the retirant's accu-  
4 mulated contributions shall be transferred from the employees'  
5 savings fund to the pension reserve fund. If the disability  
6 retirant ~~should die~~ DIES before attaining ~~age~~ 60 years OF  
7 AGE, the accumulated contributions standing to the retirant's  
8 credit in the employees' savings fund shall be paid to the person  
9 or persons the retirant nominated by written designation duly  
10 executed and filed with the retirement board, or if there is not  
11 a designated person or persons surviving, then to the retirant's  
12 legal representative OR ESTATE.

13 (2) A RETIREMENT ALLOWANCE PAYABLE UNDER THIS SECTION IS  
14 SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER  
15 SECTION 32A.

16 Sec. 25. (1) Upon retirement for disability, as provided in  
17 section 24, a member shall receive a retirement allowance com-  
18 puted ~~in accordance with~~ ACCORDING TO section 20(1). The  
19 retirement allowance or pension provided shall not be less than  
20 \$600.00 per annum. Upon retirement, the member may elect an  
21 option provided for in section 31(1).

22 (2) A RETIREMENT ALLOWANCE PAYABLE UNDER THIS SECTION IS  
23 SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER  
24 SECTION 32A.

25 Sec. 27. (1) If a member dies as a result of a personal  
26 injury or disease arising out of and in the course of his or her  
27 employment with ~~the~~ THIS state, or a disability retirant who



1 retired under section 21 dies ~~prior to~~ BEFORE becoming ~~age~~ 60  
2 YEARS OF AGE and within 3 years after the member's disability  
3 retirement from the same causes for which he or she was retired,  
4 and such death or illness or injuries resulting in death are  
5 found by the retirement board to have been the sole and exclusive  
6 result of employment with ~~the~~ THIS state, the applicable bene-  
7 fits provided in subsections (2), (3), (4), and (5) shall be  
8 paid, subject to ~~subsection~~ SUBSECTIONS (6) AND (7).

9 (2) The accumulated contributions standing to the member's  
10 account in the employees' savings fund shall be paid to ~~such~~  
11 THE person or persons ~~as~~ WHOM the member has nominated by writ-  
12 ten designation duly executed and filed with the retirement  
13 board, or if there are no such designated person or persons sur-  
14 living, then to the member's legal representative OR ESTATE.

15 (3) A retirement allowance of 1/3 of the final compensation  
16 of the deceased person shall be paid to the surviving spouse to  
17 whom the deceased person was married at the time he or she last  
18 terminated employment with the state. If a child or children  
19 under the age of 18 years also survives the deceased person, each  
20 ~~such~~ child shall receive an allowance of an equal share of 1/4  
21 of the deceased person's final compensation. Upon the marriage,  
22 death, or attainment of ~~age~~ 18 years OF AGE of ~~any such~~ A  
23 child, there shall be a redistribution by the retirement board to  
24 the deceased person's remaining children under ~~age~~ 18 years OF  
25 AGE.

26 (4) If there is no surviving spouse or if the surviving  
27 spouse dies before the youngest surviving child of the deceased

1 person reaches the ~~age~~ of 18 years OF AGE, then each ~~such~~  
2 child under ~~age~~ 18 YEARS OF AGE shall each receive an allowance  
3 equal to 1/4 of the deceased person's final compensation, but the  
4 total so paid in any year to the children of a deceased person  
5 shall not exceed 1/2 of his or her final compensation. If there  
6 are more than 2 ~~such~~ surviving children under ~~age~~ 18 years OF  
7 AGE, each ~~such~~ child shall receive an allowance of an equal  
8 share of 1/2 of the deceased person's final compensation. Upon  
9 the marriage, death, or attainment of ~~age~~ 18 years OF AGE of  
10 ~~any such~~ A child, the child's allowance shall terminate and  
11 there shall be a redistribution by the retirement board to any  
12 remaining eligible children of the deceased under ~~age~~ 18 YEARS  
13 OF AGE, but a child shall not receive an allowance more than 1/4  
14 of the deceased person's final compensation.

15 (5) If there is neither a spouse nor a child under ~~age~~ 18  
16 years OF AGE surviving the deceased person, then there shall be  
17 paid to each parent of the deceased person whom the retirement  
18 board after investigation determines to have been actually depen-  
19 dent upon the deceased person through absence of earning power  
20 due to disability, an allowance of 1/6 of the deceased person's  
21 final compensation.

22 (6) The total of the retirement allowances payable under  
23 subsections (3), (4), and (5) on account of the death of a member  
24 or retirant shall not exceed \$2,400.00 per annum, nor an amount  
25 which, when added to the statutory worker's compensation benefit  
26 to which the dependents of the member or retirant are entitled,  
27 exceeds his or her final compensation.

1 (7) THE PAYMENT OF A RETIREMENT ALLOWANCE UNDER THIS SECTION  
2 IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER  
3 SECTION 32A.

4 Sec. 31. (1) Except as provided in subsection (6), before  
5 the effective date of retirement, but not after the effective  
6 date of retirement, a member or deferred member who is eligible  
7 for retirement, as provided in section 19, 19a, 21, 24, 46, or  
8 48, shall elect to receive his or her benefit in a retirement  
9 allowance payable throughout life, which shall be called a regu-  
10 lar retirement allowance, or to receive the actuarial equivalent  
11 at that time of his or her regular retirement allowance in a  
12 reduced retirement allowance payable throughout the lives of the  
13 retirant and a retirement allowance beneficiary, ~~in accordance~~  
14 ~~with the provisions of option A or B, as follows~~ PURSUANT TO 1  
15 OF THE FOLLOWING OPTIONS:

16 (a) Option A. Upon the retirant's death his or her reduced  
17 retirement allowance shall be continued throughout the life of  
18 and paid to the retirement allowance beneficiary whom the member  
19 nominated by written designation duly executed and filed with the  
20 retirement board before the effective date of his or her  
21 retirement.

22 (b) Option B. Upon the retirant's death, 1/2 of his or her  
23 reduced retirement allowance shall be continued throughout the  
24 life of and paid to the retirement allowance beneficiary whom the  
25 member nominated by written designation duly executed and filed  
26 with the retirement board before the effective date of his or her  
27 retirement.

1       (2) Except as provided in ~~subsection (3)~~ SUBSECTIONS (3)  
2 AND (8), the election of an option shall not be changed on or  
3 after the effective date of the retirement allowance. A retire-  
4 ment allowance beneficiary designated under this section shall  
5 not be changed on or after the effective date of the retirement  
6 allowance, and shall be either a spouse, brother, sister, parent,  
7 child, including an adopted child, or grandchild of the person  
8 making the designation. Payment to a retirement allowance bene-  
9 ficiary shall begin on the first day of the month following the  
10 death of the retirant or member.

11       (3) If the retirement allowance beneficiary named under  
12 option A or B under subsection (1) predeceases the retirant, the  
13 retirant's benefit shall revert to the regular retirement allow-  
14 ance, effective with the first day of the month following the  
15 retirement allowance beneficiary's death. For a retirant whose  
16 effective date of retirement was on or before June 28, 1976, this  
17 subsection shall apply, but the regular retirement allowance is  
18 not payable for any month beginning before the later of the  
19 retirement allowance beneficiary's death or January 1, 1986. A  
20 retirant who on January 1, 1986 is receiving a reduced retirement  
21 allowance because the retirant designated a retirement allowance  
22 beneficiary and the retirement allowance beneficiary predeceased  
23 the retirant is eligible to receive the regular retirement allow-  
24 ance beginning January 1, 1986, but the regular retirement allow-  
25 ance is not payable for any month beginning before January 1,  
26 1986.

1 (4) A member who continues in the employ of ~~the~~ THIS state  
2 on and after the date he or she ~~either~~ acquires 10 years of  
3 service credit ~~—~~ or becomes eligible for deferred retirement as  
4 provided by section 20(4) or (5), whichever occurs first, may by  
5 written declaration duly executed and filed with the retirement  
6 board elect option A, provided for in subsection ~~(++)~~ (1)(A),  
7 and nominate a retirement allowance beneficiary in the same  
8 manner as if the member were then retiring from service, notwith-  
9 standing that the member may not have attained 60 years of age.  
10 In the case of the beneficiary's death or divorce from the member  
11 ~~prior to~~ BEFORE the effective date of the member's retirement,  
12 the member's election of option A and nomination of retirement  
13 allowance beneficiary shall be automatically revoked and the  
14 member may again elect option A and nominate a retirement allow-  
15 ance beneficiary at any time ~~prior to~~ BEFORE the effective date  
16 of retirement. If a member who has made an election and nomi-  
17 nated a retirement allowance beneficiary as provided in this sub-  
18 section dies ~~prior to~~ BEFORE the effective date of his or her  
19 retirement, then the retirement allowance beneficiary shall imme-  
20 diately receive the retirement allowance that he or she would  
21 have been entitled to receive under option A if the member had  
22 been regularly retired on the date of the member's death. Except  
23 as otherwise provided by subsection (5), if a member who has made  
24 an election under this subsection subsequently retires under this  
25 act, his or her election of option A shall take effect at the  
26 time of retirement. Subject to the requirements of subsection  
27 (5), the member may, before the effective date of retirement, but

1 not after the effective date of retirement, revoke his or her  
 2 previous election of option A and elect to receive his or her  
 3 retirement allowance as a regular retirement allowance or under  
 4 option B as provided for in subsection ~~(1)~~ (1)(B). A retire-  
 5 ment allowance shall not be paid under this subsection on account  
 6 of the death of a member if any benefits are paid under section  
 7 27 on account of his or her death. If a deferred member who has  
 8 an option A election in effect dies ~~prior to~~ BEFORE the effec-  
 9 tive date of his or her retirement, the retirement allowance pay-  
 10 able under option A shall be paid to the retirement allowance  
 11 beneficiary at the time the deceased deferred member otherwise  
 12 would have been eligible to begin receiving benefits.

13 (5) If a member, deferred member, retiring member, or retir-  
 14 ing deferred member is married at the effective date of the  
 15 retirement allowance, an election under this section, other than  
 16 an election of AN option ~~A or option B~~ UNDER SUBSECTION (1)  
 17 naming the spouse as retirement allowance beneficiary, shall not  
 18 be effective unless the election is signed by the spouse. ~~—~~  
 19 ~~except that~~ HOWEVER, this requirement may be waived by the  
 20 retirement board if the signature of a spouse cannot be obtained  
 21 because of extenuating circumstances. As used in this subsec-  
 22 tion, "spouse" means the person to whom the member, deferred  
 23 member, retiring member, or retiring deferred member is married  
 24 at the effective date of the retirement allowance.

25 (6) Until July 1, 1991, upon request in a form as determined  
 26 by the retirement board, a nonduty disability retirant who  
 27 retired under section 24 may change his or her election to

1 receive a disability retirement allowance computed as a regular  
2 retirement allowance and elect to receive the actuarial equiva-  
3 lent at the time of the election pursuant to this subsection of  
4 his or her disability retirement allowance in a reduced retire-  
5 ment allowance payable to the retirant and the retirant's spouse  
6 ~~in accordance with~~ PURSUANT TO the provisions of option A or B  
7 as provided in subsection (1), if the disability retirement  
8 allowance effective date was before November 12, 1985 and the  
9 retirant had 25 or more years of credited service on the disabil-  
10 ity retirement allowance effective date. The nonduty disability  
11 retirant shall begin to receive the reduced retirement allowance  
12 under this subsection effective the first day of the month fol-  
13 lowing the month in which the retirant makes the election pursu-  
14 ant to this subsection. As used in this subsection, "spouse"  
15 means the person to whom the nonduty disability retirant was mar-  
16 ried on the effective date of his or her disability retirement  
17 allowance and on the date the retirant makes the election pursu-  
18 ant to this subsection.

19 (7) If a member who continues in the employ of the state on  
20 and after the date he or she acquires 10 years of service credit,  
21 OR ON AND AFTER THE DATE HE OR SHE BECOMES ELIGIBLE FOR DEFERRED  
22 RETIREMENT AS PROVIDED BY SECTION 20(4) OR (5), WHICHEVER OCCURS  
23 FIRST, and who does not have an election of option A in force as  
24 provided in subsection (4), dies ~~prior to~~ BEFORE the effective  
25 date of retirement and leaves a surviving spouse, the spouse  
26 shall receive a retirement allowance computed in the same manner  
27 as if the member had retired effective the day before the date of

1 his or her death, elected option A, and nominated the spouse as  
2 retirement allowance beneficiary. When the retirement allowance  
3 beneficiary dies, his or her retirement allowance shall  
4 terminate. If the aggregate amount of retirement allowance pay-  
5 ments received by the beneficiary is less than the accumulated  
6 contributions credited to the member's account in the employees'  
7 savings fund at the time of the member's death, the difference  
8 between the accumulated contributions and the aggregate amount of  
9 retirement allowance payments received by the beneficiary shall  
10 be transferred from the employer's accumulation fund or pension  
11 reserve fund to the employees' savings fund and paid ~~in accord-~~  
12 ~~ance with~~ PURSUANT TO section 29. A retirement allowance shall  
13 not be paid under this subsection on account of the death of a  
14 member if benefits are paid under section 27 on account of his or  
15 her death.

16 (8) IF A RETIRANT RECEIVING A REDUCED RETIREMENT ALLOWANCE  
17 UNDER OPTION A OR B UNDER SUBSECTION (1) IS DIVORCED FROM THE  
18 SPOUSE WHO HAD BEEN DESIGNATED AS THE RETIRANT'S RETIREMENT  
19 ALLOWANCE BENEFICIARY UNDER OPTION A OR B, THE ELECTION OF OPTION  
20 A OR B SHALL BE CONSIDERED VOID BY THE RETIREMENT SYSTEM IF THE  
21 JUDGMENT OF DIVORCE OR AWARD OR ORDER OF THE COURT, OR AN AMENDED  
22 JUDGMENT OF DIVORCE OR AWARD OR ORDER OF THE COURT, DESCRIBED IN  
23 SECTION 40 AND DATED AFTER THE EFFECTIVE DATE OF THE AMENDATORY  
24 ACT THAT ADDED THIS SUBSECTION PROVIDES THAT THE ELECTION OF  
25 OPTION A OR B UNDER SUBSECTION (1) IS TO BE CONSIDERED VOID BY  
26 THE RETIREMENT SYSTEM AND THE RETIRANT PROVIDES A CERTIFIED COPY  
27 OF THE JUDGMENT OF DIVORCE OR AWARD OR ORDER OF THE COURT, OR AN



1 AMENDED JUDGMENT OF DIVORCE OR AWARD OR ORDER OF THE COURT, TO  
2 THE RETIREMENT SYSTEM. IF THE ELECTION OF OPTION A OR B UNDER  
3 SUBSECTION (1) IS CONSIDERED VOID BY THE RETIREMENT SYSTEM UNDER  
4 THIS SUBSECTION, THE RETIRANT'S RETIREMENT ALLOWANCE SHALL REVERT  
5 TO A REGULAR RETIREMENT ALLOWANCE, INCLUDING POSTRETIREMENT  
6 ADJUSTMENTS, IF ANY, SUBJECT TO AN AWARD OR ORDER OF THE COURT AS  
7 DESCRIBED IN SECTION 40. THE RETIREMENT ALLOWANCE SHALL REVERT  
8 TO A REGULAR RETIREMENT ALLOWANCE UNDER THIS SUBSECTION EFFECTIVE  
9 THE FIRST OF THE MONTH AFTER THE DATE THE RETIREMENT SYSTEM  
10 RECEIVES A CERTIFIED COPY OF THE JUDGMENT OF DIVORCE OR AWARD OR  
11 ORDER OF THE COURT. THIS SUBSECTION DOES NOT SUPERSEDE A JUDG-  
12 MENT OF DIVORCE OR AWARD OR ORDER OF THE COURT IN EFFECT ON THE  
13 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.  
14 THIS SUBSECTION DOES NOT REQUIRE THE RETIREMENT SYSTEM TO DIS-  
15 TRIBUTE OR PAY RETIREMENT ASSETS ON BEHALF OF A RETIRANT IN AN  
16 AMOUNT THAT EXCEEDS THE ACTUARIALLY DETERMINED AMOUNT THAT WOULD  
17 OTHERWISE BECOME PAYABLE IF A JUDGMENT OF DIVORCE HAD NOT BEEN  
18 RENDERED.

19 (9) A RETIREMENT ALLOWANCE PAYABLE UNDER A PAYMENT OPTION  
20 PROVIDED IN THIS SECTION IS SUBJECT TO AN ELIGIBLE DOMESTIC RELA-  
21 TIONS ORDER UNDER SECTION 32A.

22 SEC. 32A. (1) AS USED IN THIS SECTION:

23 (A) "ALTERNATE PAYEE" MEANS A SPOUSE OF A PARTICIPANT UNDER  
24 A JUDGMENT OF SEPARATE MAINTENANCE, OR A FORMER SPOUSE, CHILD, OR  
25 DEPENDENT OF A PARTICIPANT, WHO IS NAMED IN AN ELIGIBLE DOMESTIC  
26 RELATIONS ORDER.

1 (B) "BENEFIT" MEANS A PENSION, AN ANNUITY, A RETIREMENT  
2 ALLOWANCE, OR AN OPTIONAL BENEFIT ACCRUED OR ACCRUING TO A  
3 PARTICIPANT UNDER THIS ACT OR A POSTRETIREMENT SUBSIDY PAYABLE TO  
4 A PARTICIPANT UNDER THIS ACT.

5 (C) "DOMESTIC RELATIONS ORDER" MEANS A JUDGMENT, DECREE, OR  
6 ORDER OF A COURT MADE PURSUANT TO THE DOMESTIC RELATIONS LAW OF  
7 THIS STATE AND RELATING TO THE PROVISION OF ALIMONY PAYMENTS,  
8 CHILD SUPPORT, OR MARITAL PROPERTY RIGHTS TO A SPOUSE OF A PAR-  
9 TICIPANT UNDER A JUDGMENT OF SEPARATE MAINTENANCE, OR A FORMER  
10 SPOUSE, CHILD, OR DEPENDENT OF A PARTICIPANT.

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

14 (E) "ELIGIBLE DOMESTIC RELATIONS ORDER" OR "EDRO" MEANS A  
15 DOMESTIC RELATIONS ORDER THAT IS CONSIDERED AN ELIGIBLE DOMESTIC  
16 RELATIONS ORDER UNDER SUBSECTION (10) OR THAT MEETS ALL OF THE  
17 FOLLOWING REQUIREMENTS:

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

20 (ii) THE DOMESTIC RELATIONS ORDER STATES THE NAME, LAST  
21 KNOWN ADDRESS, AND SOCIAL SECURITY NUMBER OF THE ALTERNATE  
22 PAYEE.

23 (iii) THE DOMESTIC RELATIONS ORDER STATES THE AMOUNT OR PER-  
24 CENTAGE OF THE BENEFIT TO BE PAID TO AN ALTERNATE PAYEE, OR THE  
25 MANNER UNDER WHICH THE RETIREMENT SYSTEM IS TO DETERMINE THE  
26 AMOUNT OR PERCENTAGE OF THE BENEFIT TO BE PAID TO AN ALTERNATE  
27 PAYEE.

1       (iv) THE DOMESTIC RELATIONS ORDER STATES THAT IT APPLIES TO  
2 THE STATE EMPLOYEES' RETIREMENT SYSTEM AND THAT THE RETIREMENT  
3 SYSTEM SHALL MAKE PAYMENTS TO THE ALTERNATE PAYEE AS REQUIRED  
4 UNDER THE ELIGIBLE DOMESTIC RELATIONS ORDER AND THIS SECTION.

5       (v) THE DOMESTIC RELATIONS ORDER DOES NOT REQUIRE THE  
6 RETIREMENT SYSTEM TO PROVIDE A TYPE OR FORM OF BENEFIT NOT PRO-  
7 VIDED BY THIS ACT OR A FORM OF PAYMENT NOT PROVIDED BY THIS  
8 SECTION.

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

12       (vii) THE DOMESTIC RELATIONS ORDER DOES NOT REQUIRE THE PAY-  
13 MENT OF A BENEFIT TO AN ALTERNATE PAYEE THAT IS REQUIRED TO BE  
14 PAID TO ANOTHER ALTERNATE PAYEE UNDER A PREVIOUSLY FILED ELIGIBLE  
15 DOMESTIC RELATIONS ORDER.

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

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

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

22       (i) A SUPPLEMENTAL PAYMENT MADE PURSUANT TO SECTION 20G.

23       (ii) A PERCENTAGE INCREASE TO A BENEFIT PAYABLE TO A  
24 PARTICIPANT.

25       (iii) ANY OTHER PAYMENT TO A PARTICIPANT OR INCREASE TO A  
26 BENEFIT PAYABLE TO A PARTICIPANT PURSUANT TO THIS ACT, EXCLUDING  
27 HEALTH BENEFITS.

1       (2) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, AN  
2 ALTERNATE PAYEE IS ENTITLED TO AN ACTUAL INTEREST IN A SHARE OF A  
3 BENEFIT THAT IS OR WILL BECOME PAYABLE TO A PARTICIPANT UNDER  
4 THIS ACT, IF SO PROVIDED IN AN EDRO FILED WITH THE RETIREMENT  
5 SYSTEM. THE RETIREMENT SYSTEM SHALL ADMINISTER THE PAYMENT OF A  
6 BENEFIT UNDER THIS ACT PURSUANT TO THE EDRO AND THIS SECTION.

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

12       (A) A SINGLE LIFE ANNUITY THAT IS EQUAL TO THE ACTUARIAL  
13 EQUIVALENT OF THE ALTERNATE PAYEE'S SHARE OF THE BENEFIT PAYABLE  
14 THROUGHOUT THE LIFE OF THE ALTERNATE PAYEE. IF THE PARTICIPANT  
15 IS ENTITLED TO THE PAYMENT OF A BENEFIT THAT IS NOT REDUCED UNDER  
16 SECTION 19(2), THE ALTERNATE PAYEE'S SINGLE LIFE ANNUITY SHALL BE  
17 CALCULATED USING THE PARTICIPANT'S UNREDUCED BENEFIT. IF THE  
18 PARTICIPANT IS ONLY ENTITLED TO THE PAYMENT OF A BENEFIT THAT IS  
19 REDUCED UNDER SECTION 19(2), THE ALTERNATE PAYEE'S SINGLE LIFE  
20 ANNUITY SHALL BE CALCULATED USING THE PARTICIPANT'S BENEFIT AS  
21 REDUCED BY SECTION 19(2).

22       (B) A REDUCED BENEFIT THAT IS EQUAL TO THE ACTUARIAL EQUIVA-  
23 LENT OF THE TOTAL BENEFIT BEING DIVIDED UNDER THE EDRO PAYABLE  
24 THROUGHOUT THE LIVES OF THE PARTICIPANT AND THE ALTERNATE PAYEE.  
25 THE REDUCED BENEFIT SHALL BE PAYABLE IN THE MANNER PROVIDED UNDER  
26 OPTION A OR B UNDER SECTION 31(1). THE EDRO SHALL SPECIFY THE  
27 PERCENTAGE OR AMOUNT OF THE REDUCED BENEFIT THAT IS PAYABLE UNDER

1 THIS SUBDIVISION TO THE PARTICIPANT AND TO THE ALTERNATE PAYEE/  
2 WHILE BOTH ARE ALIVE. IF THE PARTICIPANT PREDECEASES THE ALTER-  
3 NATE PAYEE WHILE A REDUCED BENEFIT IS BEING PAID TO THE PARTICI-  
4 PANT AND THE ALTERNATE PAYEE UNDER THIS SUBDIVISION, THE SURVIVOR  
5 PORTION OF THE REDUCED BENEFIT SHALL BE PAYABLE TO THE ALTERNATE  
6 PAYEE. IF THE ALTERNATE PAYEE PREDECEASES THE PARTICIPANT WHILE  
7 A REDUCED BENEFIT IS BEING PAID TO THE PARTICIPANT AND THE ALTER-  
8 NATE PAYEE UNDER THIS SUBDIVISION, THE ALTERNATE PAYEE'S PERCENT-  
9 AGE OR AMOUNT OF THE REDUCED BENEFIT SHALL REVERT TO AND BECOME  
10 PAYABLE TO THE PARTICIPANT.

11 (C) A SINGLE LIFE ANNUITY THAT IS EQUAL TO THE ALTERNATE  
12 PAYEE'S SHARE OF THE BENEFIT PAYABLE THROUGHOUT THE LIFE OF THE  
13 PARTICIPANT.

14 (4) AN EDRO MAY PROVIDE FOR THE PAYMENT OF A BENEFIT TO AN  
15 ALTERNATE PAYEE BEGINNING ON OR AFTER THE PARTICIPANT'S EARLIEST  
16 RETIREMENT DATE BUT BEFORE THE PARTICIPANT TERMINATES EMPLOYMENT  
17 AS PROVIDED IN THIS SUBSECTION. AN ALTERNATE PAYEE SHALL BEGIN  
18 TO RECEIVE THE PAYMENT OF A BENEFIT UNDER THIS SUBSECTION EFFEC-  
19 TIVE THE FIRST DAY OF THE MONTH IMMEDIATELY FOLLOWING THE MONTH  
20 IN WHICH THE ALTERNATE PAYEE NOTIFIES THE RETIREMENT SYSTEM OF  
21 HIS OR HER ELECTION TO BEGIN TO RECEIVE PAYMENT OF HIS OR HER  
22 INTEREST IN THE BENEFIT OF A PARTICIPANT. IF AN ALTERNATE PAYEE  
23 ELECTS TO RECEIVE HIS OR HER INTEREST IN THE BENEFIT OF A PARTIC-  
24 IPANT AFTER THE PARTICIPANT'S EARLIEST RETIREMENT DATE BUT BEFORE  
25 THE PARTICIPANT'S TERMINATION OF EMPLOYMENT, THE ALTERNATE PAYEE  
26 IS ONLY ENTITLED TO THE ACTUARIAL EQUIVALENT OF THE ALTERNATE  
27 PAYEE'S SHARE OF THE PARTICIPANT'S BENEFIT THAT WOULD BE PAYABLE

1 WHEN THE PARTICIPANT REACHES 60 YEARS OF AGE. IF THE PARTICIPANT  
2 RETIRES BEFORE 60 YEARS OF AGE, THE RETIREMENT SYSTEM SHALL  
3 RECALCULATE THE BENEFIT PAYABLE TO THE ALTERNATE PAYEE SO THAT  
4 THE RECALCULATED BENEFIT PAYABLE TO THE ALTERNATE PAYEE PLUS THE  
5 BENEFIT PREVIOUSLY PAID TO THE ALTERNATE PAYEE ARE THE ACTUARIAL  
6 EQUIVALENT OF THE ALTERNATE PAYEE'S SHARE OF THE BENEFIT PAYABLE  
7 TO THE PARTICIPANT. IF THE RECALCULATED BENEFIT IS MORE THAN THE  
8 BENEFIT THE ALTERNATE PAYEE IS RECEIVING, THE RETIREMENT SYSTEM  
9 SHALL BEGIN PAYING THE RECALCULATED BENEFIT TO THE ALTERNATE  
10 PAYEE EFFECTIVE THE FIRST DAY OF THE MONTH IMMEDIATELY FOLLOWING  
11 THE MONTH IN WHICH THE PARTICIPANT RETIRES.

12 (5) AN EDRO MAY PROVIDE THAT A SPOUSE UNDER A JUDGMENT OF  
13 SEPARATE MAINTENANCE OR A FORMER SPOUSE IS CONSIDERED THE SPOUSE  
14 OF A PARTICIPANT FOR THE PURPOSE OF RECEIVING A BENEFIT AS A SUR-  
15 VIVING SPOUSE UNDER SECTION 27 OR 31. THE BENEFIT PAYABLE TO A  
16 SPOUSE UNDER A JUDGMENT OF SEPARATE MAINTENANCE OR A FORMER  
17 SPOUSE AS A SURVIVING SPOUSE UNDER THIS SUBSECTION SHALL BE COM-  
18 PUTED AS PROVIDED IN THE EDRO AND SECTION 27 OR 31. IF THE  
19 AMOUNT OR PERCENTAGE OF THE BENEFIT TO BE PAID TO A SPOUSE UNDER  
20 A JUDGMENT OF SEPARATE MAINTENANCE OR A FORMER SPOUSE AS THE SUR-  
21 VIVING SPOUSE OF THE PARTICIPANT UNDER THIS SUBSECTION IS LESS  
22 THAN THE ENTIRE AMOUNT PAYABLE UNDER SECTION 27 OR 31, THE SUR-  
23 VIVING SPOUSE OR OTHER BENEFICIARY OF THE PARTICIPANT, AS DETER-  
24 MINED UNDER SECTION 27 OR 31, SHALL BE ENTITLED TO RECEIVE THE  
25 PORTION OF THE BENEFIT NOT PAYABLE TO A SPOUSE UNDER A JUDGMENT  
26 OF SEPARATE MAINTENANCE OR A FORMER SPOUSE UNDER THIS  
27 SUBSECTION.

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

5 (7) THE CREATION, ASSIGNMENT, OR RECOGNITION OF A RIGHT OF  
6 AN ALTERNATE PAYEE TO AN ACTUAL INTEREST IN A SHARE OF A BENEFIT  
7 THAT IS OR WILL BECOME PAYABLE TO A PARTICIPANT PURSUANT TO AN  
8 EDRO UNDER THIS SECTION IS NOT A PROHIBITED ASSIGNMENT UNDER SEC-  
9 TION 40.

10 (8) THE RETIREMENT SYSTEM SHALL ESTABLISH A REASONABLE PRO-  
11 CEDURE TO DETERMINE IF A DOMESTIC RELATIONS ORDER IS AN EDRO  
12 UNDER THIS SECTION. THE RETIREMENT SYSTEM SHALL PROMPTLY NOTIFY  
13 THE PARTICIPANT AND ALTERNATE PAYEE NAMED IN A DOMESTIC RELATIONS  
14 ORDER THAT THE RETIREMENT SYSTEM HAS RECEIVED THE DOMESTIC RELA-  
15 TIONS ORDER. THE NOTICE SHALL INCLUDE A DESCRIPTION OF THE PRO-  
16 CEDURE BY WHICH THE RETIREMENT SYSTEM DETERMINES IF THE DOMESTIC  
17 RELATIONS ORDER IS AN EDRO UNDER THIS SECTION.

18 (9) THE RETIREMENT SYSTEM SHALL, WITHIN A REASONABLE PERIOD  
19 OF TIME AFTER RECEIVING A DOMESTIC RELATIONS ORDER, DETERMINE IF  
20 THE DOMESTIC RELATIONS ORDER IS AN EDRO UNDER THIS SECTION. IF  
21 THE RETIREMENT SYSTEM DETERMINES THAT THE DOMESTIC RELATIONS  
22 ORDER IS AN EDRO UNDER THIS SECTION, THE RETIREMENT SYSTEM SHALL  
23 PROMPTLY NOTIFY THE PARTICIPANT AND ALTERNATE PAYEE NAMED IN THE  
24 EDRO THAT THE DOMESTIC RELATIONS ORDER IS AN EDRO. THE RETIRE-  
25 MENT SYSTEM SHALL BEGIN THE PAYMENT OF A BENEFIT UNDER THIS SEC-  
26 TION PURSUANT TO THE EDRO AND THIS SECTION ON THE FIRST DAY OF  
27 THE MONTH FOLLOWING THE MONTH IN WHICH THE DOMESTIC RELATIONS

1 ORDER WAS DETERMINED TO BE AN EDRO OR THE FIRST DAY OF THE MONTH  
2 FOLLOWING THE MONTH IN WHICH A BENEFIT IS PAYABLE UNDER THE EDRO  
3 AND THIS SECTION, WHICHEVER IS LATER. IF THE RETIREMENT SYSTEM  
4 DETERMINES THAT THE DOMESTIC RELATIONS ORDER IS NOT AN EDRO UNDER  
5 THIS SECTION, THE RETIREMENT SYSTEM SHALL PROMPTLY NOTIFY THE  
6 PARTICIPANT AND ALTERNATE PAYEE NAMED IN THE DOMESTIC RELATIONS  
7 ORDER THAT THE DOMESTIC RELATIONS ORDER IS NOT AN EDRO. THE  
8 RETIREMENT SYSTEM SHALL SPECIFY IN THE NOTICE WHY THE RETIREMENT  
9 SYSTEM DETERMINED THAT THE DOMESTIC RELATIONS ORDER IS NOT AN  
10 EDRO UNDER THIS SECTION. A DETERMINATION BY THE RETIREMENT  
11 SYSTEM THAT A DOMESTIC RELATIONS ORDER IS NOT AN EDRO UNDER THIS  
12 SECTION DOES NOT PROHIBIT A PARTICIPANT, ALTERNATE PAYEE, OR  
13 COURT FROM FILING AN AMENDED DOMESTIC RELATIONS ORDER WITH THE  
14 RETIREMENT SYSTEM UNDER THIS SECTION.

15 (10) A DOMESTIC RELATIONS ORDER FILED WITH THE RETIREMENT  
16 SYSTEM BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED  
17 THIS SECTION SHALL BE CONSIDERED AN EDRO UNDER THIS SECTION IF  
18 THE RETIREMENT SYSTEM IS MAKING PAYMENTS UNDER THE DOMESTIC RELA-  
19 TIONS ORDER ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT  
20 ADDED THIS SECTION OR TO THE EXTENT A DOMESTIC RELATIONS ORDER IS  
21 CONSISTENT WITH THE PROVISIONS OF THIS SECTION. THIS SUBSECTION  
22 DOES NOT PROHIBIT A PARTICIPANT, ALTERNATE PAYEE, OR COURT FROM  
23 FILING AN AMENDED DOMESTIC RELATIONS ORDER UNDER THIS SECTION.

24 Sec. 40. (1) The right of a person to a pension, an annui-  
25 ty, a retirement allowance, any optional benefit, any other right  
26 accrued or accruing to any person under the provisions of this  
27 act, the various funds created by this act, and all money and



1 investments and income ~~thereof~~ OF THE FUNDS, are ~~hereby~~  
2 exempt from any state, county, municipal, or other local tax, and  
3 shall not be subject to execution, garnishment, attachment, the  
4 operation of bankruptcy or insolvency laws, or other process of  
5 law, and shall be unassignable except as otherwise provided in  
6 this act.

7       (2) The right of a member, member on deferred retirement  
8 status under section 20(4), or retirant to a pension, an annuity,  
9 a retirement allowance, any optional benefit, accumulated contri-  
10 butions, or any other benefit under the provisions of this act  
11 shall be subject to award by a court pursuant to section 18 of  
12 chapter 84 of the Revised Statutes of 1846, being section 552.18  
13 of the Michigan Compiled Laws, and to any other order of a court  
14 pertaining to ALIMONY OR child support. THE RIGHT OF A MEMBER,  
15 DEFERRED MEMBER, OR RETIRANT TO A PENSION, AN ANNUITY, A RETIRE-  
16 MENT ALLOWANCE, OR AN OPTIONAL BENEFIT UNDER THIS ACT IS SUBJECT  
17 TO AN ELIGIBLE DOMESTIC RELATIONS ORDER PURSUANT TO SECTION 32A.

18       (3) If an award or order described in subsection (2)  
19 requires the retirement system to withhold payment of a pension,  
20 deferred pension, accumulated contributions, or other benefit  
21 from the person to whom it is due or requires the retirement  
22 system to make payment or requires the person to request that the  
23 retirement system make payment of a pension, deferred pension,  
24 accumulated contributions, or other benefit, for the purpose of  
25 meeting the person's obligations to a spouse, former spouse or  
26 child, as provided in subsection (2), the withholding or payment  
27 provisions of the award or order shall be effective only against

1 such amounts as they become payable to the person receiving a  
2 retirement allowance UNLESS OTHERWISE PROVIDED IN AN ELIGIBLE  
3 DOMESTIC RELATIONS ORDER UNDER SECTION 32A. The limitation con-  
4 tained in this subsection shall not apply to the accumulated con-  
5 tributions of a person who has terminated employment prior to  
6 acquiring a vested member status.