

# SENATE BILL No. 797

March 12, 1992, Introduced by Senator FAUST and referred to the Committee on Judiciary.

A bill to amend section 14 of Act No. 198 of the Public Acts of 1951, entitled as amended "Judges' retirement act," as amended by Act No. 208 of the Public Acts of 1984, being section 38.814 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 14 of Act No. 198 of the Public Acts of  
2 1951, as amended by Act No. 208 of the Public Acts of 1984, being  
3 section 38.814 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 14. (1) Upon a member's retirement as provided in this  
6 section, section 13, or section 16, the member shall be paid a  
7 straight life annuity terminating upon his or her death.

8 (2) ~~A~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A  
9 member who is 60 years of age or older and has 12 or more years

1 of service credited; ~~—~~ who has 25 or more years credited of  
2 which the last 6 years were continuous service; ~~—~~ or who is 55  
3 years of age and has 18 or more years of service credited of  
4 which the last 6 years were continuous service, shall be paid an  
5 annuity equal to 50% of the member's final salary for the first  
6 12 years of service credited to the member's account. In addi-  
7 tion, the member's straight life annuity, terminating upon death,  
8 shall be increased by 2-1/2% of the member's final salary multi-  
9 plied by each year and fraction of a year of service credited to  
10 the member's account not to exceed 4 additional years. Not more  
11 than 16 years of service may be used to determine the amount of  
12 annuity to be paid. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION  
13 (5), A DISTRICT JUDGE IN THE THIRTY-SIXTH DISTRICT SHALL BE PAID  
14 AN ANNUITY COMPUTED ACCORDING TO THIS SUBSECTION REDUCED BY THE  
15 AMOUNT OF THE STRAIGHT LIFE RETIREMENT ALLOWANCE HE OR SHE IS  
16 RECEIVING OR WILL RECEIVE THAT IS ATTRIBUTABLE TO THE SAME JUDI-  
17 CIAL SERVICE FROM ANOTHER PUBLICLY SUPPORTED RETIREMENT PLAN.  
18 THE RETIREMENT ALLOWANCE ATTRIBUTABLE TO THE SAME JUDICIAL SERV-  
19 ICE IN ANOTHER PUBLICLY SUPPORTED RETIREMENT PLAN SHALL BE BASED  
20 ON SERVICE CREDIT FOR SERVICE AS A JUDGE IN THAT PLAN OR PLANS AS  
21 A PERCENT OF TOTAL SERVICE CREDIT IN THAT PLAN OR PLANS.

22       (3) ~~—A—~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A  
23 member who is 55 years of age and has 12 or more but less than 18  
24 years of service of which the last 6 years were continuous serv-  
25 ice shall be entitled to receive an annuity as provided in sub-  
26 section (2), reduced by 0.5% of the annuity multiplied by the

1 number of months and fraction of a month the member's age at  
2 retirement is under 60 years of age.

3 (4) After a member becomes 70 years of age, service shall  
4 not be credited beyond the end of the judicial term in which the  
5 member becomes 70 years of age. At the time of retirement a  
6 member may elect to be paid an annuity under an optional form of  
7 payment provided in section 15 in lieu of a straight life  
8 annuity. Judges of the recorder's court of the city of Detroit  
9 shall receive the same annuity as that paid to circuit judges.

10 (5) Subsections (2), (3), and (4) are restricted as provided  
11 in this subsection. A member who ~~is~~ WAS a judge of the common  
12 pleas court of the city of Detroit on August 31, 1981, who  
13 ~~becomes~~ BECAME a district judge in the thirty-sixth district on  
14 September 1, 1981, WHO WITHDRAWS HIS OR HER CONTRIBUTIONS ON OR  
15 AFTER SEPTEMBER 1, 1986 FROM A COUNTY RETIREMENT PLAN ESTABLISHED  
16 UNDER SECTION 12A OF ACT NO. 156 OF THE PUBLIC ACTS OF 1851,  
17 BEING SECTION 46.12A OF THE MICHIGAN COMPILED LAWS, and who  
18 retires as a district judge in the thirty-sixth district shall be  
19 entitled to an annuity only on the basis of the sum of the  
20 following:

21 (a) The benefits ~~which~~ THAT the member would otherwise  
22 have been entitled to receive as of August 31, 1981, under sub-  
23 sections (2) to (4) as in effect on August 31, 1981, multiplied  
24 by the years of service credited to the member's account on  
25 August 31, 1981, and divided by the total years of service cred-  
26 ited to the member's account at the time of his or her  
27 retirement.

1 (b) The benefits ~~which~~ THAT the member is entitled to  
2 receive as a district judge at the time of his or her retirement,  
3 multiplied by the years of service credited to the member's  
4 account between September 1, 1981, and the date of retirement,  
5 divided by the total years of service credited to the member's  
6 account at the time of his or her retirement.

7 (6) After June 30, 1978, a member who is 60 years of age or  
8 older and has served 2 full terms in the office of governor,  
9 lieutenant governor, secretary of state, or attorney general, or  
10 1 full term in the office of legislative auditor general shall be  
11 paid an annuity equal to 30% of the annual salary paid to the  
12 member at the time of retirement for the first 8 years of service  
13 credited to the member's account. In addition, the member's  
14 straight life annuity, terminating upon death, shall be increased  
15 by 3-3/4% of the annual salary paid by the state multiplied by  
16 each year and fraction of a year of service credited to a  
17 member's account. Not more than 16 years of service shall be  
18 used to determine the amount of annuity to be paid UNDER THIS  
19 SUBSECTION.

20 (7) A member who ~~had attained age~~ WAS 64 YEARS OF AGE or  
21 older at the time he or she first became a judge, who has 6 or  
22 more continuous years but less than 8 years of credited service,  
23 and who has made contribution for those years of service as pro-  
24 vided by this act, shall be eligible to retire and receive an  
25 annuity equal to 3% of the member's final salary multiplied by  
26 the number of years and fraction of a year of credited service,

1 not to exceed the amount of annuity provided for in  
2 subsection (2).

3 (8) Payment of annuities under this section ~~shall be~~ ARE  
4 subject to sections 15 and 18.