

# SENATE BILL No. 608

November 14, 1991, Introduced by Senator N. SMITH and referred to the Committee on Finance.

A bill to amend section 53 of Act No. 427 of the Public Acts of 1984, entitled as amended  
"Municipal employees retirement act of 1984,"  
as amended by Act No. 50 of the Public Acts of 1991, being section 38.1553 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 53 of Act No. 427 of the Public Acts of  
2 1984, as amended by Act No. 50 of the Public Acts of 1991, being  
3 section 38.1553 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5       Sec. 53. (1) The right of an individual to a retirement  
6 allowance, to the return of accumulated contributions, the  
7 retirement allowance itself, any other right accrued or accruing  
8 to an individual under this act, and any money belonging to the  
9 retirement system is not subject to execution, garnishment,

1 attachment, the operation of bankruptcy or insolvency law, or any  
2 other process of law whatsoever, and is unassignable, except as  
3 is otherwise specifically provided in this act. A PENSION, A  
4 RETIREMENT ALLOWANCE, THE RETURN OF ACCUMULATED CONTRIBUTIONS, AN  
5 OPTIONAL BENEFIT, OR ANY OTHER BENEFIT OR RIGHT ACCRUED OR ACCRU-  
6 ING TO A PERSON UNDER THIS ACT IS SUBJECT TO TAXATION UNDER THE  
7 INCOME TAX ACT OF 1967, ACT NO. 281 OF THE PUBLIC ACTS OF 1967,  
8 BEING SECTIONS 206.1 TO 206.532 OF THE MICHIGAN COMPILED LAWS.

9       (2) The right of an individual to a retirement allowance, to  
10 the return of accumulated contributions, the retirement allowance  
11 itself, or any other benefit under this act is subject to award  
12 by a court pursuant to section 18 of chapter 84 of the Revised  
13 Statutes of 1846, being section 552.18 of the Michigan Compiled  
14 Laws, and to any other order of a court pertaining to alimony or  
15 child support. The right of an individual to a retirement allow-  
16 ance, to the return of accumulated contributions, the retirement  
17 allowance itself, or any other benefit under this act is subject  
18 to an eligible domestic relations order under the eligible domes-  
19 tic relations order act, ACT NO. 46 OF THE PUBLIC ACTS OF 1991,  
20 BEING SECTIONS 38.1701 TO 38.1711 OF THE MICHIGAN COMPILED LAWS.  
21 However, this subsection does not permit or require a benefit to  
22 be paid or to be provided that is not otherwise available under  
23 the terms of this act.

24       (3) If an award or order described in subsection (2)  
25 requires the retirement system to withhold payment of a pension,  
26 deferred pension, accumulated contributions, or other benefit  
27 from the person to whom it is due or requires the retirement

1 system to make payment or requires the person to request that the  
2 retirement system make payment of a pension, deferred pension,  
3 accumulated contributions, or other benefit, for the purpose of  
4 meeting the person's obligations to a spouse, former spouse or  
5 child, as provided in subsection (2), the withholding or payment  
6 provisions of the award or order shall be effective only against  
7 such amounts as they become payable to the person receiving a  
8 retirement allowance unless otherwise provided in an eligible  
9 domestic relations order under the eligible domestic relations  
10 order act, ACT NO. 46 OF THE PUBLIC ACTS OF 1991. The limitation  
11 contained in this subsection does not apply to the accumulated  
12 contributions of a person who terminates employment before  
13 acquiring a vested member status.

14 (4) The retirement system shall have the right of setoff to  
15 recover overpayments made by the retirement system and to satisfy  
16 any claim arising from embezzlement or fraud by a member, retir-  
17 ant, or beneficiary. A transfer of money and assets to another  
18 retirement system authorized by an affirmative vote by a majority  
19 of the members on the municipality's governing body is not a vio-  
20 lation of this section.

21 Section 2. This amendatory act shall not take effect unless  
22 Senate Bill No. 131 of the 86th Legislature is enacted into law.