



HOUSE BILL No. 5332

February 10 1994 Introduced by Reps Rhead Llewellyn McBryde Harder and Jaye
and referred to the Committee on Public Retirement

A bill to amend sections 5, 6, and 7 of Act No 300 of the
Public Acts of 1980, entitled

The public school employees retirement act of 1979,"
section 5 as amended by Act No 163 of the Public Acts of 1987
and sections 6 and 7 as amended by Act No 194 of the Public Acts
of 1989, being sections 38 1305, 38 1306, and 38 1307 of the
Michigan Compiled Laws and to repeal certain acts and parts of
acts

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 5, 6, and 7 of Act No 300 of the
2 Public Acts of 1980, section 5 as amended by Act No 163 of the
3 Public Acts of 1987 and sections 6 and 7 as amended by Act
4 No 194 of the Public Acts of 1989, being sections 38 1305,
5 38 1306, and 38 1307 of the Michigan Compiled Laws, are amended
6 to read as follows

1 Sec 5 (1) Member means a public school employee, except
2 that member does not include any of the following

3 (a) A person enrolled in a neighborhood youth corps program
4 operated with funds from the federal office of economic opportu-
5 nity or a person enrolled in a comparable youth training program
6 designed to prevent high school dropouts and rehabilitate high
7 school dropouts operated by an intermediate school district

8 (b) A person enrolled in a transitional public employment
9 program and employed by a reporting unit

10 (c) A person employed by a reporting unit while enrolled as
11 a full-time student in that same reporting unit

12 (d) A person who ~~elects~~ ELECTED TO PARTICIPATE IN the
13 optional retirement ~~system~~ PROGRAM under ~~the optional retire-~~
14 ~~ment act of 1967,~~ FORMER Act No 156 of the Public Acts of 1967,
15 ~~as amended, being sections 38-381 to 38-388 of the Michigan~~
16 ~~Compiled Laws,~~ at central Michigan university, eastern Michigan
17 university, northern Michigan university, western Michigan uni-
18 versity Michigan technological university, Lake Superior state
19 university, or Ferris state university

20 (e) A retirant of this retirement system

21 (f) A person, not regularly employed by a reporting unit,
22 who is employed by a reporting unit through a summer youth
23 employment program established pursuant to the Michigan youth
24 corps act, Act No 69 of the Public Acts of 1983, being sections
25 409 221 to 409 229 of the Michigan Compiled Laws

1 (g) A person, not regularly employed by a reporting unit,
2 who is employed by a reporting unit to administer a program
3 described in subdivision (f), (h), (i), (j), or (k)

4 (h) After September 30, 1983, a person, not regularly
5 employed by a reporting unit, who is employed by a reporting unit
6 through participation in a program established pursuant to the
7 job training partnership act, Public Law 97-300, 96 Stat 1322

8 (i) A person, not regularly employed by a reporting unit,
9 who is employed by a reporting unit through participation in a
10 program established pursuant to the Michigan opportunity and
11 skills training program, FIRST ESTABLISHED under sections 12 to
12 23 of Act No 259 of the Public Acts of 1983

13 (j) A person, not regularly employed by a reporting unit,
14 who is employed by a reporting unit through participation in a
15 program established pursuant to the Michigan community service
16 corps program, FIRST ESTABLISHED under sections 25 to 35 of Act
17 No 259 of the Public Acts of 1983

18 (k) A person, not regularly employed by a reporting unit
19 who is employed by a reporting unit through participation in a
20 program established pursuant to the older American community
21 service employment program under THE OLDER AMERICAN COMMUNITY
22 SERVICE EMPLOYMENT ACT, title V of the older Americans act of
23 1965, Public Law 89-73, 42 U S C 3056 to ~~3056f~~ 3056i

24 (2) 'Membership service" means service performed after June
25 30, 1945

26 (3) "Noncontributory plan" means the plan which began
27 between July 1, 1974 and July 1 1977 in which the reporting

1 unit elected to discontinue withholding contributions from
2 employees' compensation

3 (4) "Noncontributory service means credited service
4 rendered under the noncontributory plan

5 (5) "Nonteacher" means a person employed by a reporting unit
6 who is not a teacher as defined in section 8(4)

7 Sec 6 (1) Original member means a member employed in
8 Michigan public schools before July 1, 1945

9 (2) "Out of system public education service' means service
10 performed in public education meeting 1 or more of the following
11 requirements

12 (a) Performed in other states in the United States or its
13 territorial possessions

14 (b) Performed at the university of Michigan, Michigan state
15 university, Wayne state university, Grand Valley state universi-
16 ty, Oakland university, or Saginaw Valley university BEGINNING
17 ON AND AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
18 THIS SENTENCE PERFORMED AT AN INSTITUTION OF HIGHER EDUCATION
19 DESCRIBED IN SECTION 4, 5, OR 6 OF ARTICLE VIII OF THE STATE CON-
20 STITUTION OF 1963

21 (c) Service purchased before January 31, 1991 and performed
22 in a juvenile training school operated by a county in this
23 state

24 (d) Service purchased before January 31, 1991 and performed
25 in a community mental health service program operated under
26 former Act No 54 of the Public Acts of 1963 for the severely
27 mentally retarded in day care programs, day training programs, or

1 day care training programs that were transferred to an
 2 intermediate school district by direction of the department of
 3 education

4 (e) Service purchased before January 31, 1991 and performed
 5 as an elementary or secondary teacher at a United States armed
 6 forces military base in the United States or a foreign country

7 (f) Service purchased before January 31, 1991 and performed
 8 as a teacher or administrator of American nationals in overseas
 9 public elementary or secondary schools operated by the United
 10 States department of defense

11 (3) 'Prior service' means service performed before July 1,
 12 1945

13 (4) 'Public school employee", EXCEPT AS OTHERWISE PROVIDED
 14 IN THIS SUBSECTION, means an employee of a public local school
 15 district, intermediate school district, tax supported community
 16 or junior college, eastern Michigan university, central Michigan
 17 university northern Michigan university western Michigan uni-
 18 versity Ferris state university, Michigan technological univer-
 19 sity Lake Superior state university or district library as
 20 defined in section 69g if the conditions in section 69g(1) are
 21 met for that employee Service at Michigan technological univer-
 22 sity shall be creditable only if the amount of the accumulated
 23 contributions in the state employees' retirement system CREATED
 24 BY THE STATE EMPLOYEES RETIREMENT ACT, ACT NO 240 OF THE PUBLIC
 25 ACTS OF 1943, BEING SECTIONS 38 1 TO 38 48 OF THE MICHIGAN
 26 COMPILED LAWS for service is paid to the retirement system
 27 Service at Ferris state university shall be creditable as prior

1 service or membership service only if the employee was employed
2 at Ferris state university on a full-time basis for 2 or more
3 years after May 17, 1949 Until January 1, 1988, public school
4 employee also includes a person holding a Michigan teacher cer-
5 tificate and serving as an employee of the Michigan high school
6 athletic association, other than a person whose effective date of
7 employment with the Michigan high school athletic association is
8 on or after December 31, 1986 ~~-A~~ PUBLIC SCHOOL EMPLOYEE

9 INCLUDES A public school employee on an approved leave of
10 absence ~~is included within this definition~~ PUBLIC SCHOOL
11 EMPLOYEE DOES NOT INCLUDE A PERSON WHO BECOMES EMPLOYED BY A UNI-
12 VERSITY DESCRIBED IN THIS SUBSECTION ON OR AFTER THE EFFECTIVE
13 DATE OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE

14 Sec 7 (1) 'Refund beneficiary means 1 or more persons
15 whom the member or former member nominates in writing and files
16 with the retirement system for the purpose of being paid accumu-
17 lated contributions in the event of the death of the member or
18 former member If a valid nomination is not on file, the retire-
19 ment board shall pay the accumulated contributions to the legal
20 representative of the deceased member or deceased former member,
21 if any, or to the estate of the deceased member or deceased
22 former member

23 (2) 'Regular interest' means interest at 1 or more rates per
24 annum determined by the retirement board and compounded
25 annually

26 (3) 'Reporting unit' means a public school district,
27 intermediate school district tax supported community or junior

1 college, ~~college,~~ or university, or an agency having employees
2 on its payroll who are members of this retirement system The
3 reporting unit shall be the employer for purposes of this act
4 BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
5 THIS SENTENCE, REPORTING UNIT DOES NOT INCLUDE A UNIVERSITY,
6 EXCEPT TO THE EXTENT THAT UNIVERSITY HAS EMPLOYEES ON ITS PAYROLL
7 WHO ARE MEMBERS OF THIS RETIREMENT SYSTEM

8 (4) "Retirant" means a member who retires with a retirement
9 allowance payable from reserves of the retirement system

10 (5) "Retirement allowance means a payment for life or a
11 temporary period provided for in this act to which a retirant,
12 retirement allowance beneficiary or refund beneficiary is
13 entitled

14 (6) "Retirement allowance beneficiary" means a person who is
15 being paid or has entitlement to the payment of a retirement
16 allowance in the event of the death of a member, deferred member,
17 or retirant

18 (7) Retirement board means the board provided to adminis-
19 ter this retirement system

20 (8) "Retirement system" means the Michigan public school
21 employees retirement system provided for in this act

22 Section 2 Act No 156 of the Public Acts of 1967, being
23 sections 38 381 to 38 388 of the Michigan Compiled Laws, is
24 repealed