



HOUSE BILL No. 5779

September 14, 1994, Introduced by Reps Byrum, Martinez, McBryde, Cropsey Gire Wetters and DeMars and referred to the Committee on Public Retirement

A bill to amend section 12a of Act No 156 of the Public Acts of 1851, entitled as amended

An act to define the powers and duties of the county boards of commissioners of the several counties, and to confer upon them certain local, administrative and legislative powers and to prescribe penalties for the violation of the provisions of this act,"

as amended by Act No 195 of the Public Acts of 1991, being section 46 12a of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 12a of Act No 156 of the Public Acts of
2 1851, as amended by Act No 195 of the Public Acts of 1991, being
3 section 46 12a of the Michigan Compiled Laws, is amended to read
4 as follows

5 Sec 12a (1) A county board of commissioners at a lawfully
6 held meeting may do 1 or more of the following

1 (a) Provide group life, health, accident and
2 hospitalization, and disability coverage for a county employee,
3 retired employee or an employee of an office, board, or depart-
4 ment of the county including the board of county road commis-
5 sioners and a dependent of an employee, either with or without
6 cost participation by the employee and appropriate the necessary
7 funds for the insurance For a county with 100 employees or
8 more, self-insure for health accident and hospitalization, and
9 group disability coverage for a county employee, retired employ-
10 ee or an employee of an office board or department of the
11 county, including the board of county road commissioners, and a
12 dependent of an employee, either with or without cost participa-
13 tion by the employee and appropriate the necessary funds

14 (b) Adopt and establish a plan by which the county purchases
15 or participates in the cost of an endowment policy or retirement
16 annuity for a county employee or an employee of an office, board,
17 or department of the county including the board of county road
18 commissioners, to provide monthly pension or retirement benefits
19 for each employee 60 years of age or older in an amount not to
20 exceed \$150 00 per month or 2% of the average monthly earnings of
21 the employee for 5 years immediately before retirement times the
22 years of service of the employee, whichever is the lesser sum
23 As an option, a county board of commissioners may adopt and
24 establish a plan by which the county pays pension or retirement
25 benefits to a county employee or an employee of an office, board,
26 or department of the county, including the board of county road
27 commissioners, who has been employed for not less than 25 years,

1 or who is 60 years of age or older and has been employed for not
2 less than 5 years, in monthly payments not to exceed 2 5% of the
3 employee s highest average monthly compensation or earnings
4 received from the county or county road fund for 5 years of serv-
5 ice times the total number of years of service of the employee,
6 including a fraction of a year not to exceed 3/4 of the average
7 final compensation of the employee A plan may also pay early
8 retirement benefits at 55 years of age or older to the extent of
9 actuarially equivalent benefits not increasing the costs of the
10 plan Except as provided in subsection (28), endowment policies,
11 retirement benefits pensions, or annuity retirement benefits in
12 excess of the amounts stipulated in this subdivision may be pro-
13 vided for by a plan of employee participation to cover the cost
14 of the excess If the employment or the pension or retirement
15 benefits of an employee who participated in the cost of pension
16 or retirement benefits are terminated before the employee
17 receives pension or retirement benefits equal to the total amount
18 of the employee s participation, the balance of the total partic-
19 ipation shall be refunded to the employee at the time of termina-
20 tion if living, or if deceased, to the employee s heir, estate,
21 legal representative or designated beneficiary as provided in
22 the plan adopted and established by the county board of
23 commissioners If a terminated employee is subsequently rehired
24 by the county, the employee may repay the amount of participation
25 refunded to the employee upon the employee's termination,
26 together with compound interest from the date of refund to the
27 dates of repayment at the rates provided in the plan As

1 conditions for repayment the plan may require return to
2 employment for a period not to exceed 3 years and may require
3 that repayment be completed within a period of not less than 1
4 year following return to employment A plan adopted for the pay-
5 ment of retirement benefits or a pension shall grant benefits to
6 an employee eligible for pension or retirement benefits according
7 to a uniform scale for all persons in the same general class or
8 classification An employee shall not be denied benefits by ter-
9 mination of his or her employment after the employee becomes eli-
10 gible for benefits under the plan and this section An endowment
11 policy or annuity purchased pursuant to this section shall be
12 purchased from an insurer authorized to write endowment policies
13 or annuities in this state

14 (2) In a plan adopted under this section, at least 60% of
15 the total pension or retirement benefit granted to an employee
16 from county funds shall consist of a percentage not to exceed
17 2 5% of the employee s average final compensation times the
18 employee's years of service and shall be granted to each employee
19 eligible for retirement under the plan uniformly and without
20 restriction or limitation other than those prescribed in this
21 section As used in this section

22 (a) "Average final compensation" means the annual average of
23 the highest actual compensation received by a county employee,
24 other than a county employee who is a judge of a municipal court
25 of record subject to subsection (21) or a judge subject to sub-
26 section (24), during a period of 5 consecutive years of service
27 contained within the employee's 10 years of service immediately

1 before the employee s retirement or a period of 5 years of
2 service as specified in the plan In a county that adopts a plan
3 for granting longevity pay, the county board of commissioners may
4 exclude this longevity pay from average final compensation for
5 the purpose of computing the rate of employee contribution and
6 the amount of benefits payable to an employee upon retirement

7 (b) Longevity pay means increments of compensation payable
8 at annual or semiannual intervals and based upon years of service
9 to the county, exclusive of compensation provided for a given
10 class of positions

11 (3) A circuit court stenographer is eligible for membership
12 in, and the benefits of a pension or retirement benefit under a
13 plan established pursuant to this section or a social security
14 plan established by the county or 1 of the counties that pays a
15 portion of the compensation of a circuit court stenographer

16 (4) If the employment of a county employee eligible to
17 receive a pension or retirement benefit under a plan established
18 pursuant to this section is terminated after the employee has
19 completed 8 or more years of service in county employment the
20 employee shall receive the amount of pension or retirement bene-
21 fit to which the employee's service would have entitled the
22 employee under the plan established if the employee waives the
23 employee's right to a refund of the employee's total participa-
24 tion upon the termination of employment The payment of pension
25 or retirement benefits shall begin, as provided in the plan,
26 after the employee would have become eligible for retirement
27 under the plan had the employee s employment not been terminated

1 but not later than 90 days after the employee becomes 65 years of
2 age The payment of pension or retirement benefits shall not
3 begin until the employee has applied for pension or retirement
4 benefits in the manner prescribed in the plan established

5 (5) A plan established under this section may provide for
6 pension or retirement benefits for a county employee who becomes
7 totally disabled for work in the county service from any cause
8 after not less than 10 years of county employment, to the extent
9 of the limitations provided in this section A plan may also
10 provide for pension or retirement benefits to the extent of the
11 limitations provided in this section or \$400 00 per month, which-
12 ever is the greater sum, for an employee who becomes totally dis-
13 abled for work in the county service from causes that are the
14 direct and proximate result of county employment, to continue for
15 the duration of the disability or until the employee becomes eli-
16 gible for retirement pursuant to other provisions of the plan
17 authorized by this section A plan may also provide for pension
18 or retirement benefits, to the extent of the limitations provided
19 in this section for the actual dependents of a county employee
20 who dies while still employed by the county after not less than
21 10 years of county employment or who dies after leaving county
22 employment with not less than the number of years of service
23 required to vest in the plan but before becoming eligible to
24 receive a pension or retirement benefit A plan may also provide
25 for pension or retirement benefits to the extent of the limita-
26 tions provided in this section or \$400 00 per month, whichever is
27 greater, for the actual dependents of a deceased county employee

1 whose death is the direct and proximate result of county
 2 employment The plan may provide that the period from the end of
 3 the deceased or disabled employee s period of service to the date
 4 that employee would have become eligible for retirement be used
 5 as service for the sole purpose of computing the amount of dis-
 6 ability or death pension

7 (6) ~~"County"~~ AS USED IN THIS SECTION 'COUNTY employee
 8 includes a bailiff of the district court in the thirty-sixth dis-
 9 trict who serves pursuant to section 8322 of the revised judica-
 10 ture act of 1961, Act No 236 of the Public Acts of 1961, as
 11 amended being section 600 8322 of the Michigan Compiled Laws
 12 and a person who receives more than 50% of all compensation for
 13 personal services, rendered to governmental units, from a county
 14 fund or county road fund except a person other than a bailiff
 15 of the district court in the thirty-sixth district, engaged for
 16 special services on a contract or fee basis ~~The plan adopted~~
 17 ~~under this section, until~~ UNTIL December 31 1979 A PLAN
 18 ADOPTED UNDER THIS SECTION may include as a county employee a
 19 person on leave of absence from county employment who is not a
 20 member of another retirement system except as a retirant and who
 21 pays or arranges payment of contributions equal to the contribu-
 22 tions that would have been required to be paid under the plan by
 23 both the county and the employee, based upon the compensation the
 24 employee would have received from the county, if the employee had
 25 not taken a leave of absence or a person who complies with the
 26 requirements of such a provision approved for inclusion in a plan
 27 by the county board of commissioners before January 1, 1976, who

1 shall be considered to be a county employee during the period of
2 compliance ~~Provision may be made to~~ A PLAN ADOPTED UNDER THIS
3 SECTION MAY exclude a person who is employed on a temporary basis
4 and a person employed in a position normally requiring less than
5 1,000 hours or some lesser specified number of hours work per
6 year A bailiff serving in the district court in the
7 thirty-sixth district is eligible to receive benefits under this
8 section if a plan has been established by law by which the cost
9 of benefits is payable from sources including charges on all
10 legal instruments in which the service of process by a bailiff is
11 required and earmarked by law for benefits, and contributions
12 made by the state and each bailiff pursuant to section 8322(7) of
13 Act No 236 of the Public Acts of 1961, as amended The plan
14 shall include provisions by which a bailiff or former bailiff who
15 served as bailiff as of January 1, 1967, may retire after 25
16 years of service regardless of age, with maximum benefits to be
17 computed as follows starting as of January 1 1969 the average
18 of any 5 years of earnings of the previous 10 years served in
19 succession before retirement multiplied by 1 9% times the years
20 of service starting as of June 1, 1975 the average of any 5
21 years of earnings multiplied by 2% times the years of service
22 As used in this subsection, "earnings" means the salary and fees,
23 other than mileage, received by a bailiff pursuant to section
24 8322(6) of Act No 236 of the Public Acts of 1961, as amended
25 The plan shall include provisions by which health, accident, and
26 hospitalization insurance premiums may be paid out of the
27 earnings of this fund These payments shall be made at the

1 discretion of the pension board of trustees A county that has a
2 retirement fund for bailiffs under this section shall annually
3 review the retirement fund and shall ensure that the fund is
4 maintained in an actuarially sound condition Copies of the
5 actuarial reports shall be provided to the state judicial council
6 created by chapter 91 of Act No 236 of the Public Acts of 1961,
7 being sections 600 9101 to 600 9107 of the Michigan Compiled
8 Laws

9 (7) An employee while receiving a pension or retirement ben-
10 efit because of disability, pursuant to this section, may be con-
11 sidered as employed in the county service for the purpose of
12 retirement under this section

13 (8) A county employee who is included by law in another pen-
14 sion or retirement system by reason of the compensation the
15 employee receives from the county may be excluded from a plan
16 established under this section or included only to the extent of
17 the difference between benefits granted under this section and
18 the other pension or retirement system

19 (9) The county board of commissioners, upon the request of a
20 county employee by not less than a 3/5 vote may credit that
21 county employee with the amount of government service resulting
22 from employment with the United States government except mili-
23 tary service employment with a state, or employment with any of
24 their political subdivisions under the following conditions

25 (a) Employment by the county occurred within 15 years fol-
26 lowing the county employee s separation from service of the last
27 unit of government by which the county employee was employed

1 (b) Service rendered before the last break in service of
2 more than 15 years shall not be credited

3 (c) Service that is recognized for the purpose of a deferred
4 retirement allowance under a retirement system or other
5 employer-funded retirement benefit plan, except for a retirement
6 benefit plan under the social security act, chapter 531, 49
7 Stat 620, of the United States government, a state, or a politi-
8 cal subdivision of a state shall not be credited if the county
9 employee retired under a retirement system of the United States
10 government, a state, or any of their political subdivisions or
11 until the county employee irrevocably forfeits the right to the
12 deferred retirement allowance

13 (d) The county employee deposits in the plan established
14 under this section an amount equal to the aggregate amount of
15 contributions the county employee would have made had the service
16 been acquired in the employ of the county, plus interest from the
17 dates the contributions would have been made to the date of
18 deposit at rates determined by the county board of
19 commissioners If records are insufficient or unavailable to
20 compute the exact amount of required deposit, the county board of
21 commissioners may estimate the amount

22 (e) The county employee has 8 or more years of credited
23 service in county employment, has legal vesting in the county
24 plan, and deposits in the county employees' retirement system an
25 amount equal to the aggregate amount of contributions the
26 employer would have made had the government service being

1 credited under this section been acquired in the employ of the
2 county

3 (10) A plan adopted under this section may provide for
4 annual or less frequent postretirement redetermination of a
5 pension The redetermined amount of pension shall be not greater
6 than the amount of pension otherwise payable multiplied by the
7 sum of 100% and the percentage the county board of commissioners
8 determines appropriate for each full year, excluding a fraction
9 of a year, in the period from the effective date of payments of
10 the pension and the date as of which the redetermination is being
11 made The redetermined amount shall not be less than the amount
12 of pension otherwise payable A provision of this section that
13 limits the amount of a pension shall not apply to the operation
14 of this subsection redetermining the amount of a pension As
15 used in this subsection, 'the amount of pension otherwise
16 payable" means the amount of pension that would be payable with-
17 out regard to this subsection The application of a provision
18 redetermining pension amounts may be restricted to pensions
19 ~~having~~ THAT HAVE an effective date of payment either before or
20 after a specified date

21 (11) The cost of pension or retirement benefits for a county
22 employee under this section may be paid from the same fund from
23 which the employee receives compensation, and the county board of
24 commissioners may appropriate the necessary funds to carry out
25 the purposes of this section If a county establishes a plan by
26 which the county pays pension or retirement benefits to an
27 employee pursuant to this section, the county, pursuant to

1 provisions for pension or retirement benefits that are
2 incorporated in the plan, shall establish and maintain reserves
3 on an actuarial basis in the manner provided in this subsection
4 sufficient to finance the pension and retirement and death bene-
5 fit liabilities under the plan and sufficient to pay the pension
6 and retirement and death benefits as they become due A county
7 that adopts a retirement plan under this section and establishes
8 reserves on an actuarial basis shall maintain the reserves as
9 provided in this subsection The reserves shall be determined by
10 an actuarial valuation and established and maintained by yearly
11 appropriations by the county and contributions by employees The
12 reserves shall be established, maintained, and funded to cover
13 the pension and other benefits provided for in the plan in the
14 same manner and within the same limits as to time as is provided
15 for Benefit Program B in the municipal employees retirement
16 system described in section 14 of the municipal employees retire-
17 ment act of 1984, Act No 427 of the Public Acts of 1984, being
18 section 38 1514 of the Michigan Compiled Laws These reserves
19 are trust funds and shall not be used for any other purpose than
20 the payment of pension, retirement and other benefits and
21 refunds of employee contributions pursuant to the plan estab-
22 lished in a county An employee s contributions shall be kept
23 and accumulated in a separate fund and used only for the payment
24 of annuities and refunds to employees This subsection does not
25 apply to a county that adopted a retirement plan under this sec-
26 tion and did not establish reserves on an actuarial basis before
27 October 11, 1947

1 (12) A plan established by a county for the payment of
2 pension and retirement benefits to an employee under this section
3 shall be approved as complying with this section by a county pen-
4 sion plan committee consisting of the attorney general, the state
5 treasurer, and the executive secretary of the state employees
6 retirement system created by the state employees' retirement act
7 Act No 240 of the Public Acts of 1943 as amended being sec-
8 tions 38 1 to 38 48 of the Michigan Compiled Laws, before the
9 plan becomes effective or operative in the county Each county
10 retirement plan operating under this section shall be approved by
11 the committee as complying with this section biennially A
12 financial statement for each county retirement plan operating
13 under this section shall be submitted annually to the county pen-
14 sion plan committee by the county board, official, or employee
15 designated by the county board of commissioners The financial
16 statement shall be in the form, contain the information and be
17 submitted as the county pension plan committee prescribes The
18 state treasurer shall audit the funds and accounts of county
19 retirement plans established under this section in the same
20 manner as the state treasurer audits other county accounts and
21 may audit and investigate county retirement plan funds and
22 accounts to the extent necessary to effectuate the purposes of
23 this section This subsection does not apply to a county that
24 adopted a retirement plan under this section and did not estab-
25 lish reserves on an actuarial basis before October 11, 1947

26 (13) If a county establishes a plan for the payment of
27 pension and retirement benefits to its employees pursuant to this

1 section, the county board of commissioners may provide for a
2 board of trustees to administer the plan and for the manner of
3 election or appointment of the members of the board of trustees
4 The county board of commissioners may grant authority to the
5 board of trustees to fully administer and operate the plan and to
6 deposit, invest and reinvest the funds and reserves of the plan
7 within the limitations prescribed by the county board of commis-
8 sioners in the plan The county board of commissioners may
9 authorize the investment of funds of a county retirement plan
10 established under this section in anything in which the funds of
11 the state employees' retirement system or the funds of the munic-
12 ipal employees retirement system may be invested, pursuant to Act
13 No 240 of the Public Acts of 1943 as amended, and Act No 427
14 of the Public Acts of 1984, being sections 38 1501 to ~~38 1556~~
15 38 1558 of the Michigan Compiled Laws A county retirement plan
16 established under this section may provide for financing fund-
17 ing and the payment of benefits in the same manner and to the
18 same extent as is provided for in Act No 240 of the Public Acts
19 of 1943, as amended, and Act No 427 of the Public Acts of 1984,
20 may provide for and require contributions by county employees,
21 and may permit additional employee contributions on a voluntary
22 basis

23 (14) Upon the approval of the county board of commissioners,
24 a member who entered the armed service of the United States
25 before June 1, 1980 or who entered the armed service of the
26 United States on or after June 1, 1980 during a time of war or
27 emergency condition as described in section 1 of Act No 190 of

1 the Public Acts of 1965, as amended, being section 35 61 of the
2 Michigan Compiled Laws, may elect to receive credited service for
3 not more than 5 years of active military service Credit for
4 military service shall be given upon request and payment to the
5 retirement system of an amount equal to 5% of the member's
6 full-time or equated full-time annual compensation for the year
7 in which payment is made multiplied by the number of years and
8 fraction of a year, of credited service that the member elects to
9 purchase up to the maximum Service shall not be credited if the
10 service is or would be credited under any other federal, state,
11 or local publicly supported retirement system Service shall not
12 be credited under this subsection until the member has the number
13 of years of credited service needed to vest under the plan Only
14 completed years and months of armed service shall be credited
15 under this subsection

16 (15) A member who enters or entered any armed service of the
17 United States may purchase credited service for periods of con-
18 tinuous active duty lasting 30 days or more subject to the fol-
19 lowing conditions

20 (a) The county board of commissioners authorizes the pur-
21 chase of credited service under this subsection by an affirmative
22 vote of a majority of the members of the county board of
23 commissioners The county board of commissioners shall establish
24 a written policy to implement the provisions of this subsection
25 in order to provide uniform application of this subsection to all
26 members of the plan

1 (b) The member has at least the number of years of credited
2 service needed to vest under the plan, not including any credited
3 service purchased under this subsection and subsection (14)

4 (c) The member pays the plan 5% of the member s annual com-
5 pensation multiplied by the period of credited service being
6 purchased As used in this subdivision, annual compensation
7 means the aggregate amount of compensation paid the member during
8 the 4 most recent calendar quarters for each of which the member
9 was credited 3/12 of a year of credited service

10 (d) Fractional months of armed service shall not be recog-
11 nized for the purposes of this subsection

12 (e) Armed service credited a member under subsection (14)
13 shall not be the basis of credited service under this section

14 (f) Armed service credited a member under this subsection
15 shall not exceed either 5 years or the difference between 5 years
16 and the armed service credited the member under subsection (14)

17 (g) Credited service shall not be granted for periods of
18 armed service that are or could be used for obtaining or increas-
19 ing a benefit from another retirement system

20 (16) As used in this subsection, transitional public
21 employment program" means a public service employment program in
22 the area of environmental quality, health care, education, public
23 safety, crime prevention and control, prison rehabilitation
24 transportation, recreation, maintenance of parks, streets, and
25 other public facilities, solid waste removal, pollution control,
26 housing and neighborhood improvements, rural development,
27 conservation, beautification veterans outreach or any other

1 area of human betterment and community improvement as part of a
2 program of comprehensive manpower services authorized under-
3 taken, and financed pursuant to the former comprehensive employ-
4 ment and training act of 1973, Public Law 93-203 A person par-
5 ticipating in a transitional public employment program shall not
6 be eligible for membership in a retirement system or pension plan
7 established under this section If the person later becomes a
8 member of a retirement system or pension plan established under
9 this section within 12 months after the date of termination as a
10 participant in a transitional public employment program, service
11 credit shall be given for employment in the transitional public
12 employment program for purposes of determining a retirement
13 allowance upon the payment by the person and the person's
14 employer under the transitional public employment program from
15 funds provided under the former comprehensive employment and
16 training act of 1973 Public Law 93-203, as funds permit, to the
17 retirement system of the contributions, plus regular interest
18 the person and the employer would have paid had the employment
19 been rendered in a position covered by this section During the
20 person's employment in the transitional public employment pro-
21 gram, the person's employer shall provide an opportunity by pay-
22 roll deduction for the person to make his or her employee contri-
23 bution to the applicable pension system To provide for the
24 eventual payment of the employer's contribution, the person's
25 employer shall during this same period place in reserve a reason-
26 able but not necessarily an actuarially determined amount equal
27 to the contributions that the employer would have paid to the

1 retirement system for those employees in the transitional public
2 employment program as if they were members under this section,
3 but only for that number of employees that the employer deter-
4 mined would transfer from the transitional public employment pro-
5 gram into positions covered by this section If the funds pro-
6 vided under the former comprehensive employment and training act
7 of 1973, Public Law 93-203 are insufficient, the remainder of
8 the employer contributions shall be paid by the person's current
9 employer

10 (17) Subsection (16) does not exclude the participant in a
11 transitional public employment program from the accident, dis-
12 ability or other benefits available to members of the retirement
13 system covered by this section

14 (18) If a probate judge who is a member of a plan estab-
15 lished under this section contributes for ~~not less than~~ 20
16 years OR MORE, the county board of commissioners may allow the
17 probate judge to cease further contributions

18 (19) An employee of the circuit court in the third judicial
19 circuit the common pleas court of the city of Detroit or the
20 recorder s court of the city of Detroit who became an employee of
21 the state judicial council on September 1, 1981, and who was 44
22 years of age or older as of that date, and who will have accumu-
23 lated 25 or more years of service credit by September 1, 1987,
24 shall continue to be eligible for membership in, and the benefits
25 of, a pension or retirement benefit plan established pursuant to
26 this section in the same manner as the employee was eligible
27 before September 1, 1981 A person who was an employee of the

1 circuit court in the third judicial circuit the common pleas
2 court of the city of Detroit, or the recorder s court of the city
3 of Detroit on August 31, 1981, who last entered county employment
4 before November 2 1956, who became an employee of the state
5 judicial council on September 1 1981, and who accumulated not
6 less than 24 years of service credit by August 31, 1981, shall
7 continue to be eligible for membership in and the benefits of a
8 pension or retirement benefit plan established pursuant to this
9 section in the same manner as the employee was eligible before
10 September 1 1981 An election to continue to be a member of a
11 pension or retirement benefit plan established pursuant to this
12 section as authorized by section 594(2) of the revised judicature
13 act of 1961, Act No 236 of the Public Acts of 1961, being sec-
14 tion 600 594 of the Michigan Compiled Laws, or section 36(2) of
15 Act No 369 of the Public Acts of 1919 being section 725 36 of
16 the Michigan Compiled Laws, is not effective unless the employee
17 has made the election in the manner prescribed by those sections
18 and has made the payments required by those sections

19 (20) A plan adopted under this section may provide that an
20 employee of the circuit court in the third judicial circuit the
21 common pleas court of the city of Detroit, or the recorder s
22 court of the city of Detroit who is a member of the Wayne county
23 employees' retirement system on August 31, 1981, who becomes an
24 employee of the state judicial council and a member of the state
25 employees' retirement system on September 1, 1981, receive a ben-
26 efit based on the annual average of the highest actual

1 compensation received by the employee during a period of 5 years
2 of county or state service

3 (21) Beginning September 1, 1981, for determining the
4 retirement benefit for a county employee who is a judge of a
5 municipal court of record pursuant to subsection (2), 'average
6 final compensation means the annual average of the highest
7 actual compensation received by the judge as additional salary
8 pursuant to section 13(2) of Act No 369 of the Public Acts of
9 1919 as amended, being section 725 13 of the Michigan Compiled
10 Laws, during a period of 5 years of service as specified in the
11 plan This subsection shall not be construed to diminish or
12 impair an accrued financial benefit

13 (22) Beginning September 1, 1981, for each county employee
14 who is a judge of a municipal court of record or of the circuit
15 or district court, the sum of the average final compensation
16 determined for that county employee pursuant to this section and
17 the final salary determined for that county employee as a member
18 of the state of Michigan judges retirement system ~~pursuant to~~
19 ~~the judges' retirement act,~~ CREATED BY FORMER Act No 198 of the
20 Public Acts of 1951, ~~as amended, being sections 38 801 to 38 831~~
21 ~~of the Michigan Compiled Laws~~ OR AS A MEMBER OF THE MICHIGAN
22 JUDGES RETIREMENT SYSTEM CREATED BY THE JUDGES RETIREMENT ACT OF
23 1992, ACT NO 234 OF THE PUBLIC ACTS OF 1992 BEING SECTIONS
24 38 2101 TO 38 2608 OF THE MICHIGAN COMPILED LAWS, shall not
25 exceed the employee s total annual judicial salary payable from
26 all sources at the time of his or her retirement This

1 subsection shall not be construed to diminish or impair an
2 accrued financial benefit

3 (23) Beginning September 1 1981 for each county employee
4 who is a judge of the probate court, the sum of the average final
5 compensation calculated for that employee pursuant to this sec-
6 tion and the final salary calculated for that employee as a
7 member of the state of Michigan probate judges retirement system
8 ~~pursuant to the probate judges retirement act,~~ CREATED BY
9 FORMER Act No 165 of the Public Acts of 1954 ~~, as amended,~~
10 ~~being sections 38 901 to 38 933 of the Michigan Compiled Laws~~ OR
11 AS A MEMBER OF THE MICHIGAN JUDGES RETIREMENT SYSTEM CREATED BY
12 ACT NO 234 OF THE PUBLIC ACTS OF 1992 shall not exceed the
13 employee s total annual judicial salary payable from all sources
14 at the time of his or her retirement This subsection shall not
15 be construed to diminish or impair an accrued financial benefit

16 (24) Beginning September 1 1981 for determining a retire-
17 ment benefit pursuant to subsection (2) for a county employee who
18 is a judge who receives an annuity pursuant to section 14(5) of
19 FORMER Act No 198 of the Public Acts of 1951 ~~, as amended,~~
20 ~~being section 38 814 of the Michigan Compiled Laws~~ OR PURSUANT
21 TO SECTION 503(2)(C) OF ACT NO 234 OF THE PUBLIC ACTS OF 1992,
22 BEING SECTION 38 2503 OF THE MICHIGAN COMPILED LAWS "average
23 final compensation means the difference between the judge s
24 total annual salary payable from all sources on August 31 1981,
25 and the judge s state base salary payable on August 31 1981
26 This subsection shall not be construed to diminish or impair an
27 accrued financial benefit

1 (25) Beginning January 1 1983, the sum of the final salary
2 determined for each county employee who is a judge of the probate
3 court used as the basis for determining the judge s retirement
4 allowance as a member of a retirement system established pursuant
5 to this section and the salary or compensation figure used as the
6 basis for determining the judge s retirement allowance as a
7 member of the state of Michigan judges retirement system created
8 by FORMER Act No 198 of the Public Acts of 1951 OR AS A MEMBER
9 OF THE MICHIGAN JUDGES RETIREMENT SYSTEM CREATED BY ACT NO 234
10 OF THE PUBLIC ACTS OF 1992 shall not exceed the judge s total
11 annual salary payable from all sources at the time of his or her
12 retirement This subsection shall not be construed to diminish
13 or impair an accrued financial benefit

14 (26) The county board of commissioners, upon the request of
15 a county employee by not less than a 3/5 vote may credit that
16 county employee with the amount of membership service that the
17 county employee was previously credited with by the retirement
18 system established under this section under the following
19 conditions

20 (a) The membership service previously credited to the county
21 employee was service rendered for the same county

22 (b) Service that is recognized for the purpose of a deferred
23 retirement allowance under a retirement system or other
24 employer-funded retirement benefit plan, except for a retirement
25 benefit plan under the social security act chapter 531, 49
26 Stat 620, of the United States government, a state, or a
27 political subdivision of a state shall not be credited if the

1 county employee retired under a retirement system of the United
2 States government a state or any of their political subdivi-
3 sions or until the county employee irrevocably forfeits the right
4 to the deferred retirement allowance

5 (c) The county employee deposits in the plan established
6 under this section an amount equal to the aggregate amount of
7 contributions the county employee made at the time of the previ-
8 ous membership service plus interest from the date of withdrawal
9 of the accumulated contributions to the date of deposit, at rates
10 determined by the county board of commissioners If records are
11 insufficient or unavailable to compute the exact amount of
12 required deposit the county board of commissioners may estimate
13 the amount

14 (d) The county employee deposits in the county employees
15 retirement system an amount equal to the aggregate amount of con-
16 tributions the employer made at the time of the previous member-
17 ship service plus interest from the date of separation to the
18 date of deposit, at rates determined by the county board of
19 commissioners

20 (27) A person participating in a program described in this
21 subsection is not eligible for membership in a retirement system
22 or pension plan established under this section In addition,
23 that person shall not receive service credit for the employment
24 described in this subsection even though the person subsequently
25 becomes or has been a member of the retirement system This sub-
26 section applies to all of the following

1 (a) A person not regularly employed by the county, who is
2 employed by the county through participation in a program
3 established pursuant to the job training partnership act, Public
4 Law 97-300 96 Stat 1322

5 (b) A person not regularly employed by the county who is
6 employed by the county through participation in a program estab-
7 lished pursuant to the Michigan opportunity and skills training
8 program, first established under sections 12 to 23 of Act No 259
9 of the Public Acts of 1983

10 (c) A person, not regularly employed by the county, who is
11 employed by the county through participation in a program estab-
12 lished pursuant to the Michigan community service corps program
13 first established under sections 25 to 35 of Act No 259 of the
14 Public Acts of 1983 and sections 148 to 160 of Act No 246 of the
15 Public Acts of 1984

16 (d) A person, not regularly employed by the county who is
17 hired by the county to administer a program described in subdivi-
18 sion (a) (b), or (c)

19 (28) If a county enters into a collective bargaining agree-
20 ment pursuant to Act No 336 of the Public Acts of 1947, being
21 sections 423 201 to ~~423 216~~ 423 217 of the Michigan Compiled
22 Laws, ~~which~~ THAT provides for retirement benefits that are in
23 excess of the retirement benefits otherwise authorized to be pro-
24 vided under this section for employees of the county who are cov-
25 ered by a plan under this section, then the county board of com-
26 missioners may amend or adopt a plan under this section to
27 provide those benefits to employees who are members of the

1 bargaining unit covered by the agreement, and may, after December
2 31, 1987, amend or adopt a plan under this section to provide
3 those benefits to other employees of the county

4 (29) ~~Beginning on the effective date of the 1991 amendatory~~
5 ~~act that added subparagraphs (i) to (iii) in subdivision (b),~~ +
6 ONE of the following conditions applies to a retirant who is
7 receiving a pension or retirement benefit from a plan under this
8 section if the retirant becomes employed by a county that has
9 established a plan under this section

10 (a) Payment of the pension or retirement benefit to the
11 retirant shall be suspended if the retirant is employed by the
12 county from which the retirant retired and the retirant does not
13 meet the requirements of subdivision (b) Suspension of the pay-
14 ment of the pension or retirement benefit shall become effective
15 the first day of the calendar month that follows the sixtieth day
16 after the retirant is employed by the county Payment of the
17 pension or retirement benefit shall resume on the first day of
18 the calendar month that follows termination of the employment
19 Payment of the pension or retirement benefit shall be resumed
20 without change in amount or conditions by reason of the
21 employment The retirant shall not be a member of the plan
22 during the period of employment

23 (b) Payment of the pension or retirement benefit to the
24 retirant shall continue without change in amount or conditions by
25 reason of employment by the county from which the retirant
26 retired if all of the following requirements are met

1 (1) The retirant meets 1 of the following requirements

2 (A) For any retirant, is employed by the county for not more
3 than 1,000 hours in any 12-month period

4 (B) For a retirant who was not an elected or appointed
5 county official at retirement, is elected or appointed as a
6 county official for a term of office that begins after the
7 retirant s retirement allowance effective date

8 (C) For a retirant who was an elected or appointed county
9 official at retirement, is elected or appointed as a county offi-
10 cial to a different office from which the retirant retired for a
11 term of office that begins after the retirant s retirement allow-
12 ance effective date

13 (D) For a retirant who was an elected or appointed county
14 official at retirement, is elected or appointed as a county offi-
15 cial to the same office from which the retirant retired for a
16 term of office that begins ~~not less than~~ 2 years OR MORE after
17 the retirant s retirement allowance effective date

18 (11) The retirant is not eligible for any benefits from the
19 county other than those required by law or otherwise provided to
20 the retirant by virtue of his or her being a retirant

21 (111) The retirant is not a member of the plan during the
22 period of reemployment, does not receive additional retirement
23 credits during the period of reemployment, and does not receive
24 any increase in pension or retirement benefits because of the
25 employment under this subdivision

26 (c) Payment of the pension or retirement benefit to the
27 retirant shall continue without change in amount or conditions by

1 reason of the employment if the retirant becomes employed by a
2 county other than the county from which the retirant retired
3 For the purposes of membership and potential benefit entitlement
4 under the plan of the other county, the retirant shall be consid-
5 ered in the same manner as an individual with no previous record
6 of employment by that county

7 (30) A county may increase the percentage of the highest
8 average monthly compensation or earnings that was used to calcu-
9 late the pension or retirement benefit under subsection (1)(b) of
10 a person receiving a pension or retirement benefit under this
11 section on the date the county increases the percentage of com-
12 pensation or earnings The county shall recalculate the pension
13 or retirement benefit using the increased percentage of compensa-
14 tion or earnings The person receiving the pension or retirement
15 benefit is eligible to receive an adjusted pension or retirement
16 benefit based upon the recalculation effective the first day of
17 the month following the date the county increases the percentage
18 of compensation or earnings under this subsection

19 ~~(31) If a county retirement plan established under this~~
20 ~~section provides an optional form of payment of a retirement~~
21 ~~allowance, a retirement allowance may be made payable under this~~
22 ~~subsection, by resolution of the county board of commissioners,~~
23 ~~to the surviving spouse of a deceased retirant if all of the~~
24 ~~requirements of this subsection are met~~ If a member of a county
25 retirement plan established under this section retired after
26 March 1, 1981 but before November 12, 1985 elected to receive his
27 or her retirement allowance in life payments to the retirant, and

~~1 died after November 1, 1989 but before December 31, 1989, the~~
~~2 surviving spouse of that deceased retirant shall receive a~~
~~3 retirement allowance pursuant to this subsection. The county~~
~~4 board of commissioners shall compute the retirement allowance in~~
~~5 the same manner as if, on the day before the retirant's death,~~
~~6 the deceased retirant had elected to receive a reduced retirement~~
~~7 allowance in life payments to the retirant with full continuation~~
~~8 to the retirement allowance beneficiary and had nominated the~~
~~9 surviving spouse as the retirement allowance beneficiary. The~~
~~10 surviving spouse shall begin to receive the retirement allowance~~
~~11 under this subsection effective the first day of the month fol-~~
~~12 lowing the month in which application to the county retirement~~
~~13 plan is made by the surviving spouse. A payment of a retirement~~
~~14 allowance under this subsection shall not be paid for any month~~
~~15 before the first month a retirement allowance is payable under~~
~~16 this subsection. As used in this subsection, "spouse" means the~~
~~17 person, if any, to whom the deceased retirant was married on the~~
~~18 effective date of his or her retirement under the county retire-~~
~~19 ment plan and on the date of his or her death.~~

20 (31) ~~-(32)-~~ The payment of pension or retirement benefits
21 under a plan established pursuant to this section is subject to
22 an eligible domestic relations order under the eligible domestic
23 relations order act, Act No 46 of the Public Acts of 1991, being
24 sections 38 1701 to 38 1711 of the Michigan Compiled Laws

25 (32) ~~-(33)-~~ If a county retirement plan established under
26 this section provides an optional form of payment of a retirement
27 allowance and if a retirant receiving a reduced retirement

1 allowance under that plan is divorced from the spouse who had
2 been named the retirant s survivor beneficiary the election of a
3 reduced retirement allowance form of payment shall be considered
4 void by the retirement system if the judgment of divorce or award
5 or order of the court, or an amended judgment of divorce or award
6 or order of the court dated after July 18, 1991 provides that the
7 election of a reduced retirement allowance form of payment is to
8 be considered void by the retirement system and the retirant pro-
9 vides a certified copy of the judgment of divorce or award or
10 order of the court, or an amended judgment of divorce or award or
11 order of the court, to the retirement system If the election of
12 a reduced retirement allowance form of payment is considered void
13 by the retirement system under this subsection, the retirant's
14 retirement allowance shall revert to a straight life retirement
15 allowance including postretirement adjustments, if any, subject
16 to an award or order of the court The retirement allowance
17 shall revert to a straight life retirement allowance under this
18 subsection effective the first of the month after the date the
19 retirement system receives a certified copy of the judgment of
20 divorce or award or order of the court This subsection does not
21 supersede a judgment of divorce or award or order of the court in
22 effect on July 18, 1991 This subsection does not require the
23 retirement system to distribute or pay retirement assets on
24 behalf of a retirant in an amount that exceeds the actuarially
25 determined amount that would otherwise become payable if a judg-
26 ment of divorce had not been rendered

1 (33) ~~-(34)-~~ A county board of commissioners of a county
2 having a population of more than 400,000 but less than 800,000
3 which county has an employee credit union organized under Act
4 No 285 of the Public Acts of 1925 being sections 490 1 to
5 490 31 of the Michigan Compiled Laws, may include as a member of
6 a plan under this section a past or present employee of the
7 credit union if that past or present employee has 5 or more
8 years of service credit with that credit union on or before
9 June 30, 1990

10 (34) ~~-(35)-~~ The county board of commissioners shall estab-
11 lish a written policy to implement the provisions of this section
12 in order to provide uniform application of this section to all
13 members of the plan

14 (35) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION TO
15 THE CONTRARY, BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY
16 ACT THAT ADDED THIS SUBSECTION, AN ELECTED PUBLIC OFFICIAL WHO IS
17 A MEMBER OF A PENSION OR RETIREMENT BENEFIT PLAN ESTABLISHED
18 UNDER THIS SECTION SHALL NOT RETIRE UNDER THAT PLAN BEFORE THE
19 DATE THAT THE ELECTED PUBLIC OFFICIAL IS ELIGIBLE TO RETIRE UNDER
20 THE NORMAL RETIREMENT OR DISABILITY RETIREMENT PROVISIONS ESTAB-
21 LISHED IN THE PLAN