

HOUSE BILL No. 4764

May 1, 1991, Introduced by Reps. Barns, Brown, Gubow, Ciaramitaro, Martin, London, Dobb, Fitzgerald, Bankes, Harder, Hoffman, Olshove, Weeks, Webb, Baade, Stallworth, Dobronski, Yokich and Bodem and referred to the Committee on Senior Citizens and Retirement.

A bill to amend sections 10, 23, 23a, 24, 26, 28, 34, 35, and 53 of Act No. 427 of the Public Acts of 1984, entitled as amended

"Municipal employees retirement act of 1984,"

sections 10 and 53 as amended by Act No. 51 of the Public Acts of 1989, sections 23 and 26 as amended by Act No. 291 of the Public Acts of 1986, section 23a as added by Act No. 99 of the Public Acts of 1990, and sections 24 and 28 as amended by Act No. 500 of the Public Acts of 1988, being sections 38.1510, 38.1523, 38.1523a, 38.1524, 38.1526, 38.1528, 38.1534, 38.1535, and 38.1553 of the Michigan Compiled Laws; and to add section 53a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 10, 23, 23a, 24, 26, 28, 34, 35, and 53
2 of Act No. 427 of the Public Acts of 1984, sections 10 and 53 as
3 amended by Act No. 51 of the Public Acts of 1989, sections 23 and

1 26 as amended by Act No. 291 of the Public Acts of 1986,
2 section 23a as added by Act No. 99 of the Public Acts of 1990,
3 and sections 24 and 28 as amended by Act No. 500 of the Public
4 Acts of 1988, being sections 38.1510, 38.1523, 38.1523a, 38.1524,
5 38.1526, 38.1528, 38.1534, 38.1535, and 38.1553 of the Michigan
6 Compiled Laws, are amended and section 53a is added to read as
7 follows:

8 Sec. 10. (1) A member or a vested former member may retire
9 upon satisfaction of ~~each~~ ALL of the following requirements:

10 (a) A written application for retirement, on a form estab-
11 lished by the retirement system, has been filed with the retire-
12 ment system. The retirement board may establish required time
13 periods, preceding or surrounding the date of retirement, for the
14 filing of an application for retirement.

15 (b) One of the following applies:

16 (i) The member or vested former member has attained age
17 50 years or older and has 25 or more years of credited service.

18 (ii) The member or vested former member has attained age
19 55 years or older and has 15 or more years of credited service.

20 (iii) The member or vested former member has attained age
21 60 years or older and has 10 or more years of credited service.

22 (iv) The member or vested former member has attained age 60
23 years or older and has 8 or more years of credited service if the
24 member's participating municipality or participating court adopts
25 the termination of membership vesting benefit program V-8 for the
26 member.

1 - (v) The member or vested former member has attained age 60
2 years or older and has 6 or more years of credited service if the
3 member's participating municipality or participating court adopts
4 the termination of membership vesting benefit program V-6 for the
5 member.

6 (c) The member terminates membership ~~prior to~~ BEFORE the
7 date of retirement.

8 (2) Upon retirement the member or vested former member shall
9 be paid a retirement allowance computed ~~in accordance with~~
10 PURSUANT TO the benefit programs that are applicable to the
11 member's or vested former member's credited service and the pro-
12 visions of subsection (3). The benefit programs applicable to a
13 vested former member shall be determined as of the date of termi-
14 nation of membership and ~~shall~~ ARE not ~~be~~ affected by any
15 subsequent change in benefit programs that is applicable to the
16 classifications held by the vested former member.

17 (3) If the date of retirement precedes the date the member
18 or vested former member attains the full retirement allowance age
19 as determined under subsection (4) or (5), the amount of retire-
20 ment allowance shall be reduced. The amount of reduction shall
21 be ~~1/2 of 1%~~ 0.5% of the retirement allowance multiplied by the
22 number of months, rounded to the next higher number of months and
23 not less than zero, by which the date of retirement precedes the
24 date the member or vested former member attains the full retire-
25 ment allowance age. The reduction ~~called for in~~ PURSUANT TO
26 this subsection shall not be applied to benefit component (i)
27 under benefit program B, as provided in section 14.

1 (4) A participating municipality or participating court may
2 adopt benefit program F50, or benefit program F55, or both.
3 Under benefit program F50, the full retirement allowance age
4 ~~shall be~~ IS age 50 years with a required period of credited
5 service of either 25 years or 30 years. Under benefit program
6 F55, the full retirement allowance age ~~shall be~~ IS age 55 years
7 with a required period of credited service of 15 years, 20 years,
8 25 years, or 30 years.

9 (5) Full retirement allowance age ~~shall be~~ IS age 60
10 years, unless the participating municipality or participating
11 court has adopted benefit program F50 or benefit program F55, or
12 both, and the member or vested former member has the required
13 period of credited service. The governing body of the partici-
14 pating municipality or chief judge of the participating court
15 shall specify, at the time benefit program F50 or benefit program
16 F55, or both, are adopted, the required period of credited serv-
17 ice that shall be applicable to the benefit program.

18 (6) THE PAYMENT OF A RETIREMENT ALLOWANCE UNDER THIS ACT IS
19 SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER
20 SECTION 53A.

21 Sec. 23. (1) A member or a vested former member may elect
22 to have retirement allowance payments made under ~~any~~ 1 of the
23 forms of payment described in subsection (2), and may name a sur-
24 vivor beneficiary. The election OF A FORM OF PAYMENT and THE
25 naming of A survivor beneficiary shall be in writing and filed
26 with the retirement board ~~prior to~~ BEFORE the date the first
27 retirement allowance payment is made. An election of form of

1 payment ~~may~~ SHALL not be changed on or after the date the first
2 retirement allowance payment is made. A named survivor benefi-
3 ciary ~~may~~ SHALL not be changed on or after the date the first
4 retirement allowance payment is made if form of payment II or III
5 is elected. A named survivor beneficiary may be more than 1
6 person if form of payment IV is elected. A named survivor bene-
7 ficiary ~~must~~ SHALL have an insurable interest in the life of
8 the member or vested former member at the time of naming.

9 (2) ~~Forms~~ THE MEMBER OR VESTED FORMER MEMBER MAY ELECT 1
10 OF THE FOLLOWING FORMS of payment: ~~are as follows:~~

11 (a) Form of Payment SL - Straight Life Retirement
12 Allowance. Under form of payment SL the retirant is paid a
13 retirement allowance for life. The amount shall be determined as
14 provided in section 10.

15 (b) Form of Payment II - Life With Full Continuation to
16 Survivor Beneficiary. Under form of payment II the retirant is
17 paid a reduced retirement allowance until either the retirant or
18 the named survivor beneficiary dies. Upon the death of the named
19 survivor beneficiary, the retirant is paid the form of payment SL
20 retirement allowance over the retirant's remaining life. Upon
21 the death of the retirant during the lifetime of the named survi-
22 vor beneficiary, the named survivor beneficiary is paid the full
23 amount of the reduced form of payment II retirement allowance
24 over the named survivor beneficiary's remaining life.

25 (c) Form of Payment III - Life With 1/2 Continuation to
26 Survivor Beneficiary. Under form of payment III the retirant is
27 paid a reduced retirement allowance until either the retirant or

1 the named survivor beneficiary dies. Upon the death of the named
2 survivor beneficiary, the retirant is paid the form of payment SL
3 retirement allowance over the retirant's remaining life. Upon
4 the death of the retirant during the lifetime of the named survi-
5 vor beneficiary, the named survivor beneficiary is paid 1/2 of
6 the amount of the reduced form of payment III retirement allow-
7 ance over the named survivor beneficiary's remaining life.

8 (d) Form of Payment IV - Life With Period Certain

9 Guarantee. Under form of payment IV the retirant is paid a
10 reduced retirement allowance for life. Upon the death of the
11 retirant during the guaranteed period, the named survivor benefi-
12 ciary is paid the full amount of the reduced form of payment IV
13 retirement allowance for the remainder of the guaranteed period.
14 The guaranteed period shall be selected by the retirant at the
15 time of election of form of payment IV and shall be either 60
16 months, 120 months, 180 months, or 240 months but the guaranteed
17 period shall not exceed the retirant's life expectancy as of the
18 date of the retirement. The actuarial present value of remaining
19 guaranteed retirement allowance payments shall be paid to the
20 legal representative of the retirant or the named survivor bene-
21 ficiary, whichever survives the longest, if both the retirant and
22 named survivor beneficiary die during the guaranteed period.

23 (e) Form of Payment V - Life with Accelerated Payment.

24 Under form of payment V the retirant is paid a retirement allow-
25 ance for life. The amount of retirement allowance is increased
26 over the amount under form of payment SL until the retirant
27 attains the adjustment age specified by the board and is reduced

1 from the amount under form of payment SL ~~thereafter~~ AFTER THE
2 RETIRANT ATTAINS THE ADJUSTMENT AGE. The amount of increase and
3 reduction shall be determined ~~in accordance with~~ PURSUANT TO
4 procedures adopted by the retirement board. Form of payment V
5 ~~may~~ SHALL not be elected with respect to a retirement allowance
6 computed under benefit program C-2 AS PROVIDED IN SECTION 19.

7 (3) Payment shall be made under form of payment SL if there
8 is not a timely election of form of payment.

9 (4) The amount of retirement allowance under forms of pay-
10 ment II, III, IV, and V shall have the same actuarial present
11 value as the amount of retirement allowance under form of payment
12 SL, computed as of the date of retirement.

13 (5) If a retiring member or vested former member is married
14 at the retirement allowance effective date, an election under
15 subsection (2), other than an election under subsection (2)(b),
16 (c), or (d) naming the spouse as survivor beneficiary, ~~shall~~ IS
17 not ~~be~~ effective unless the election is signed by the spouse,
18 except that this requirement may be waived by the retirement
19 board if the signature of a spouse cannot be obtained because of
20 extenuating circumstances.

21 (6) A RETIREMENT ALLOWANCE PAYABLE UNDER A FORM OF PAYMENT
22 PROVIDED IN THIS SECTION IS SUBJECT TO AN ELIGIBLE DOMESTIC RELA-
23 TIONS ORDER UNDER SECTION 53A.

24 Sec. 23a. (1) A participating municipality, ~~may~~ by reso-
25 lution of its governing body, or a participating court, ~~may~~ by
26 administrative order of its chief judge, MAY adopt benefit

1 program RS50%. The-resolution or administrative order shall
2 specify the effective date of the change in coverage.

3 (2) Under benefit program RS50%, a surviving spouse of a
4 deceased retirant shall be paid a retirement allowance for life
5 if both of the following conditions are met:

6 (a) The deceased retirant's retirement allowance effective
7 date was on or after the effective date of the change in
8 coverage.

9 (b) All payments of the deceased retirant's retirement
10 allowance were made pursuant to form of payment SL as prescribed
11 in section 23(2)(a).

12 (3) The amount of the retirement allowance payable to a sur-
13 viving spouse under benefit program RS50% is 50% of the retire-
14 ment allowance payable to the deceased retirant at the time of
15 his or her death.

16 (4) A RETIREMENT ALLOWANCE PAYABLE TO A SURVIVING SPOUSE
17 UNDER THIS SECTION IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS
18 ORDER UNDER SECTION 53A.

19 (5) ~~-(4)-~~ As used in this section, "surviving spouse" means
20 a person who meets both of the following requirements:

21 (a) He or she was married to the deceased retirant during
22 the period beginning 1 year before the deceased retirant's
23 retirement allowance effective date and ending on the retirement
24 allowance effective date.

25 (b) He or she was married to the deceased retirant on the
26 date of the deceased retirant's death.

1 Sec. 24. (1) The-retirement board may retire a member who
2 becomes incapacitated for continued employment by the member's
3 participating municipality or participating court if ~~each~~ ALL
4 of the following conditions ~~is~~ ARE met:

5 (a) Application for disability retirement is filed with the
6 retirement system by either the member or the member's partici-
7 pating municipality or participating court within 1 year after
8 the date the member ceases to be paid by the participating munic-
9 ipality or participating court.

10 (b) The member has 10 or more years of credited service.

11 (c) The member undergoes the medical examinations and tests
12 ordered by the retirement system.

13 (d) The medical adviser certifies all of the following to
14 the retirement board:

15 (i) The member is mentally or physically incapacitated for
16 any continued employment by the participating municipality or
17 participating court.

18 (ii) The incapacity is likely to be permanent.

19 (iii) The member should be retired.

20 (2) Medical examinations shall be made by or under the
21 direction of a medical adviser selected by the retirement board.
22 The effective date of a disability retirement shall not predate
23 either of the following:

24 (a) The date of the disability.

25 (b) The date the member ceases to be paid by the participat-
26 ing municipality or participating court.

1 (3) The amount of a disability retirement allowance shall be
2 computed ~~in accordance with~~ PURSUANT TO the benefit programs
3 that are applicable to the disability retirant's credited
4 service. The early retirement reduction provisions of section
5 10(3) shall not be applied.

6 (4) The following exceptions to the provisions of subsec-
7 tions (1) to (3) ~~shall~~ apply if the retirement board finds that
8 the member's disability ~~was~~ IS the natural and proximate result
9 of a personal injury or disease arising out of and in the course
10 of the member's actual performance of duty in the employ of the
11 participating municipality or participating court:

12 (a) The requirement of 10 or more years of credited service
13 shall be waived.

14 (b) The amount of retirement allowance shall be computed as
15 if the member had acquired exactly 10 years of credited service
16 if the member had actually acquired less than 10 years of cred-
17 ited service.

18 (5) A DISABILITY RETIREMENT ALLOWANCE PAYABLE UNDER THIS
19 SECTION IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER
20 SECTION 53A.

21 Sec. 26. (1) A retirement allowance shall be paid for life
22 to the surviving spouse of a deceased member or a deceased vested
23 former member if ~~each~~ ALL of the following conditions ~~is~~ ARE
24 met:

25 (a) The member or vested former member ~~has~~ HAD 10 or more
26 years of credited service.

1 (b) The member or vested former member was married to the
2 surviving spouse at the time of death.

3 (c) The member or vested former member ~~does~~ DID not have a
4 section 28 named contingent survivor beneficiary at the time of
5 death.

6 (2) Payment of a retirement allowance to the surviving
7 spouse of a deceased vested former member shall not commence
8 ~~prior to~~ BEFORE the date the member would have first satisfied
9 a section 10 age and service requirement for retirement without
10 application of the section 10(3) reduction factor. The amount of
11 a surviving spouse's retirement allowance shall be 85% of the
12 deceased member's or deceased vested former member's accrued
13 retirement allowance.

14 (3) A retirement allowance shall be paid to each surviving
15 child of a deceased member or a deceased vested former member if
16 ~~each~~ ALL of the following conditions ~~is~~ ARE met:

17 (a) The member or vested former member ~~has~~ HAD 10 or more
18 years of credited service.

19 (b) The child is unmarried and has not attained age 21
20 years.

21 (c) The member or vested former member ~~does~~ DID not have a
22 section 28 named contingent survivor beneficiary at the time of
23 death.

24 (4) Payment of a retirement allowance to a surviving child
25 shall not be made for any month for which a surviving spouse is
26 paid a retirement allowance. A surviving child's retirement
27 allowance shall terminate upon the child's twenty-first birthday

1 or upon the prior marriage or death of the child. The amount of
2 a surviving child's retirement allowance shall be an equal share
3 of 50% of the deceased member's or the deceased vested former
4 member's accrued retirement allowance. A child's share shall be
5 recomputed each time there is a change in the number of surviving
6 children eligible for payment of a retirement allowance.

7 (5) A deceased member's or a deceased vested former member's
8 accrued retirement allowance shall be computed under the follow-
9 ing presumptions:

10 (a) The deceased member or deceased vested former member
11 shall be presumed to have retired under the provisions of section
12 10, exclusive of section 10(3), on the day preceding death.

13 (b) The deceased member shall be presumed to have elected
14 form of payment SL.

15 (6) The presumptions of retiring and election of form of
16 payment UNDER SUBSECTION (5) shall be effective notwithstanding
17 the failure to satisfy the specific requirements of sections 10
18 and 23 with regard to such activities.

19 (7) A RETIREMENT ALLOWANCE PAYABLE UNDER THIS SECTION IS
20 SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER
21 SECTION 53A.

22 Sec. 28. (1) A member may name a contingent survivor bene-
23 ficiary for the exclusive purpose of being paid a retirement
24 allowance under this section. The naming of a contingent survi-
25 vor beneficiary shall be in writing and filed with the retirement
26 system. The contingent survivor beneficiary may be revoked or
27 changed at any time ~~prior to~~ BEFORE termination of membership.

1 (2) A retirement allowance shall be paid to the contingent
2 survivor beneficiary for life, if ~~each~~ ALL of the following
3 conditions ~~is~~ ARE met:

4 (a) The member dies while still a member employed by a par-
5 ticipating municipality or participating court.

6 (b) The member at time of death has 10 or more years of
7 credited service.

8 (c) The contingent survivor beneficiary is found by the
9 retirement board to have an insurable interest in the life of the
10 deceased member.

11 (d) A spouse, if married to the member at the time of the
12 election, has agreed in writing to the naming of the contingent
13 survivor beneficiary if that beneficiary is a person other than
14 the spouse.

15 (3) The amount of retirement allowance payable to a contin-
16 gent survivor beneficiary shall be computed under the following
17 presumptions:

18 (a) The deceased member shall be presumed to have retired
19 under section 10, exclusive of section 10(3), on the day preced-
20 ing the member's death.

21 (b) The deceased member shall be presumed to have elected
22 form of payment II and named the contingent survivor beneficiary
23 as survivor beneficiary.

24 (4) The presumptions of retiring, election of form of pay-
25 ment, and naming of survivor beneficiary shall be effective not-
26 withstanding the failure to satisfy the specific requirements of
27 sections 10 and 23 with regard to such activities.

1 (5) A RETIREMENT ALLOWANCE PAYABLE UNDER THIS SECTION IS
2 SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER
3 SECTION 53A.

4 Sec. 34. (1) If all retirement allowance payments terminate
5 before there has been paid an aggregate amount equal to the
6 retirant's accumulated contributions at the date retirement was
7 effective, the difference between the retirant's accumulated con-
8 tributions and the aggregate amount of retirement allowance pay-
9 ments made shall be paid to ~~such~~ THE individual or individuals
10 ~~as~~ THAT the retirant ~~shall have~~ designated in A writing ~~and~~
11 filed with the board. If there is no such individual surviving
12 the retirant, the difference shall be paid to the deceased
13 individual's estate.

14 (2) THE PAYMENT OF ACCUMULATED CONTRIBUTIONS UNDER THIS SEC-
15 TION IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER
16 SECTION 53A.

17 Sec. 35. (1) The accumulated contributions of a former
18 member shall be paid to the FORMER member upon satisfaction of
19 ~~each~~ ALL of the following conditions:

20 (a) The former member files a written application for pay-
21 ment with the retirement board.

22 (b) The break in membership is at least 30 days or the
23 request is made as a result of being laid off for at least 30
24 days as provided in section 3.

25 (2) If a member or former member dies and no retirement
26 allowance becomes payable by the retirement system on account of
27 the death, the deceased ~~individual's~~ MEMBER'S OR FORMER

1 MEMBER'S accumulated contributions shall be paid to ~~such~~ THE
2 individual or individuals ~~as~~ THAT the deceased ~~individual~~
3 ~~shall have~~ MEMBER OR FORMER MEMBER designated in A writing ~~and~~
4 filed with the retirement board. If ~~there is no~~ EACH such
5 ~~named~~ individual ~~surviving~~ PREDECEASES the deceased
6 ~~individual~~ MEMBER OR FORMER MEMBER, the accumulated contribu-
7 tions shall be paid to ~~the deceased~~ EACH SUCH individual's
8 estate.

9 (3) ~~Payment~~ THE PAYMENT of accumulated contributions ~~as~~
10 ~~provided in~~ UNDER this section may be made in installments. THE
11 PAYMENT OF ACCUMULATED CONTRIBUTIONS UNDER THIS SECTION IS
12 SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER UNDER
13 SECTION 53A.

14 Sec. 53. (1) The right of an individual to a retirement
15 allowance, to the return of accumulated contributions, the
16 retirement allowance itself, any other right accrued or accruing
17 to ~~any~~ AN individual under ~~the provisions of the retirement~~
18 ~~system~~ THIS ACT, and any money belonging to the retirement
19 system ~~shall~~ IS not ~~be~~ subject to execution, garnishment,
20 attachment, the operation of bankruptcy or insolvency law, or any
21 other process of law whatsoever, and ~~shall be~~ IS unassignable,
22 except as is otherwise specifically provided in this act.

23 (2) The right of an individual to a retirement allowance, to
24 the return of accumulated contributions, the retirement allowance
25 itself, or ANY other benefit under ~~the provisions of~~ this act
26 ~~shall be~~ IS subject to award by a court pursuant to section 18
27 of chapter 84 of the Revised Statutes of 1846, being section

1 552.18 of the Michigan Compiled Laws, and to any other order of a
2 court pertaining to ALIMONY OR child support. THE RIGHT OF AN
3 INDIVIDUAL TO A RETIREMENT ALLOWANCE, TO THE RETURN OF ACCUMU-
4 LATED CONTRIBUTIONS, THE RETIREMENT ALLOWANCE ITSELF, OR ANY
5 OTHER BENEFIT UNDER THIS ACT IS SUBJECT TO AN ELIGIBLE DOMESTIC
6 RELATIONS ORDER UNDER SECTION 53A. However, ~~nothing in~~ this
7 subsection ~~shall be construed to~~ DOES NOT permit or require a
8 benefit to be paid or to be provided that is not otherwise avail-
9 able under the terms of this act.

10 (3) If an award or order described in subsection (2)
11 requires the retirement system to withhold payment of a pension,
12 deferred pension, accumulated contributions, or other benefit
13 from the person to whom it is due or requires the retirement
14 system to make payment or requires the person to request that the
15 retirement system make payment of a pension, deferred pension,
16 accumulated contributions, or other benefit, for the purpose of
17 meeting the person's obligations to a spouse, former spouse or
18 child, as provided in subsection (2), the withholding or payment
19 provisions of the award or order shall be effective only against
20 such amounts as they become payable to the person receiving a
21 retirement allowance UNLESS OTHERWISE PROVIDED IN AN ELIGIBLE
22 DOMESTIC RELATIONS ORDER UNDER SECTION 53A. The limitation con-
23 tained in this subsection ~~shall~~ DOES not apply to the accumu-
24 lated contributions of a person who ~~has terminated~~ TERMINATES
25 employment ~~prior to~~ BEFORE acquiring a vested member status.

26 (4) The retirement system shall have the right of setoff to
27 recover overpayments made by the retirement system and to satisfy

1 any claim arising from embezzlement or fraud by a member,
2 retirant, or beneficiary. ~~Transfers~~ A TRANSFER of money and
3 assets to another retirement system authorized by an affirmative
4 vote by a majority of the members on the municipality's governing
5 body ~~shall~~ IS not ~~be considered~~ a violation of this section.

6 SEC. 53A. (1) AS USED IN THIS SECTION:

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

11 (B) "BENEFIT" MEANS A RETIREMENT ALLOWANCE ACCRUED OR ACCRU-
12 ING TO A PARTICIPANT UNDER THIS ACT OR A POSTRETIREMENT SUBSIDY
13 PAYABLE TO A PARTICIPANT UNDER THIS ACT.

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

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

23 (E) "ELIGIBLE DOMESTIC RELATIONS ORDER" OR "EDRO" MEANS A
24 DOMESTIC RELATIONS ORDER THAT IS CONSIDERED AN ELIGIBLE DOMESTIC
25 RELATIONS ORDER UNDER SUBSECTION (10) OR THAT MEETS ALL OF THE
26 FOLLOWING REQUIREMENTS:

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

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

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

11 (iv) THE DOMESTIC RELATIONS ORDER STATES THAT IT APPLIES TO
12 THE MUNICIPAL EMPLOYEES RETIREMENT SYSTEM AND THAT THE RETIREMENT
13 SYSTEM SHALL MAKE PAYMENTS TO THE ALTERNATE PAYEE AS REQUIRED
14 UNDER THE ELIGIBLE DOMESTIC RELATIONS ORDER AND THIS SECTION.

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

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

22 (vii) THE DOMESTIC RELATIONS ORDER DOES NOT REQUIRE THE PAY-
23 MENT OF A BENEFIT TO AN ALTERNATE PAYEE THAT IS REQUIRED TO BE
24 PAID TO ANOTHER ALTERNATE PAYEE UNDER A PREVIOUSLY FILED ELIGIBLE
25 DOMESTIC RELATIONS ORDER.

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

1 (F) "PARTICIPANT" MEANS A MEMBER, VESTED FORMER MEMBER,
2 DECEASED FORMER MEMBER, OR RETIRANT UNDER THIS ACT.

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

5 (i) A SUPPLEMENTAL PAYMENT MADE TO A PARTICIPANT.

6 (ii) A PERCENTAGE INCREASE TO A BENEFIT PAYABLE TO A
7 PARTICIPANT.

8 (iii) ANY OTHER PAYMENT TO A PARTICIPANT OR INCREASE TO A
9 BENEFIT PAYABLE TO A PARTICIPANT PURSUANT TO THIS ACT, EXCLUDING
10 HEALTH BENEFITS.

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

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

22 (A) A SINGLE LIFE ANNUITY THAT IS EQUAL TO THE ACTUARIAL
23 EQUIVALENT OF THE ALTERNATE PAYEE'S SHARE OF THE BENEFIT PAYABLE
24 THROUGHOUT THE LIFE OF THE ALTERNATE PAYEE. IF THE PARTICIPANT
25 IS ENTITLED TO THE PAYMENT OF A BENEFIT THAT IS NOT REDUCED UNDER
26 SECTION 10(3), THE ALTERNATE PAYEE'S SINGLE LIFE ANNUITY SHALL BE
27 CALCULATED USING THE PARTICIPANT'S UNREDUCED BENEFIT. IF THE

1 PARTICIPANT IS ONLY ENTITLED TO THE PAYMENT OF A BENEFIT THAT IS
2 REDUCED UNDER SECTION 10(3), THE ALTERNATE PAYEE'S SINGLE LIFE
3 ANNUITY SHALL BE CALCULATED USING THE PARTICIPANT'S BENEFIT AS
4 REDUCED BY SECTION 10(3).

5 (B) A REDUCED BENEFIT THAT IS EQUAL TO THE ACTUARIAL EQUIVA-
6 LENT OF THE TOTAL BENEFIT BEING DIVIDED UNDER THE EDRO PAYABLE
7 THROUGHOUT THE LIVES OF THE PARTICIPANT AND THE ALTERNATE PAYEE.
8 THE REDUCED BENEFIT SHALL BE PAYABLE IN THE MANNER PROVIDED UNDER
9 FORM OF PAYMENT II, III, IV, OR V UNDER SECTION 23(2)(B) TO (E).
10 THE EDRO SHALL SPECIFY THE PERCENTAGE OR AMOUNT OF THE REDUCED
11 BENEFIT THAT IS PAYABLE UNDER THIS SUBDIVISION TO THE PARTICIPANT
12 AND TO THE ALTERNATE PAYEE WHILE BOTH ARE ALIVE. IF THE PARTICI-
13 PANT PREDECEASES THE ALTERNATE PAYEE WHILE A REDUCED BENEFIT IS
14 BEING PAID TO THE PARTICIPANT AND THE ALTERNATE PAYEE UNDER THIS
15 SUBDIVISION, THE SURVIVOR PORTION OF THE REDUCED BENEFIT SHALL BE
16 PAYABLE TO THE ALTERNATE PAYEE. IF THE ALTERNATE PAYEE PREDE-
17 CEASES THE PARTICIPANT WHILE A REDUCED BENEFIT IS BEING PAID TO
18 THE PARTICIPANT AND THE ALTERNATE PAYEE UNDER THIS SUBDIVISION,
19 THE ALTERNATE PAYEE'S PERCENTAGE OR AMOUNT OF THE REDUCED BENEFIT
20 SHALL REVERT TO AND BECOME PAYABLE TO THE PARTICIPANT.

21 (C) A SINGLE LIFE ANNUITY THAT IS EQUAL TO THE ALTERNATE
22 PAYEE'S SHARE OF THE BENEFIT PAYABLE THROUGHOUT THE LIFE OF THE
23 PARTICIPANT.

24 (4) AN EDRO MAY PROVIDE FOR THE PAYMENT OF A BENEFIT TO AN
25 ALTERNATE PAYEE BEGINNING ON OR AFTER THE PARTICIPANT'S EARLIEST
26 RETIREMENT DATE BUT BEFORE THE PARTICIPANT TERMINATES EMPLOYMENT
27 AS PROVIDED IN THIS SUBSECTION. AN ALTERNATE PAYEE SHALL BEGIN

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

22 (5) AN EDRO MAY PROVIDE THAT A SPOUSE UNDER A JUDGMENT OF
23 SEPARATE MAINTENANCE OR A FORMER SPOUSE IS CONSIDERED THE SPOUSE
24 OF A PARTICIPANT FOR THE PURPOSE OF RECEIVING A BENEFIT AS A SUR-
25 VIVING SPOUSE UNDER SECTION 23, 23A, 26, OR 28. THE BENEFIT PAY-
26 ABLE TO A SPOUSE UNDER A JUDGMENT OF SEPARATE MAINTENANCE OR A
27 FORMER SPOUSE AS A SURVIVING SPOUSE UNDER THIS SUBSECTION SHALL

1 BE COMPUTED AS PROVIDED IN THE EDRO AND SECTION 23, 23A, 26, OR
2 28. IF THE AMOUNT OR PERCENTAGE OF THE BENEFIT TO BE PAID TO A
3 SPOUSE UNDER A JUDGMENT OF SEPARATE MAINTENANCE OR A FORMER
4 SPOUSE AS THE SURVIVING SPOUSE OF THE PARTICIPANT UNDER THIS SUB-
5 SECTION IS LESS THAN THE ENTIRE AMOUNT PAYABLE UNDER SECTION 23,
6 23A, 26, OR 28, THE SURVIVING SPOUSE OR OTHER BENEFICIARY OF THE
7 PARTICIPANT, AS DETERMINED UNDER SECTION 23, 23A, 26, OR 28,
8 SHALL BE ENTITLED TO RECEIVE THE PORTION OF THE BENEFIT NOT PAY-
9 ABLE TO A SPOUSE UNDER A JUDGMENT OF SEPARATE MAINTENANCE OR A
10 FORMER SPOUSE UNDER THIS SUBSECTION.

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

15 (7) THE CREATION, ASSIGNMENT, OR RECOGNITION OF A RIGHT OF
16 AN ALTERNATE PAYEE TO AN ACTUAL INTEREST IN A SHARE OF A BENEFIT
17 THAT IS OR WILL BECOME PAYABLE TO A PARTICIPANT PURSUANT TO AN
18 EDRO UNDER THIS SECTION IS NOT A PROHIBITED ASSIGNMENT UNDER SEC-
19 TION 53.

20 (8) THE RETIREMENT SYSTEM SHALL ESTABLISH A REASONABLE PRO-
21 CEDURE TO DETERMINE IF A DOMESTIC RELATIONS ORDER IS AN EDRO
22 UNDER THIS SECTION. THE RETIREMENT SYSTEM SHALL PROMPTLY NOTIFY
23 THE PARTICIPANT AND ALTERNATE PAYEE NAMED IN A DOMESTIC RELATIONS
24 ORDER THAT THE RETIREMENT SYSTEM HAS RECEIVED THE DOMESTIC RELA-
25 TIONS ORDER. THE NOTICE SHALL INCLUDE A DESCRIPTION OF THE PRO-
26 CEDURE BY WHICH THE RETIREMENT SYSTEM DETERMINES IF THE DOMESTIC
27 RELATIONS ORDER IS AN EDRO UNDER THIS SECTION.

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

25 (10) A DOMESTIC RELATIONS ORDER FILED WITH THE RETIREMENT
26 SYSTEM BEFORE THE EFFECTIVE DATE OF THIS SECTION SHALL BE
27 CONSIDERED AN EDRO UNDER THIS SECTION IF THE RETIREMENT SYSTEM IS

1 MAKING PAYMENTS UNDER THE DOMESTIC RELATIONS ORDER ON THE
-2 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION OR
3 TO THE EXTENT A DOMESTIC RELATIONS ORDER IS CONSISTENT WITH THE
4 PROVISIONS OF THIS SECTION. THIS SUBSECTION DOES NOT PROHIBIT A
5 PARTICIPANT, ALTERNATE PAYEE, OR COURT FROM FILING AN AMENDED
6 DOMESTIC RELATIONS ORDER UNDER THIS SECTION.