

SENATE BILL No. 854

April 21, 1992, Introduced by Senator HOLMES and referred to the Committee on Mental Health, Human Resources, and Senior Citizens.

A bill to amend section 13b of Act No. 198 of the Public Acts of 1951, entitled as amended
"Judges' retirement act,"
as amended by Act No. 334 of the Public Acts of 1990, being section 38.813b of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 13b of Act No. 198 of the Public Acts of
2 1951, as amended by Act No. 334 of the Public Acts of 1990, being
3 section 38.813b of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 13b. (1) A member may elect to have credited service
6 include service rendered previously as a municipal judge, as a
7 justice of the peace or coroner in a governmental unit, as a
8 circuit court commissioner, as a judge for the police court of
9 the city of Grand Rapids or recorder's court for the city of

1 Cadillac, as a probate judge, ~~or~~ as a referee of the traffic
2 division of the recorder's court of the city of Detroit, AS A
3 REFEREE OF THE FRIEND OF THE COURT, AS A REFEREE OF THE JUVENILE
4 DIVISION OF THE PROBATE COURT, OR AS A DISTRICT COURT REFEREE OR
5 MAGISTRATE, OR BOTH, or time served honorably on active duty as a
6 member of the armed services of the United States, as provided in
7 this section. A member shall not include in credited service
8 more than 3 years of service rendered as a referee of the traffic
9 division of the recorder's court of the city of Detroit, MORE
10 THAN 2 YEARS OF SERVICE RENDERED AS A REFEREE OR MAGISTRATE, OR
11 BOTH, or more than 2 years of time served honorably on active
12 duty as a member of the armed services of the United States.

13 (2) ~~A~~ EXCEPT AS PROVIDED IN SUBSECTION (3), A judge who
14 elects to ~~receive~~ PURCHASE service credit under ~~subsection~~
15 ~~(1)~~ THIS SECTION may use the service ~~credits earned as a munic-~~
16 ~~ipal judge, as a justice of the peace, as a judge for the police~~
17 ~~court of the city of Grand Rapids or recorder's court for the~~
18 ~~city of Cadillac, as a probate judge, as a referee of the traffic~~
19 ~~division of the recorder's court of the city of Detroit,~~ CREDIT
20 for purposes of determining retirement or death benefits under
21 this retirement system to the same extent that the service would
22 have been credited had it been rendered in a position covered
23 under this act under the following conditions:

24 ~~(a) If before January 1, 1992 the member who is a district~~
25 ~~or probate judge pays into the annuity savings fund an amount~~
26 ~~computed by all of the following steps:~~

1 ~~(i) Multiplying the contribution rate by 2/3 of the base~~
2 ~~salary of a circuit judge for each year and month of service~~
3 ~~credited before 1969.~~

4 ~~(ii) Multiplying the contribution rate by the base salary of~~
5 ~~a district judge for each year and month of service credited~~
6 ~~after December 31, 1968.~~

7 ~~(iii) Adding the regular interest the member's contributions~~
8 ~~would have earned had the member's contributions been on deposit~~
9 ~~during each year and month of service claimed as a credit.~~

10 ~~(b) If before January 1, 1992 the member who is a supreme~~
11 ~~court justice, an appeals court judge, a circuit judge, or~~
12 ~~recorder's court judge pays into the annuity savings fund an~~
13 ~~amount equal to the amount the contributions would have been had~~
14 ~~the member been a member serving as a circuit judge and adding~~
15 ~~the regular interest the contributions would have earned had they~~
16 ~~been on deposit during each year and month of service claimed.~~

17 (A) ~~(c)~~ If ~~on or after January 1, 1992,~~ the member pays
18 into the annuity savings fund an amount determined by the board
19 and the department of management and budget to be the actuarial
20 cost of purchasing the service.

21 (B) ~~(d)~~ If the member claiming credit for service per-
22 formed as ~~a municipal judge, justice of the peace, coroner, cir-~~
23 ~~cuit court commissioner, judge for the police court of the city~~
24 ~~of Grand Rapids or recorder's court for the city of Cadillac, or~~
25 ~~referee of the traffic division of the recorder's court of the~~
26 ~~city of Detroit~~ DESCRIBED IN SUBSECTION (1) relinquishes for the
27 member and his or her beneficiaries all rights in and to a

1 retirement allowance from a pension or annuity payable from funds
2 appropriated in whole or in part by a municipality for the same
3 period of service claimed; or if the member claiming credit for
4 service performed as a probate judge relinquishes for the member
5 and his or her beneficiaries all rights in and to a retirement
6 allowance payable for the same period of service by the State of
7 Michigan probate judges retirement system pursuant to the probate
8 judges retirement act, Act No. 165 of the Public Acts of 1954, as
9 amended, being sections 38.901 to 38.933 of the Michigan Compiled
10 Laws.

11 ~~(e) The years of prior service performed shall be credited~~
12 ~~from the latest to the earliest until the necessary credit for~~
13 ~~service is met.~~

14 ~~(3) A judge who elects to receive service credit under sub-~~
15 ~~section (1) may use the service credits earned as a coroner or as~~
16 ~~a circuit court commissioner for purposes of determining retire-~~
17 ~~ment or death benefits under this retirement system to the same~~
18 ~~extent that the service would have been credited had it been~~
19 ~~rendered in a position covered under this act under the following~~
20 ~~conditions:~~

21 ~~(a) If before January 1, 1992 the member pays into the annu-~~
22 ~~ity savings fund an amount equal to the amount the contributions~~
23 ~~would have been under this act plus interest equal to the current~~
24 ~~assumed actuarial rate of return on the retirement fund, com-~~
25 ~~pounded annually.~~

26 ~~(b) If on or after January 1, 1992 the member pays into the~~
27 ~~annuity savings fund an amount determined by the board and the~~

1 ~~department of management and budget to be the actuarial cost of~~
2 ~~purchasing the service.~~

3 ~~(c) If the member claiming credit for service performed as a~~
4 ~~coroner or as a circuit court commissioner relinquishes for the~~
5 ~~member and his or her beneficiaries all rights in and to a~~
6 ~~retirement allowance from a pension or annuity payable from funds~~
7 ~~appropriated in whole or in part by a municipality for the same~~
8 ~~period of service claimed.~~

9 (3) ~~(4)~~ A member claiming service for time served honor-
10 ably on active duty as a member of the armed services of the
11 United States may use the service credit for purposes of deter-
12 mining retirement or death benefits under this retirement system
13 to the same extent that the service would have been credited had
14 it been rendered in a position covered under this act if the
15 member pays into the annuity savings fund an amount equal to 5%
16 of the member's salary paid by the state for the year in which
17 payment is made multiplied by the years and months of service
18 that the member elects to purchase up to the maximum of 2 years.
19 Armed service shall not be credited until the member has accumu-
20 lated 12 OR MORE years of credited service.