

HOUSE BILL No. 5423

January 8, 1992, Introduced by Rep. Wozniak and referred to the Committee on Senior Citizens and Retirement.

A bill to amend Act No. 427 of the Public Acts of 1984,
entitled as amended

"Municipal employees retirement act of 1984,"

as amended, being sections 38.1501 to 38.1556 of the Michigan
Compiled Laws, by adding section 57.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 427 of the Public Acts of 1984, as
2 amended, being sections 38.1501 to 38.1556 of the Michigan
3 Compiled Laws, is amended by adding section 57 to read as
4 follows:

5 SEC. 57. (1) A MUNICIPALITY, BY RESOLUTION, MAY PETITION
6 THE RETIREMENT BOARD TO BECOME A PARTICIPATING MUNICIPALITY AND
7 TO TRANSFER A PREEXISTING PENSION OR RETIREMENT SYSTEM OF THE
8 MUNICIPALITY TO THIS RETIREMENT SYSTEM AS PROVIDED IN THIS
9 SECTION. THE MUNICIPALITY SHALL COMPLY WITH SECTION 41 AND OTHER

1 PROVISIONS OF LAW OR CHARTER IN ORDER TO BECOME A PARTICIPATING
2 MUNICIPALITY.

3 (2) UPON RECEIPT OF A PETITION UNDER SUBSECTION (1), THE
4 RETIREMENT BOARD SHALL APPROVE OR DISAPPROVE THE PETITION TO
5 BECOME A PARTICIPATING MUNICIPALITY AND TO TRANSFER A PREEXISTING
6 PENSION OR RETIREMENT SYSTEM. IF THE RETIREMENT BOARD DOES NOT
7 APPROVE THE PETITION, THE RETIREMENT BOARD SHALL NOTIFY THE
8 MUNICIPALITY OF THE DISAPPROVAL AND THE REASONS FOR THE
9 DISAPPROVAL. A MUNICIPALITY IS NOT PROHIBITED FROM FILING A NEW
10 PETITION UNDER SUBSECTION (1) AFTER RECEIPT OF NOTICE THAT A
11 PRIOR PETITION WAS DISAPPROVED BY THE RETIREMENT BOARD.

12 (3) IF THE RETIREMENT BOARD APPROVES THE PETITION, THE
13 RETIREMENT BOARD SHALL NOTIFY THE MUNICIPALITY OF THE APPROVAL.
14 THE MUNICIPALITY SHALL TRANSFER TO THIS RETIREMENT SYSTEM ALL OF
15 THE ASSETS AND BENEFIT OBLIGATIONS OF THE PREEXISTING PENSION OR
16 RETIREMENT SYSTEM AND THE PREEXISTING PENSION OR RETIREMENT
17 SYSTEM SHALL BE TERMINATED.

18 (4) ALL ACTIVE MEMBERS, VESTED FORMER MEMBERS, RETIRANTS,
19 AND BENEFICIARIES OF THE PREEXISTING PENSION OR RETIREMENT SYSTEM
20 SHALL BE ACTIVE MEMBERS, VESTED FORMER MEMBERS, RETIRANTS, AND
21 BENEFICIARIES OF THIS RETIREMENT SYSTEM IN A SEPARATE BENEFIT
22 PROGRAM COVERED CLASSIFICATION, AS PROVIDED IN SECTION 41. THE
23 ACTIVE MEMBERS, VESTED FORMER MEMBERS, RETIRANTS, AND BENEFICIA-
24 RIES ARE ELIGIBLE TO RECEIVE THE RETIREMENT ALLOWANCES AND BENE-
25 FITS PROVIDED UNDER THE PREEXISTING PENSION OR RETIREMENT SYSTEM
26 OR THE RETIREMENT ALLOWANCES AND BENEFITS PROVIDED UNDER THIS
27 RETIREMENT SYSTEM, WHICHEVER ARE GREATER. A PENSION OR

1 RETIREMENT ALLOWANCE PAYABLE TO A RETIRANT OR BENEFICIARY SHALL
2 NOT BE DIMINISHED OR IMPAIRED BY REASON OF THE TRANSFER.