

HOUSE BILL No. 5639

March 9, 1992, Introduced by Reps. O'Connor, Willis Bullard, Walberg, Stopczynski and DeBeaussaert 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. A PARTICIPATING MUNICIPALITY SHALL NOT RECOGNIZE
6 PRIOR SERVICE CREDIT OF ANY EMPLOYEE OF THE MUNICIPALITY WHO
7 BECOMES A MEMBER OF THIS RETIREMENT SYSTEM FOR THE PURPOSE OF
8 CALCULATING A RETIREMENT ALLOWANCE UNDER THIS ACT UNLESS ALL OF
9 THE FOLLOWING REQUIREMENTS ARE MET:

1 (A) THE MUNICIPALITY TRANSFERS TO THE RETIREMENT SYSTEM ALL
2 CONTRIBUTIONS MADE BY THE MUNICIPALITY ON BEHALF OF THAT EMPLOYEE
3 TO AN EMPLOYER FINANCED RETIREMENT SYSTEM PLUS ALL ACCUMULATED
4 EARNINGS ON THOSE CONTRIBUTIONS.

5 (B) THE MEMBER RELINQUISHES FOR THAT MEMBER AND HIS OR HER
6 BENEFICIARIES AND HEIRS ALL RIGHTS TO RECEIVE A RETIREMENT ALLOW-
7 ANCE OR ANY OTHER BENEFIT BASED UPON THE CONTRIBUTIONS MADE BY
8 THE MUNICIPALITY TO THE EMPLOYER FINANCED RETIREMENT SYSTEM.