

HOUSE BILL No. 4953

June 12, 1991, Introduced by Rep. Hickner and referred to the Committee on Senior Citizens and Retirement.

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

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

as amended by Act No. 26 of the Public Acts of 1991, being section 46.12a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 12a of Act No. 156 of the Public Acts of
2 1851, as amended by Act No. 26 of the Public Acts of 1991, being
3 section 46.12a of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 12a. (1) A county board of commissioners at a lawfully
6 held meeting may DO 1 OR MORE OF THE FOLLOWING:

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

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

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

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

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

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

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

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

1 but not later than 90 days after the employee becomes 65 years of
2 age. The payment of pension or retirement benefits shall not
3 begin until the employee has applied for pension or retirement
4 benefits in the manner prescribed in the plan established.

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

1 whose death is the direct and proximate result of county
2 employment. The plan may provide that the period from the end of
3 the deceased or disabled employee's period of service to the date
4 that employee would have become eligible for retirement be used
5 as service for the sole purpose of computing the amount of dis-
6 ability or death pension.

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

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

1 bailiffs under this section shall annually review the retirement
2 fund and shall ensure that the fund is maintained in an actuari-
3 ally sound condition. Copies of the actuarial reports shall be
4 provided to the state judicial council created by chapter 91 of
5 Act No. 236 of the Public Acts of 1961, being sections 600.9101
6 to 600.9107 of the Michigan Compiled Laws.

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

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

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

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

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

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

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

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

26 (10) A plan adopted under this section may provide for
27 annual or less frequent postretirement redetermination of a

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

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

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

24 (12) A plan established by a county for the payment of pen-
25 sion and retirement benefits to an employee under this section
26 shall be approved as complying with this section by a county
27 pension plan committee consisting of the attorney general, the

1 state treasurer, and the executive secretary of the state
2 employees' retirement system created by the state employees'
3 retirement act, Act No. 240 of the Public Acts of 1943, as
4 amended, being sections 38.1 to 38.48 of the Michigan Compiled
5 Laws, before the plan becomes effective or operative in the
6 county. Each county retirement plan operating under this section
7 shall be approved by the committee as complying with this section
8 biennially. A financial statement for each county retirement
9 plan operating under this section shall be submitted annually to
10 the county pension plan committee by the county board, official,
11 or employee designated by the county board of commissioners. The
12 financial statement shall be in the form, contain the informa-
13 tion, and be submitted as the county pension plan committee
14 prescribes. The state treasurer shall audit the funds and
15 accounts of county retirement plans established under this sec-
16 tion in the same manner as the state treasurer audits other
17 county accounts and may audit and investigate county retirement
18 plan funds and accounts to the extent necessary to effectuate the
19 purposes of this section. This subsection does not apply to a
20 county that adopted a retirement plan under this section and did
21 not establish reserves on an actuarial basis before October 11,
22 1947.

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

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

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

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

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

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

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

26 (c) The member pays the plan 5% of the member's annual
27 compensation multiplied by the period of credited service being

1 purchased. As used in this subdivision, "annual compensation"
2 means the aggregate amount of compensation paid the member during
3 the 4 most recent calendar quarters for each of which the member
4 was credited 3/12 of a year of credited service.

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

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

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

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

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

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

1 comprehensive employment and training act of 1973, Public Law
2 93-203, are insufficient, the remainder of the employer contribu-
3 tions shall be paid by the person's current employer.

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

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

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

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

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

23 (21) Beginning September 1, 1981, for determining the
24 retirement benefit for a county employee who is a judge of a
25 municipal court of record pursuant to subsection (2), "average
26 final compensation" means the annual average of the highest
27 actual compensation received by the judge as additional salary

1 pursuant to section 13(2) of Act No. 369 of the Public Acts of
2 1919, as amended, being section 725.13 of the Michigan Compiled
3 Laws, during a period of 5 years of service as specified in the
4 plan. This subsection shall not be construed to diminish or
5 impair an accrued financial benefit.

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

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

1 of his or her retirement. This subsection shall not be construed
2 to diminish or impair an accrued financial benefit.

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

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

25 (26) The county board of commissioners, upon the request of
26 a county employee, by not less than a 3/5 vote may credit that
27 county employee with the amount of membership service that the

1 county employee was previously credited with by the retirement
2 system established under this section under the following
3 conditions:

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

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

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

24 (d) The county employee deposits in the county employees'
25 retirement system an amount equal to the aggregate amount of con-
26 tributions the employer made at the time of the previous

1 membership service plus interest from the date of separation to
2 the date of deposit, at rates determined by the board.

3 (27) A person participating in a program described in this
4 subsection is not eligible for membership in a retirement system
5 or pension plan established under this section. In addition,
6 that person shall not receive service credit for the employment
7 described in this subsection even though the person subsequently
8 becomes or has been a member of the retirement system. This sub-
9 section applies to all of the following:

10 (a) A person, not regularly employed by the county, who is
11 employed by the county through participation in a program estab-
12 lished pursuant to the job training partnership act, Public Law
13 97-300, 96 Stat. 1322.

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

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

25 (d) A person, not regularly employed by the county, who is
26 hired by the county to administer a program described in
27 subdivision (a), (b), or (c).

1 (28) If a county enters into a collective bargaining
2 agreement pursuant to Act No. 336 of the Public Acts of 1947,
3 being sections 423.201 to 423.216 of the Michigan Compiled Laws,
4 which provides for retirement benefits that are in excess of the
5 retirement benefits otherwise authorized to be provided under
6 this section for employees of the county who are covered by a
7 plan under this section, then the county board of commissioners
8 may amend or adopt a plan under this section to provide those
9 benefits to employees who are members of the bargaining unit cov-
10 ered by the agreement, and may, after December 31, 1987, amend or
11 adopt a plan under this section to provide those benefits to
12 other employees of the county.

13 (29) Beginning on April 30, 1990, 1 of the following condi-
14 tions ~~shall apply~~ APPLIES to a retirant who is receiving a pen-
15 sion or retirement benefit from a plan under this section if the
16 retirant becomes employed by a county that has established a plan
17 under this section:

18 (a) Payment of the pension or retirement benefit to the
19 retirant shall be suspended if the retirant is employed by the
20 county from which the retirant retired AND THE RETIRANT DOES NOT
21 MEET THE REQUIREMENTS OF SUBDIVISION (B). Suspension of the pay-
22 ment of the pension or retirement benefit shall become effective
23 the first day of the calendar month that follows the sixtieth day
24 after the retirant is employed by the county. Payment of the
25 pension or retirement benefit shall resume on the first day of
26 the calendar month that follows termination of the employment.
27 Payment of the pension or retirement benefit shall be resumed

1 without change in amount or conditions by reason of the
2 employment. The retirant shall not be a member of the plan
3 during the period of employment.

4 (B) PAYMENT OF THE PENSION OR RETIREMENT BENEFIT TO THE
5 RETIRANT SHALL CONTINUE WITHOUT CHANGE IN AMOUNT OR CONDITIONS BY
6 REASON OF EMPLOYMENT BY THE COUNTY FROM WHICH THE RETIRANT
7 RETIRED IF ALL OF THE FOLLOWING REQUIREMENTS ARE MET:

8 (i) THE RETIRANT IS EMPLOYED BY THE COUNTY FOR NOT MORE THAN
9 1,000 HOURS IN ANY 12-MONTH PERIOD.

10 (ii) THE RETIRANT IS NOT ELIGIBLE FOR ANY BENEFITS FROM THE
11 COUNTY OTHER THAN THOSE REQUIRED BY LAW OR OTHERWISE PROVIDED TO
12 THE RETIRANT BY VIRTUE OF HIS OR HER BEING A RETIRANT.

13 (iii) THE RETIRANT IS NOT A MEMBER OF THE PLAN DURING THE
14 PERIOD OF REEMPLOYMENT, DOES NOT RECEIVE ADDITIONAL RETIREMENT
15 CREDITS DURING THE PERIOD OF REEMPLOYMENT, AND DOES NOT RECEIVE
16 ANY INCREASE IN PENSION OR RETIREMENT BENEFITS BECAUSE OF THE
17 EMPLOYMENT UNDER THIS SUBDIVISION.

18 (C) ~~(b)~~ Payment of the pension or retirement benefit to
19 the retirant shall continue without change in amount or condi-
20 tions by reason of the employment if the retirant becomes
21 employed by a county other than the county from which the retir-
22 ant retired. For the purposes of membership and potential bene-
23 fit entitlement under the plan of the other county, the retirant
24 shall be considered in the same manner as an individual with no
25 previous record of employment by that county.

26 (30) A county may increase the percentage of the highest
27 average monthly compensation or earnings that was used to

1 calculate the pension or retirement benefit under
2 subsection (1)(b) of a person receiving a pension or retirement
3 benefit under this section on the date the county increases the
4 percentage of compensation or earnings. The county shall recal-
5 culate the pension or retirement benefit using the increased per-
6 centage of compensation or earnings. The person receiving the
7 pension or retirement benefit is eligible to receive an adjusted
8 pension or retirement benefit based upon the recalculation effec-
9 tive the first day of the month following the date the county
10 increases the percentage of compensation or earnings under this
11 subsection.

12 (31) If a county retirement plan established under this sec-
13 tion provides an optional form of payment of a retirement allow-
14 ance, a retirement allowance may be made payable under this sub-
15 section, by resolution of the county board of commissioners, to
16 the surviving spouse of a deceased retirant if all of the
17 requirements of this subsection are met. If a member of a county
18 retirement plan established under this section retired after
19 March 1, 1981 but before November 12, 1985 elected to receive his
20 or her retirement allowance in life payments to the retirant, and
21 died after November 1, 1989 but before December 31, 1989, the
22 surviving spouse of that deceased retirant shall receive a
23 retirement allowance pursuant to this subsection. The county
24 board of commissioners shall compute the retirement allowance in
25 the same manner as if, on the day before the retirant's death,
26 the deceased retirant had elected to receive a reduced retirement
27 allowance in life payments to the retirant with full continuation

1 to the retirement allowance beneficiary and had nominated the
2 surviving spouse as the retirement allowance beneficiary. The
3 surviving spouse shall begin to receive the retirement allowance
4 under this subsection effective the first day of the month fol-
5 lowing the month in which application to the county retirement
6 plan is made by the surviving spouse. A payment of a retirement
7 allowance under this subsection shall not be paid for any month
8 before the first month a retirement allowance is payable under
9 this subsection. As used in this subsection, "spouse" means the
10 person, if any, to whom the deceased retirant was married on the
11 effective date of his or her retirement under the county retire-
12 ment plan and on the date of his or her death.