



HOUSE BILL No. 4317

February 18, 1993, Introduced by Reps. Rhead, Nye, Hammerstrom, Fitzgerald, Harder, Schroer and Bandstra and referred to the Committee on Public Retirement.

A bill to amend section 16 of Act No. 165 of the Public Acts of 1954, entitled

"Probate judges retirement act,"

as amended by Act No. 286 of the Public Acts of 1992, being section 38.916 of the Michigan Compiled Laws; and to add sections 16a and 16b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 16 of Act No. 165 of the Public Acts of
2 1954, as amended by Act No. 286 of the Public Acts of 1992, being
3 section 38.916 of the Michigan Compiled Laws, is amended and sec-
4 tions 16a and 16b are added to read as follows:

5 Sec. 16. (1) Upon a member's retirement from service as
6 provided in this act, the member shall receive a retirement
7 annuity equal to 3% of the final salary multiplied by the number

1 of years and fraction of a year of service credited to the
2 member's account, except that a member who makes the election
3 described in subdivision (d) shall receive an annuity equal to
4 3.5% of the final salary multiplied by the number of years and
5 fraction of a year of service credited to the member's account or
6 as otherwise provided in subdivision (d). ~~The~~ EXCEPT AS PRO-
7 VIDED IN SECTION 16B, THE annuity shall MEET ALL OF THE FOLLOWING
8 REQUIREMENTS:

9 (a) Not be less than \$4,000.00 per annum if the member has
10 12 years of service credit.

11 (b) Not exceed \$15,000.00 per annum or 40% of the final
12 salary of the member, whichever is greater.

13 (c) When added to a county pension benefit payable under
14 section 12a of Act No. 156 of the Public Acts of 1851, as
15 amended, being section 46.12a of the Michigan Compiled Laws, not
16 exceed 66-2/3% of final salary.

17 (d) Not exceed 66-2/3% of final salary for a member who is
18 not a member of a retirement system established pursuant to sec-
19 tion 12a of Act No. 156 of the Public Acts of 1851, being section
20 46.12a of the Michigan Compiled Laws, and who elected by written
21 notice filed with the board before April 1, 1983 to contribute
22 and contributes 5% of his or her current salary for each year and
23 month of service rendered as a probate judge prior to January 1,
24 1983 for which he or she elects to make payment, up to a maximum
25 of 20 years. The 5% payment is in addition to previously paid
26 contributions. A member who was prohibited from making an
27 election under this subdivision before April 1, 1983 because the

1 member was a member of a retirement system established pursuant
2 to section 12a of Act No. 156 of the Public Acts of 1851, being
3 section 46.12a of the Michigan Compiled Laws, and whose member-
4 ship in a retirement system established pursuant to Act No. 156
5 of the Public Acts of 1851 was terminated after April 1, 1983,
6 may elect to make contributions under this subdivision by filing
7 a written notice of that election with the board before
8 February 1, 1993. A member who makes an election under this sub-
9 division after April 1, 1983 and before February 1, 1993 shall
10 pay into the annuity savings fund, on or before April 1, 1993, an
11 amount that when added to contributions already paid since
12 January 1, 1983 equals the amount that would have been contrib-
13 uted had the member made the election under this subdivision
14 before April 1, 1983, plus interest at 8% compounded annually. A
15 member who makes an election under this subdivision after April
16 1, 1983 and before February 1, 1993 may also elect to make con-
17 tributions for service before 1983 in the manner provided in this
18 subdivision. The annuity shall be computed by multiplying by
19 3.5% of final salary the sum of the member's post-December 31,
20 1982 service and years of pre-1983 service for which 5% was con-
21 tributed and multiplying by 3.0% of final salary his or her
22 remaining pre-1983 service not to exceed 40% of final salary.
23 However, if a member filed a timely written election to make the
24 contributions under this subdivision, but before the member's
25 death or retirement had not made the contribution for
26 pre-January 1, 1983 service, but had contributed the percentage
27 of his or her total salary required by section 21(2), then the

1 annuity shall be computed by adding together the products
2 obtained by multiplying by 3.0% of final salary the member's
3 pre-January 1, 1983 service not to exceed 40% of final salary,
4 and by 3.5% of final salary the member's post-December 31, 1982
5 service. The annuity shall not exceed 66-2/3% of the final
6 salary.

7 (2) A retirant who retired before December 21, 1974, and who
8 is receiving an annuity on October 1, 1978, shall receive an
9 annuity of not less than \$4,000.00 for 12 years of service and a
10 supplemental annuity of an amount equal to \$160.00 for each year
11 of service that exceeds 12 years of service. A beneficiary of a
12 deceased member or deceased retirant who died or retired before
13 December 21, 1974, who is receiving an annuity on October 1,
14 1978, shall receive an annuity of not less than \$4,000.00 for 12
15 years of the deceased member or deceased retirant's service and a
16 supplemental annuity of \$80.00 for each year of the deceased
17 member or deceased retirant's service that exceeds 12 years of
18 service.

19 SEC. 16A. (1) EFFECTIVE MARCH 1, 1993, THE ANNUITY PAYABLE
20 TO A RETIRANT OR BENEFICIARY OF A DECEASED RETIRANT WHOSE EFFEC-
21 TIVE DATE OF RETIREMENT WAS BEFORE JANUARY 1, 1980, IS SUPPLE-
22 MENTED AS FOLLOWS:

1	EFFECTIVE DATE OF RETIREMENT	PERCENT OF INCREASE
2	JANUARY 1, 1979 TO DECEMBER 31, 1979	11%
3	JANUARY 1, 1978 TO DECEMBER 31, 1978	12%
4	JANUARY 1, 1977 TO DECEMBER 31, 1977	13%
5	JANUARY 1, 1976 TO DECEMBER 31, 1976	14%
6	JANUARY 1, 1975 TO DECEMBER 31, 1975	15%
7	JANUARY 1, 1974 TO DECEMBER 31, 1974	16%
8	JANUARY 1, 1973 TO DECEMBER 31, 1973	17%
9	JANUARY 1, 1972 TO DECEMBER 31, 1972	18%
10	JANUARY 1, 1971 TO DECEMBER 31, 1971	19%
11	JANUARY 1, 1970 TO DECEMBER 31, 1970	20%
12	JANUARY 1, 1969 TO DECEMBER 31, 1969	21%
13	JANUARY 1, 1968 TO DECEMBER 31, 1968	22%
14	JANUARY 1, 1967 TO DECEMBER 31, 1967	23%
15	BEFORE JANUARY 1, 1967	24%

16 (2) THE RECALCULATED ANNUITY SHALL BE THE BASIS ON WHICH
 17 FUTURE ADJUSTMENTS TO THE ANNUITY ARE CALCULATED.

18 (3) THE SUPPLEMENT PROVIDED BY THIS SECTION SHALL BE CALCU-
 19 LATED PURSUANT TO SUBSECTION (1) AND SHALL BE PAID BEFORE
 20 OCTOBER 1, 1993. IF A RETIRANT DIES BEFORE OCTOBER 1, 1993 AND
 21 NO BENEFITS BECOME PAYABLE UNDER SECTION 17 OR 20(3), THE
 22 RETIRANT'S ANNUITY SHALL NOT BE SUPPLEMENTED UNDER THIS SECTION.

23 SEC. 16B. (1) NOTWITHSTANDING SECTION 16(1) AND EXCEPT AS
 24 PROVIDED IN SUBSECTION (2), THE ANNUITY PAYABLE TO A RETIRANT
 25 WHOSE EFFECTIVE DATE OF RETIREMENT WAS BEFORE JANUARY 1, 1980 OR
 26 TO AN OPTION A BENEFICIARY OF A DECEASED RETIRANT WHOSE EFFECTIVE

1 DATE OF RETIREMENT WAS BEFORE JANUARY 1, 1980, AS SUPPLEMENTED BY
2 SECTION 16A IF APPLICABLE, SHALL NOT BE LESS THAN \$10,000.00 PER
3 ANNUM IF THE RETIRANT HAD AT LEAST 8 YEARS OF SERVICE CREDITED
4 UNDER THIS ACT. NOTWITHSTANDING SECTION 16(1) AND EXCEPT AS PRO-
5 VIDED IN SUBSECTION (2), THE ANNUITY PAYABLE TO A BENEFICIARY,
6 OTHER THAN AN OPTION A BENEFICIARY, OF A DECEASED RETIRANT WHOSE
7 EFFECTIVE DATE OF RETIREMENT WAS BEFORE JANUARY 1, 1980, AS SUP-
8 PLEMENTED BY SECTION 16A IF APPLICABLE, SHALL NOT BE LESS THAN
9 \$8,500.00 PER ANNUM IF THE RETIRANT HAD AT LEAST 8 YEARS OF SERV-
10 ICE CREDITED UNDER THIS ACT. THE PAYMENT OF AN INCREASED ANNUITY
11 UNDER THIS SECTION IS EFFECTIVE ON MARCH 1, 1993 AND IS NOT PAY-
12 ABLE FOR ANY MONTH BEGINNING BEFORE MARCH 1, 1993.

13 (2) FOR A RETIRANT OR BENEFICIARY OF A DECEASED RETIRANT WHO
14 IS ELIGIBLE TO RECEIVE AN INCREASED ANNUITY UNDER SUBSECTION (1)
15 AND WHO IS RECEIVING AN ANNUITY OR RETIREMENT ALLOWANCE FROM
16 ANOTHER PUBLICLY SUPPORTED RETIREMENT SYSTEM ATTRIBUTABLE TO THE
17 SAME YEARS OF SERVICE, OTHER THAN FEDERAL SOCIAL SECURITY BENE-
18 FITS, THE ANNUITY PAYABLE TO THAT RETIRANT OR BENEFICIARY SHALL
19 BE THE AMOUNT SPECIFIED IN SUBSECTION (1) MINUS THE AMOUNT OF THE
20 ANNUITY OR RETIREMENT ALLOWANCE PAYABLE FROM THE OTHER PUBLICLY
21 SUPPORTED RETIREMENT SYSTEM, BUT NOT LESS THAN THE ANNUITY AS
22 SUPPLEMENTED BY SECTION 16A, IF APPLICABLE, OR NOT LESS THAN THE
23 ANNUITY PAYABLE UNDER THIS ACT ON FEBRUARY 28, 1993.

24 (3) AS USED IN THIS SECTION, "OPTION A BENEFICIARY" MEANS A
25 PERSON WHO IS RECEIVING 100% OF THE DECEASED RETIRANT'S REDUCED
26 RETIREMENT ANNUITY UNDER OPTION A AS DESCRIBED IN SECTION 17.