

SENATE BILL No. 666

December 17, 1991, Introduced by Senator BERRYMAN and referred to the Committee on Mental Health, Human Resources, and Senior Citizens.

A bill to amend sections 19, 19b, 19c, and 19d of Act No. 240 of the Public Acts of 1943, entitled as amended "State employees' retirement act," section 19 as amended by Act No. 297 of the Public Acts of 1989 and sections 19b, 19c, and 19d as added by Act No. 62 of the Public Acts of 1991, being sections 38.19, 38.19b, 38.19c, and 38.19d of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 19, 19b, 19c, and 19d of Act No. 240 of
2 the Public Acts of 1943, section 19 as amended by Act No. 297 of
3 the Public Acts of 1989 and sections 19b, 19c, and 19d as added
4 by Act No. 62 of the Public Acts of 1991, being sections 38.19,
5 38.19b, 38.19c, and 38.19d of the Michigan Compiled Laws, are
6 amended to read as follows:

1 Sec. 19. (1) A member who is 60 years of age or older and
2 has 10 or more years of credited service; A MEMBER WHO IS 60
3 YEARS OF AGE OR OLDER AND HAS 5 OR MORE YEARS OF CREDITED SERVICE
4 AS PROVIDED IN SECTION 20(4) OR (5); OR A MEMBER WHOSE COMBINED
5 AGE AND AMOUNT OF CREDITED SERVICE IS EQUAL TO OR GREATER THAN
6 80, may retire upon written application to the retirement board,
7 stating a date, not less than 30 or more than 90 days after the
8 execution and filing of the application, on which he or she
9 desires to retire. Beginning on the retirement allowance effec-
10 tive date, he or she shall receive a retirement allowance com-
11 puted according to section 20(1).

12 (2) A member who is 55 years of age or older, but less than
13 60 years of age, and has 15 or more years of credited service,
14 may retire upon written application to the retirement board stat-
15 ing a date, not less than 30 or more than 90 days after the exe-
16 cution and filing of the application, on which he or she desires
17 to retire. ~~Upon~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSEC-
18 TION, UPON retirement he or she shall receive a retirement allow-
19 ance computed according to section 20(1). The retirement allow-
20 ance of a member WHO RETIRES UNDER THIS SUBSECTION AND who has
21 less than ~~30 years~~ 25 YEARS OF credited service shall be
22 reduced by an amount ~~which~~ THAT is 0.5% of the retirement
23 allowance multiplied by the number of months the person's age at
24 retirement is under 60 years. The reduction of 1/2 of 1% for
25 each month and fraction of a month from the member's retirement
26 allowance effective date to the date of the member's sixtieth
27 birthday provided for in this subsection ~~shall~~ DOES not apply

1 to a member who retired before July 1, 1974 and before attainment
2 of ~~age~~ 60 YEARS OF AGE, with 30 or more years of credited
3 service. The retirement allowance of a retirant or beneficiary
4 of a retirant who retired before ~~that date~~ JULY 1, 1974 shall
5 be recalculated disregarding the reduction and the person receiv-
6 ing the retirement allowance ~~shall be~~ IS eligible to receive an
7 adjusted retirement allowance based on the recalculation begin-
8 ning October 1, 1987, but ~~shall~~ IS not ~~be~~ eligible to receive
9 the adjusted amount attributable to any month beginning before
10 October 1, 1987. The recalculated retirement allowance provided
11 by this subsection shall be paid by January 1, 1988. The retire-
12 ment allowance of a retirant who dies before January 1, 1988, and
13 who has not nominated a retirement allowance beneficiary pursuant
14 to section 31, shall not be recalculated pursuant to this
15 subsection.

16 (3) Notwithstanding any other provision of this section,
17 effective April 1, 1988, a member may retire with a retirement
18 allowance computed according to section 20(1), without regard to
19 the reduction in subsection (2), if all of the following apply:

20 (a) The member files a written application with the retire-
21 ment board stating a date, not less than 30 or more than 90 days
22 after the execution and filing of the application, on which the
23 member desires to retire, and which is within the early retire-
24 ment effective period.

25 (b) The member was employed by the state for the 6-month
26 period immediately preceding the member's retirement allowance
27 effective date. This subdivision ~~shall~~ DOES not apply to a

1 member who ~~had been~~ WAS restored to active service during that
2 6-month period pursuant to section 33.

3 (c) On the last day of the month immediately preceding the
4 retirement allowance effective date stated in the application the
5 member's combined age and length of credited service is equal to
6 or greater than 80 years and the member is 50 years of age or
7 older.

8 (d) For purposes of this subsection, "early retirement
9 effective period" means 1 of the following:

10 (i) Except as provided in subparagraph (ii), the period
11 beginning on April 1, 1988 and ending on April 1, 1989.

12 (ii) For a member employed by a department of mental health
13 hospital or facility that is in the process of being closed by
14 the department of mental health, the period beginning on April 1,
15 1988 and ending on October 1, 1989.

16 (4) As used in subsections (5) to (9):

17 (a) "Agency of the department" means 1 of the following:

18 (i) Southwest Michigan community living services.

19 (ii) Wayne community living services.

20 (b) "Department inpatient facility" means 1 of the
21 following:

22 (i) A developmental disability center that is directly oper-
23 ated by the department of mental health for purposes of providing
24 inpatient care and treatment services to persons with developmen-
25 tal disabilities.

26 (ii) A psychiatric hospital that is directly operated by the
27 department of mental health for purposes of providing inpatient

1 diagnostic and therapeutic services to persons who are mentally
2 ill.

3 (5) Notwithstanding any other provision of this section, a
4 member who is an employee of an agency of the department or a
5 department inpatient facility and is on layoff status because the
6 agency OF THE DEPARTMENT or DEPARTMENT inpatient facility has
7 been designated by the director of mental health for closure on
8 or after October 1, 1989, may retire as provided in subsection
9 (7) or (8), as applicable, with a retirement allowance computed
10 according to section 20(1), without regard to the reduction in
11 subsection (2), upon satisfaction of any 1 of the following
12 conditions:

13 (a) The member is 51 years of age or older and has 25 or
14 more years of credited service, the last 5 of which are as an
15 employee of an agency OR AGENCIES of the department designated
16 for closure or a department inpatient facility OR FACILITIES des-
17 ignated for closure.

18 (b) The member is at least 56 years of age and has 10 or
19 more years of credited service, the last 5 of which are as an
20 employee of an agency OR AGENCIES of the department designated
21 for closure or a department inpatient facility OR FACILITIES des-
22 ignated for closure.

23 (c) The member has 25 or more years of credited service,
24 regardless of age, as an employee of an agency OR AGENCIES of the
25 department designated for closure or a department inpatient
26 facility OR FACILITIES designated for closure.

1 (6) ~~When~~ IF AN AGENCY OF THE DEPARTMENT OR a department
2 inpatient facility ~~or agency~~ is designated for closure on or
3 after October 1, 1989, the director of mental health shall cer-
4 tify in writing to the state legislature and the retirement
5 board, not less than 240 days before the designated official date
6 of closure, which ~~facility or~~ agency OF THE DEPARTMENT OR
7 DEPARTMENT INPATIENT FACILITY is to be closed and the designated
8 official date of closure.

9 (7) Except as provided in subsection (8), a member who is
10 eligible to receive a retirement allowance under subsection (5)
11 may retire effective on the date that an agency of the department
12 or a department inpatient facility designated for closure as pro-
13 vided in subsection (5) actually closes, upon written application
14 to the retirement board not less than 30 or more than 180 days
15 before the designated official date of closure. Beginning on the
16 retirement allowance effective date, he or she shall receive a
17 retirement allowance computed according to section 20(1).

18 (8) A member who is on layoff status, is not working for the
19 state, and becomes eligible to receive a retirement allowance
20 under subsection (5) and who was an employee of an agency of the
21 department or a department inpatient facility that has been des-
22 ignated for closure as provided in subsection (5) and that actu-
23 ally closes on or after October 1, 1989, may retire upon written
24 application to the retirement board, stating a date, not less
25 than 30 or more than 180 days after the facility actually closes,
26 upon which he or she wishes to retire. Beginning on the

1 retirement allowance effective date, he or she shall receive a
2 retirement allowance computed according to section 20(1).

3 (9) Any additional accrued actuarial cost and costs for
4 health insurance resulting from the implementation of subsection
5 (5) shall be funded from appropriations to the department of
6 mental health for this purpose.

7 Sec. 19b. (1) Notwithstanding section 19, a member may
8 retire and, EXCEPT AS PROVIDED IN SUBSECTION (2), receive a
9 retirement allowance computed under section 20(1) if the member
10 meets all of the following requirements:

11 (a) On the effective date of his or her retirement, the
12 member has met the service requirements to receive a retirement
13 allowance under this act —, AND the member's combined age and
14 amount of credited service is equal to or greater than 70 years.
15 ~~—, and the member is 50 years of age or older.~~

16 (b) The member was employed by this state for the 6-month
17 period ending on the effective date of his or her retirement. A
18 member who was restored to active service during that 6-month
19 period under section 33 or a member who is on layoff status from
20 state employment is considered to have met the employment
21 requirement of this subdivision.

22 (c) The member files a written application with the retire-
23 ment board, on or after September 1, 1991, but not later than
24 March 1, 1992, stating a date, which date shall be 30 to 90 days
25 after the execution and filing of the application but not later
26 than April 1, 1992, on which he or she desires to retire.

1 (2) A SUPPLEMENTAL MEMBER, AS DEFINED IN SECTION 45, MAY
2 RETIRE UNDER THIS SECTION AND RECEIVE A RETIREMENT ALLOWANCE
3 COMPUTED UNDER SECTION 47(2) IF THE MEMBER'S LAST 3 YEARS OF
4 CREDITED SERVICE ARE COVERED SERVICE, AS DEFINED IN SECTION 45,
5 AND THE MEMBER MEETS THE REQUIREMENTS OF SUBSECTION (1). A
6 MEMBER WHO IS A CONSERVATION OFFICER MAY RETIRE UNDER THIS SEC-
7 TION AND RECEIVE A RETIREMENT ALLOWANCE COMPUTED UNDER SECTION
8 48(5) IF THE MEMBER'S LAST 2 YEARS OF CREDITED SERVICE ARE AS A
9 CONSERVATION OFFICER AND THE MEMBER MEETS THE REQUIREMENTS OF
10 SUBSECTION (1).

11 (3) ~~-(2)-~~ Any amount that a member retiring under this sec-
12 tion would otherwise be entitled to receive in a lump sum at
13 retirement on account of accumulated sick leave shall be paid in
14 60 consecutive equal monthly installments.

15 Sec. 19c. (1) Notwithstanding section 19, a member may
16 retire and receive a retirement allowance computed under section
17 20(1) if the member meets all of the following requirements:

18 (a) On the effective date of his or her retirement, the
19 member has met the service requirements to receive a retirement
20 allowance under this act ~~—~~ AND the member's combined age and
21 amount of credited service is equal to or greater than 70 years.
22 ~~—, and the member is 50 years of age or older.—~~

23 (b) The member was employed by the legislature for the
24 6-month period ending on the effective date of his or her
25 retirement. A member who was restored to active service with the
26 legislature during that 6-month period under section 33 or a
27 member who is on layoff status from the legislature during that

1 6-month period is considered to have met the employment
2 requirement of this subdivision.

3 (c) The member files a written application with the retire-
4 ment board, on or after November 15, 1992, but not later than
5 December 15, 1992, stating a date, which date shall be 30 days or
6 more after the execution and filing of the application but not
7 later than February 1, 1993, on which he or she desires to
8 retire.

9 (2) Any amount that a member retiring under this section
10 would otherwise be entitled to receive in a lump sum at retire-
11 ment on account of accumulated sick leave shall be paid in 60
12 consecutive equal monthly installments.

13 Sec. 19d. (1) Notwithstanding section 19, a member may
14 retire and receive a retirement allowance computed under section
15 20(1) if the member meets all of the following requirements:

16 (a) On the effective date of his or her retirement, the
17 member has met the service requirements to receive a retirement
18 allowance under this act — AND the member's combined age and
19 amount of credited service is equal to or greater than 70 years.
20 ~~—, and the member is 50 years of age or older.~~

21 (b) The member was employed by the legislature for the
22 6-month period ending on the effective date of his or her
23 retirement. A member who was restored to active service with the
24 legislature during that 6-month period under section 33 or a
25 member who is on layoff status from the legislature during that
26 6-month period is considered to have met the employment
27 requirement of this subdivision.

1 (c) The member files a written application with the
2 retirement board, on or after November 15, 1994, but not later
3 than December 15, 1994, stating a date, which date shall be 30
4 days or more after the execution and filing of the application
5 but not later than February 1, 1995, on which he or she desires
6 to retire.

7 (2) Any amount that a member retiring under this section
8 would otherwise be entitled to receive in a lump sum at retire-
9 ment on account of accumulated sick leave shall be paid in 60
10 consecutive equal monthly installments.