



SENATE BILL No. 48

January 26, 1993, Introduced by Senator WARTNER and referred to the Committee on Commerce.

A bill to amend section 13 of Act No. 240 of the Public Acts of 1943, entitled as amended

"State employees' retirement act,"

as amended by Act No. 185 of the Public Acts of 1984, being section 38.13 of the Michigan Compiled Laws; and to add section 44.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 13 of Act No. 240 of the Public Acts of
2 1943, as amended by Act No. 185 of the Public Acts of 1984, being
3 section 38.13 of the Michigan Compiled Laws, is amended and sec-
4 tion 44 is added to read as follows:

5 Sec. 13. (1) Membership in the retirement system shall con-
6 sist of state employees occupying permanent positions in the
7 state civil service. A state employee whose position is not
8 included in the state civil service, or state employed officers
9 or an elected or appointed state official, including county

1 juvenile officers appointed pursuant to section 1 of Act No. 22
2 of the Public Acts of the Extra Session of 1919, as amended,
3 being section 400.251 of the Michigan Compiled Laws, or any
4 employee of the state accident fund as provided by Chapter 7 of
5 THE WORKER'S DISABILITY COMPENSATION ACT OF 1969, Act No. 317 of
6 the Public Acts of 1969, as amended, being sections 418.701 to
7 418.755 of the Michigan Compiled Laws, or the secretary of the
8 senate, or assistant secretary of the senate, or the clerk of the
9 house of representatives, or the assistant clerk of the house of
10 representatives, or an employee of a state tuberculosis sanato-
11 rium taken over by the state from a county who was an employee of
12 the sanatorium on the date the sanatorium became a state institu-
13 tion, or an employee of a congressionally chartered veterans'
14 organization who is paid either wholly or in part from a state
15 general fund appropriation, or an employee of the Michigan
16 veterans' trust fund county committees who is employed on a
17 full-time basis by the committees may become a member by filing a
18 written notice with the retirement board before July 1, 1974.
19 The employee shall pay to the retirement fund a sum equal to the
20 amount the employee's contributions would have been had the
21 member become a member immediately upon employment by the state
22 with interest compounded annually at the regular rate from a date
23 1 year after the date of employment by the state and date of
24 payment. IN ORDER TO REMAIN IN THE RETIREMENT SYSTEM, A MEMBER
25 WHO IS AN EMPLOYEE OF THE STATE ACCIDENT FUND SHALL BE VESTED IN
26 THE RETIREMENT SYSTEM ON OR BEFORE THE EFFECTIVE DATE OF THE

1 TRANSFER AUTHORIZED BY SECTION 701A OF CHAPTER 7 OF ACT NO. 317
2 OF THE PUBLIC ACTS OF 1969.

3 (2) All state employees except those specifically excluded
4 by law and those who are members or eligible to be members of
5 other statutory retirement systems in this state, shall become
6 members of the retirement system. The employees may use service
7 previously performed as an employee of this state in meeting the
8 service requirements for the retirement allowances and death ben-
9 efits provided by the retirement system. However, the prior
10 service shall not be used in computing the amount of a retirement
11 allowance to be paid by the retirement system unless the employee
12 pays to the retirement fund with interest the amount the
13 employee's contributions would have been had the employee become
14 a member immediately upon employment by the state as provided in
15 subsection (1). Elected or appointed state officials may elect
16 not to become or continue as members of the retirement system by
17 filing written notice with the retirement board. An appointed
18 state official who is a member of a state board, commission, or
19 council and who receives a per diem rate in his or her capacity
20 as a member of the board, commission, or council shall be
21 excluded from membership in the retirement system for the service
22 rendered in his or her capacity as a member of the board, commis-
23 sion, or council. Service performed by an elected or appointed
24 official during the time the official elects not to participate
25 shall not be used in meeting the service requirement or in com-
26 puting the amount of retirement allowance to be paid by the
27 retirement system. A member who elects not to participate shall

1 be refunded all contributions made before the election.

2 Membership in the retirement system shall not include a person

3 who is a contributing member in a public school employees'

4 retirement system provided for in the public school employees

5 retirement act of 1979, Act No. 300 of the Public Acts of 1980,

6 being sections 38.1301 to 38.1407 of the Michigan Compiled Laws,

7 ~~or~~ the probate judges' retirement system provided for in Act

8 No. 165 of the Public Acts of 1954, as amended, being sections

9 38.901 to 38.933 of the Michigan Compiled Laws, ~~or~~ the judges'

10 retirement system provided for in Act No. 198 of the Public Acts

11 of 1951, as amended, being sections 38.801 to 38.831 of the

12 Michigan Compiled Laws, ~~nor shall it include~~ THE JUDGES RETIRE-

13 MENT ACT OF 1992, ACT NO. 234 OF THE PUBLIC ACTS OF 1992, BEING

14 SECTIONS 38.2101 TO 38.2608 OF THE MICHIGAN COMPILED LAWS, OR a

15 person who comes within the ~~Michigan state police pension, acci-~~

16 ~~dent, and disability system as provided for in~~ STATE POLICE

17 RETIREMENT ACT OF 1986, Act No. ~~251~~ 182 of the Public Acts of

18 ~~1935~~ 1986, ~~as amended,~~ being sections ~~28.101~~ 38.1601 to

19 ~~28.110~~ 38.1648 of the Michigan Compiled Laws. A person who

20 draws compensation as a state employee and also as an employee of

21 a political subdivision of the state shall be eligible for the

22 benefits provided by this act to the extent of the person's com-

23 pensation paid by the state.

24 (3) On July 1, 1974, the contributing members of the

25 Michigan public school employees' retirement system who are

26 employed in the state classified or unclassified service as

27 provided for in former Act No. 136 of the Public Acts of 1945

1 shall have their membership transferred to the retirement
2 system. The accumulated contributions, including interest, for
3 each member, and service standing to the member's credit as of
4 June 30, 1974, shall be transferred from the annuity accumulation
5 fund established under former Act No. 136 of the Public Acts of
6 1945 to the employee savings fund of this retirement system.

7 (4) The accumulated contributions and prior service shall be
8 transferred to the employee savings fund of this retirement
9 system from the pension accumulation fund established under
10 former Act No. 136 of the Public Acts of 1945 and its predecessor
11 acts for service performed as a teaching or nonteaching public
12 school employee before July 1, 1945.

13 (5) A person hired in state classified or unclassified serv-
14 ice after June 30, 1974, possessing a Michigan teaching certifi-
15 cate shall be a member of this retirement system. After June 30,
16 1974, a person who returns to state employment in the classified
17 or unclassified service who previously was a contributing member
18 of the Michigan public school employees' retirement system shall
19 have the person's accumulated contributions and service trans-
20 ferred to this retirement system, or having withdrawn the contri-
21 butions, may pay into the retirement system the amount withdrawn
22 together with regular interest and have credit restored as pro-
23 vided for in section 16.

24 (6) A person whose membership service and prior service in
25 the Michigan public school employees' retirement system was
26 transferred to this retirement system shall be entitled to the
27 service which otherwise would have been creditable to the member

1 had the member remained a member of the Michigan public school
2 employees' retirement system under former Act No. 136 of the
3 Public Acts of 1945.

4 (7) A person who participates in a transitional public
5 employment program financed with federal or state funds designed
6 to reach the unemployed or underemployed and provide short-term,
7 limited, or temporary employment shall not be a member of this
8 retirement system or be defined as an employee occupying a per-
9 manent position under subsection (1). As used in this subsection
10 and subsection (8), "transitional public employment program"
11 means a public service employment program in the area of environ-
12 mental quality, health care, education, public safety, crime pre-
13 vention and control, prison rehabilitation, transportation, rec-
14 reation, maintenance of parks, streets, and other public facili-
15 ties, solid waste removal, pollution control, housing and neigh-
16 borhood improvements, rural development, conservation, beautifi-
17 cation, veterans' out-reach, or any other area of human better-
18 ment and community improvement as part of a program of comprehen-
19 sive manpower services authorized, undertaken, and financed pur-
20 suant to the comprehensive employment and training act, former
21 Public Law 93-203, 87 Stat. 839.

22 (8) If a person described in subsection (7) later becomes a
23 member of this retirement system within 12 months after the date
24 of termination as a participant in a transitional public employ-
25 ment program, service credit shall be given for employment which
26 is excluded in subsection (7) for purposes of determining a
27 retirement allowance upon the payment by the person's employer

1 under subsection (7) from funds provided under the comprehensive
2 employment and training act, former Public Law 93-203,
3 87 Stat. 839, as funds permit, to the retirement system of the
4 contributions, plus regular interest, the employer would have
5 paid had the employment been rendered in a position covered by
6 this act. During the person's employment in the transitional
7 public employment program, the person's employer shall place in
8 reserve a reasonable but not necessarily an actuarially deter-
9 mined amount equal to the contributions which the employer would
10 have paid to the retirement system for those employees in the
11 transitional public employment program as if they were members
12 under this act, but only for that number of employees which the
13 employer determined would move from the transitional public
14 employment program into positions covered by this act. If the
15 funds provided under the comprehensive employment and training
16 act, former Public Law 93-203, 87 Stat. 839, are insufficient,
17 the remainder of the employer contributions shall be paid by the
18 person's current employer.

19 (9) A person, not regularly employed by the state, who is
20 hired by the state through a summer youth employment program
21 established pursuant to the Michigan youth corps act, Act No. 69
22 of the Public Acts of 1983, being sections 409.221 to 409.230 of
23 the Michigan Compiled Laws, shall not be a member of this retire-
24 ment system. In addition, a person described in this subsection
25 shall not receive service credit for the employment described in
26 this subsection even though the person subsequently becomes or
27 has been a member of this retirement system.

1 (10) A person, not regularly employed by the state, who is
2 hired by the state to administer a program described in subsec-
3 tion (9), (11), (12), or (13) shall not be a member of this
4 retirement system. In addition, a person described in this sub-
5 section shall not receive service credit for the employment
6 described in this subsection even though the person subsequently
7 becomes or has been a member of this retirement system.

8 (11) A person, not regularly employed by the state, who is
9 employed by the state through participation in a program estab-
10 lished pursuant to the job training partnership act, Public Law
11 97-300, 96 Stat. 1322, shall not be a member of this retirement
12 system. In addition, a person described in this subsection shall
13 not receive service credit for the employment described in this
14 subsection even though the person subsequently becomes or has
15 been a member of this retirement system.

16 (12) A person, not regularly employed by the state, who is
17 employed by the state through participation in a program estab-
18 lished pursuant to the Michigan opportunity and skills training
19 program under sections 12 to 23 of Act No. 259 of the Public Acts
20 of 1983, shall not be a member of this retirement system. In
21 addition, a person described in this subsection shall not receive
22 service credit for the employment described in this subsection
23 even though the person subsequently becomes or has been a member
24 of this retirement system.

25 (13) A person, not regularly employed by the state, who is
26 employed by the state through participation in a program
27 established pursuant to the Michigan community service corps

1 program under sections 25 to 35 of Act No. 259 of the Public Acts
2 of 1983, shall not be a member of this retirement system. In
3 addition, a person described in this subsection shall not receive
4 service credit for the employment described in this subsection
5 even though the person subsequently becomes or has been a member
6 of this retirement system.

7 SEC. 44. AN EMPLOYEE OF THE STATE ACCIDENT FUND WHO WAS
8 VESTED IN THE STATE RETIREMENT SYSTEM ON OR BEFORE THE EFFECTIVE
9 DATE OF THE TRANSFER AUTHORIZED BY SECTION 701A OF CHAPTER 7 OF
10 THE WORKER'S DISABILITY COMPENSATION ACT OF 1969, ACT NO. 317 OF
11 THE PUBLIC ACTS OF 1969, BEING SECTION 418.701A OF THE MICHIGAN
12 COMPILED LAWS, SHALL BE ENTITLED TO ALL OF THE RIGHTS, PRIVI-
13 LEGES, AND BENEFITS PROVIDED BY THIS ACT ACCRUED AS OF THE EFEC-
14 TIVE DATE OF THE TRANSFER.

15 Section 2. This amendatory act shall not take effect unless
16 the state administrative board certifies in writing to the secre-
17 tary of state by December 31, 1994 that an agreement for the
18 transfer of all or substantially all of the assets and the
19 assumption of all or substantially all of the liabilities of the
20 state accident fund has been consummated with a permitted trans-
21 feree pursuant to the requirements of section 701a of the
22 worker's disability compensation act of 1969, Act No. 317 of the
23 Public Acts of 1969, being section 418.701a of the Michigan
24 Compiled Laws.

25 Section 3. This amendatory act shall not take effect unless
26 all of the following bills of the 87th Legislature are enacted
27 into law:

1 (a) Senate Bill No. _____ or House Bill No. _____ (request no.
2 no. 00449'93).

3 (b) Senate Bill No. 49.

4

5 (c) Senate Bill No. 50.

6

7 (d) Senate Bill No. 51.

8

9 (e) Senate Bill No. 52.

10

11 (f) Senate Bill No. _____ or House Bill No. _____ (request
12 no. 00450'93).