



SENATE BILL No. 1292

September 21, 1994, Introduced by Senator DE GROW and
referred to the Committee on Local Government and
Urban Development

A bill to amend sections 6, 10, 23, 24, 26, and 28 of Act
No 427 of the Public Acts of 1984, entitled as amended
"Municipal employees retirement act of 1984,"
sections 6 and 10 as amended by Act No 51 of the Public Acts of
1989, section 23 as amended by Act No 50 of the Public Acts of
1991, sections 24 and 28 as amended by Act No 500 of the Public
Acts of 1988, and section 26 as amended by Act No 291 of the
Public Acts of 1986, being sections 38 1506, 38 1510, 38 1523,
38 1524, 38 1526, and 38 1528 of the Michigan Compiled Laws to
add sections 6a and 40a, and to repeal certain parts of the act

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Sections 6, 10, 23, 24, 26, and 28 of Act
2 No 427 of the Public Acts of 1984, sections 6 and 10 as amended
3 by Act No 51 of the Public Acts of 1989, section 23 as amended
4 by Act No 50 of the Public Acts of 1991, sections 24 and 28 as

1 amended by Act No 500 of the Public Acts of 1988, and section 26
 2 as amended by Act No 291 of the Public Acts of 1986, being sec-
 3 tions 38 1506, 38 1510, 38 1523, 38 1524, 38 1526, and 38 1528 of
 4 the Michigan Compiled Laws, are amended and sections 6a and 40a
 5 are added to read as follows

6 Sec 6 (1) The retirement board shall credit a member for
 7 qualifying service in the employ of the United States government,
 8 a state, or a political subdivision of a state, if ~~each~~ ALL of
 9 the following conditions ~~is~~ ARE satisfied

10 (a) The governing body of the participating municipality
 11 that employs the member adopts a resolution, or the chief judge
 12 of the participating court that employs the member issues an
 13 administrative order, requesting the retirement board to credit
 14 the member with a specific period of qualifying service and files
 15 a certified copy of the resolution or administrative order with
 16 the retirement system within 10 days after adoption or issuance

17 (b) The qualifying governmental service was not rendered
 18 ~~prior to~~ BEFORE any break of 180 or more months in the member's
 19 employment by the United States government, a state, or a politi-
 20 cal subdivision of a state

21 (c) The member pays to the retirement system the amount the
 22 participating municipality or participating court may require of
 23 the member in consideration for the crediting of qualifying gov-
 24 ernmental service The required payment, IF ANY, shall not
 25 exceed ~~the larger of the following amounts multiplied by the~~
 26 ~~period of qualifying governmental service to be credited the~~
 27 ~~member~~

1 ~~(i) Five percent of the member's annual compensation at time~~
2 ~~of payment.~~

3 ~~(ii) The member's annual compensation at time of payment~~
4 ~~multiplied by the percent specified under the member contribution~~
5 ~~program applicable to the member~~ THE DIFFERENCE BETWEEN THE
6 ACTUARIAL PRESENT VALUE OF POTENTIAL BENEFITS AFTER CREDITING THE
7 SPECIFIED PERIOD OF QUALIFYING SERVICE AND THE ACTUARIAL PRESENT
8 VALUE OF POTENTIAL BENEFITS BEFORE CREDITING THE SPECIFIED PERIOD
9 OF QUALIFYING SERVICE THE ACTUARIAL PRESENT VALUE OF POTENTIAL
10 BENEFITS SHALL BE CALCULATED USING THE EXPERIFNCE ASSUMPTIONS
11 USED FOR THE ANNUAL ACTUARIAL VALUATION

12 (2) For purposes of this section, service is qualifying if
13 it is not and will not be recognized for the purpose of obtaining
14 or increasing a benefit under another retirement system A
15 member may qualify service by making an irrevocable forfeiture of
16 all rights in and to the actual or potential benefit from the
17 other retirement system

18 (3) Service in the armed forces of the United States FOR
19 PERIODS OF CONTINUOUS ACTIVE DUTY LASTING 30 OR MORE DAYS is
20 ~~not~~ qualifying service ~~and shall not be credited to a member~~
21 under this section HOWEVER, THE RETIREMENT BOARD SHALL NOT
22 CREDIT QUALIFYING SERVICE UNDER THIS SUBSECTION TO A MEMBER WHO
23 HAS RECEIVED CREDIT FOR THAT SERVICE UNDER SECTION 8

24 (4) The RETIREMENT BOARD SHALL CREDIT THE payment BY A
25 MEMBER under subsection (1)(c) ~~shall be credited~~ to the
26 member's individual account in the reserve for employee
27 contributions

1 (5) BEGINNING 6 MONTHS AFTER THE EFFECTIVE DATE OF THE
2 AMENDATORY ACT THAT ADDED THIS SUBSECTION, SERVICE CREDITED UNDER
3 THIS SECTION SHALL NOT BE USED TO SATISFY THE MINIMUM NUMBER OF
4 YEARS OF CREDITED SERVICE REQUIRED FOR A MEMBER TO BE A VESTED
5 FORMER MEMBER UNDER SECTION 12 THIS SUBSECTION DOES NOT APPLY
6 TO SERVICE CREDITED UNDER THIS SECTION IF THAT SERVICE COULD HAVE
7 BEEN USED TO SATISFY THE MINIMUM NUMBER OF YEARS OF CREDITED
8 SERVICE REQUIRED TO BE A VESTED FORMER MEMBER HAD IT NOT BEEN
9 ACQUIRED UNDER THIS SECTION

10 SEC 6A (1) THE RETIREMENT BOARD SHALL CREDIT A MEMBER
11 WITH NOT MORE THAN 5 YEARS OF CREDITED SERVICE, AS PROVIDED IN
12 THIS SECTION, IF ALL OF THE FOLLOWING CONDITIONS ARE SATISFIED

13 (A) THE GOVERNING BODY OF THE PARTICIPATING MUNICIPALITY
14 THAT EMPLOYS THE MEMBER ADOPTS A RESOLUTION, OR THE CHIEF JUDGE
15 OF THE PARTICIPATING COURT THAT EMPLOYS THE MEMBER ISSUES AN
16 ADMINISTRATIVE ORDER, REQUESTING THE RETIREMENT BOARD TO CREDIT
17 THE MEMBER WITH A SPECIFIC PERIOD OF CREDITED SERVICE AND FILES A
18 CERTIFIED COPY OF THE RESOLUTION OR ADMINISTRATIVE ORDER WITH THE
19 RETIREMENT SYSTEM WITHIN 10 DAYS AFTER ADOPTION OR ISSUANCE

20 (B) THE MEMBER PAYS TO THE RETIREMENT SYSTEM THE AMOUNT THE
21 PARTICIPATING MUNICIPALITY OR PARTICIPATING COURT MAY REQUIRE OF
22 THE MEMBER IN CONSIDERATION FOR THE CREDITING OF SERVICE THE
23 REQUIRED PAYMENT, IF ANY, SHALL NOT EXCEED THE DIFFERENCE BETWEEN
24 THE ACTUARIAL PRESENT VALUE OF POTENTIAL BENEFITS AFTER CREDITING
25 THE SPECIFIED PERIOD OF SERVICE UNDER THIS SECTION AND THE ACTU-
26 ARIAL PRESENT VALUE OF POTENTIAL BENEFITS BEFORE CREDITING THE
27 SPECIFIED PERIOD OF SERVICE UNDER THIS SECTION THE ACTUARIAL

1 PRESENT VALUE OF POTENTIAL BENEFITS SHALL BE CALCULATED USING THE
2 EXPERIENCE ASSUMPTIONS USED FOR THE ANNUAL ACTUARIAL VALUATION

3 (2) THE RETIREMENT BOARD SHALL CREDIT THE PAYMENT BY A
4 MEMBER UNDER SUBSECTION (1)(B) TO THE MEMBER'S INDIVIDUAL ACCOUNT
5 IN THE RESERVE FOR EMPLOYEE CONTRIBUTIONS

6 (3) SERVICE CREDITED UNDER THIS SECTION SHALL NOT BE USED TO
7 SATISFY THE MINIMUM NUMBER OF YEARS OF CREDITED SERVICE REQUIRED
8 FOR A MEMBER TO BE A VESTED FORMER MEMBER UNDER SECTION 12
9 SERVICE CREDITED UNDER THIS SECTION SHALL NOT BE USED TO SATISFY
10 THE MINIMUM NUMBER OF YEARS OF CREDITED SERVICE REQUIRED FOR THE
11 MEMBER TO RETIRE UNDER SECTION 10 BEFORE THE MEMBER ATTAINS THE
12 AGE THAT IS EQUAL TO THE SUM OF 18 AND THE MINIMUM NUMBER OF
13 YEARS OF CREDITED SERVICE REQUIRED FOR THE MEMBER TO RETIRE UNDER
14 SECTION 10

15 (4) A MEMBER SHALL NOT ACQUIRE MORE THAN A TOTAL OF 5 YEARS
16 OF CREDITED SERVICE UNDER THIS SECTION FROM ALL PARTICIPATING
17 MUNICIPALITIES AND PARTICIPATING COURTS

18 Sec 10 (1) A member or a vested former member may retire
19 upon satisfaction of ~~each~~ ALL of the following requirements

20 (a) A written application for retirement, on a form estab-
21 lished by the retirement system, has been filed with the retire-
22 ment system The retirement board may establish required time
23 periods, preceding or surrounding the date of retirement, for the
24 filing of an application for retirement

25 (b) One of the following ~~applies~~ REQUIREMENTS ARE MET

1 (1) The member or vested former member ~~has attained age~~ IS
2 50 years OF AGE or older and has 25 or more years of credited
3 service

4 (11) The member or vested former member ~~has attained age~~
5 IS 55 years OF AGE or older and has 15 or more years of credited
6 service

7 (111) The member or vested former member ~~has attained age~~
8 IS 60 years OF AGE or older and has 10 or more years of credited
9 service

10 (1v) The member or vested former member ~~has attained age~~
11 IS 60 years OF AGE or older and has 8 or more years of credited
12 service if the member's participating municipality or participat-
13 ing court adopts the termination of membership vesting benefit
14 program V-8 for the member

15 (v) The member or vested former member ~~has attained age~~ IS
16 60 years OF AGE or older and has 6 or more years of credited
17 service if the member's participating municipality or participat-
18 ing court adopts the termination of membership vesting benefit
19 program V-6 for the member

20 (v1) THE MEMBER OR VESTED FORMER MEMBER HAS AT LEAST THE
21 MINIMUM NUMBER OF YEARS OF CREDITED SERVICE REQUIRED IF THE
22 MEMBER'S PARTICIPATING MUNICIPALITY OR PARTICIPATING COURT ADOPTS
23 THE BENEFIT PROGRAM F(N)

24 (c) The member terminates membership ~~prior to~~ BEFORE the
25 date of retirement

26 (2) Upon retirement the member or vested former member shall
27 be paid a retirement allowance computed ~~in accordance with~~

1 PURSUANT TO the benefit programs that are applicable to the
 2 member's or vested former member's credited service and the pro-
 3 visions of subsection (3) The benefit programs applicable to a
 4 vested former member shall be determined as of the date of termi-
 5 nation of membership and shall not be affected by any subsequent
 6 change in benefit programs that is applicable to the classifica-
 7 tions held by the vested former member

8 (3) If the date of retirement precedes the date the member
 9 or vested former member attains the full retirement allowance age
 10 as determined under subsection (4) or (5), the amount of retire-
 11 ment allowance shall be reduced The amount of reduction shall
 12 be 1/2 of 1% of the retirement allowance multiplied by the number
 13 of months, rounded to the next higher number of months and not
 14 less than zero, by which the date of retirement precedes the date
 15 the member or vested former member attains the full retirement
 16 allowance age The reduction ~~called for~~ in RETIREMENT ALLOW-
 17 ANCE UNDER this subsection shall not be applied to benefit compo-
 18 nent (1) under benefit program B, as provided in section 14

19 (4) A participating municipality or participating court may
 20 adopt BENEFIT PROGRAM F(N), benefit program F50, or benefit pro-
 21 gram F55, or ~~both~~ A COMBINATION OF THESE BENEFIT PROGRAMS
 22 UNDER BENEFIT PROGRAM F(N), THE FULL RETIREMENT ALLOWANCE AGE IS
 23 ANY AGE WITH THE REQUIRED PERIOD OF CREDITED SERVICE THE
 24 REQUIRED PERIOD OF CREDITED SERVICE IS EQUAL TO OR GREATER THAN
 25 20 YEARS, BUT NOT MORE THAN 30 YEARS, AS SPECIFIED PURSUANT TO
 26 SUBSECTION (5) Under benefit program F50, the full retirement
 27 allowance age ~~shall be~~ IS age 50 years with a required period

1 of credited service of either 25 years or 30 years Under
2 benefit program F55, the full retirement allowance age ~~shall be~~
3 IS age 55 years with a required period of credited service of 15
4 years, 20 years, 25 years, or 30 years

5 (5) Full retirement allowance age ~~shall be~~ IS age 60
6 years, unless the participating municipality or participating
7 court has adopted BENEFIT PROGRAM F(N), benefit program F50, or
8 benefit program F55, or ~~both~~ A COMBINATION OF THESE BENEFIT
9 PROGRAMS, and the member or vested former member has the required
10 period of credited service The governing body of the partici-
11 pating municipality or chief judge of the participating court
12 shall specify, at the time BENEFIT PROGRAM F(N), benefit program
13 F50, or benefit program F55, or ~~both~~ A COMBINATION OF THESE
14 BENEFIT PROGRAMS, are adopted, the required period of credited
15 service that shall be applicable to the benefit program

16 Sec 23 (1) A member or a vested former member may elect
17 to have retirement allowance payments made under 1 of the forms
18 of payment described in subsection (2), and may name a survivor
19 beneficiary The election of a form of payment and the naming of
20 a survivor beneficiary shall be in writing and filed with the
21 retirement board before the date the first retirement allowance
22 payment is made An election of form of payment shall not be
23 changed on or after the date the first retirement allowance pay-
24 ment is made A named survivor beneficiary shall not be changed
25 on or after the date the first retirement allowance payment is
26 made if form of payment II, IIA, or III is elected A named
27 survivor beneficiary may be more than 1 person if form of payment

1 IV is elected A named survivor beneficiary shall have an
2 insurable interest in the life of the member or vested former
3 member at the time of naming

4 (2) The member or vested former member may elect 1 of the
5 following forms of payment

6 (a) Form of Payment SL - Straight Life Retirement

7 Allowance Under form of payment SL the retirant is paid a
8 retirement allowance for life The amount shall be determined as
9 provided in section 10

10 (b) Form of Payment II - Life With Full Continuation to
11 Survivor Beneficiary Under form of payment II the retirant is
12 paid a reduced retirement allowance until either the retirant or
13 the named survivor beneficiary dies Upon the death of the named
14 survivor beneficiary, the retirant is paid the form of payment SL
15 retirement allowance over the retirant's remaining life Upon
16 the death of the retirant during the lifetime of the named survi-
17 vor beneficiary, the named survivor beneficiary is paid the full
18 amount of the reduced form of payment II retirement allowance
19 over the named survivor beneficiary's remaining life

20 (C) FORM OF PAYMENT IIA - LIFE WITH 3/4 CONTINUATION TO
21 SURVIVOR BENEFICIARY UNDER FORM OF PAYMENT IIA, THE RETIRANT IS
22 PAID A REDUCED RETIREMENT ALLOWANCE UNTIL EITHER THE RETIRANT OR
23 THE NAMED SURVIVOR BENEFICIARY DIES UPON THE DEATH OF THE NAMED
24 SURVIVOR BENEFICIARY, THE RETIRANT IS PAID THE FORM OF PAYMENT SL
25 RETIREMENT ALLOWANCE OVER THE RETIRANT'S REMAINING LIFE UPON
26 THE DEATH OF THE RETIRANT DURING THE LIFETIME OF THE NAMED
27 SURVIVOR BENEFICIARY, THE NAMED SURVIVOR BENEFICIARY IS PAID 3/4

1 OF THE AMOUNT OF THE REDUCED FORM OF PAYMENT IIA RETIREMENT
2 ALLOWANCE OVER THE NAMED SURVIVOR BENEFICIARY'S REMAINING LIFE

3 (D) ~~-(e)-~~ Form of Payment III - Life With 1/2 Continuation
4 to Survivor Beneficiary Under form of payment III the retirant
5 is paid a reduced retirement allowance until either the retirant
6 or the named survivor beneficiary dies Upon the death of the
7 named survivor beneficiary, the retirant is paid the form of pay-
8 ment SL retirement allowance over the retirant's remaining life
9 Upon the death of the retirant during the lifetime of the named
10 survivor beneficiary, the named survivor beneficiary is paid 1/2
11 of the amount of the reduced form of payment III retirement
12 allowance over the named survivor beneficiary's remaining life

13 (E) ~~-(d)-~~ Form of Payment IV - Life With Period Certain
14 Guarantee Under form of payment IV the retirant is paid a
15 reduced retirement allowance for life Upon the death of the
16 retirant during the guaranteed period, the named survivor benefi-
17 ciary is paid the full amount of the reduced form of payment IV
18 retirement allowance for the remainder of the guaranteed period
19 The guaranteed period shall be selected by the retirant at the
20 time of election of form of payment IV and shall be either 60
21 months, 120 months, 180 months, or 240 months but the guaranteed
22 period shall not exceed the retirant's life expectancy as of the
23 date of ~~the~~ retirement The actuarial present value of remain-
24 ing guaranteed retirement allowance payments shall be paid to the
25 legal representative of the retirant or the named survivor bene-
26 ficiary, whichever survives the longest, if both the retirant and
27 named survivor beneficiary die during the guaranteed period

1 (F) ~~-(e)-~~ Form of Payment V - Life with Accelerated
2 Payment Under form of payment V the retirant is paid a retire-
3 ment allowance for life The amount of retirement allowance is
4 increased over the amount under form of payment SL until the
5 retirant attains the adjustment age specified by the board and is
6 reduced from the amount under form of payment SL after the retir-
7 ant attains the adjustment age The amount of increase and
8 reduction shall be determined pursuant to procedures adopted by
9 the retirement board Form of payment V shall not be elected
10 with respect to a retirement allowance computed under benefit
11 program C-2 as provided in section 19

12 (3) Payment shall be made under form of payment SL if there
13 is not a timely election of form of payment

14 (4) The amount of retirement allowance under forms of pay-
15 ment II, IIA, III, IV, and V shall have the same actuarial
16 present value as the amount of retirement allowance under form of
17 payment SL, computed as of the date of retirement

18 (5) If a retiring member or vested former member is married
19 at the retirement allowance effective date, an election under
20 subsection (2), other than an election under subsection (2)(b),
21 (c), ~~or~~ (d), OR (E) naming the spouse as survivor beneficiary,
22 is not effective unless the election is signed by the spouse,
23 except that this requirement may be waived by the retirement
24 board if the signature of a spouse cannot be obtained because of
25 extenuating circumstances

26 (6) If a retirant receiving a reduced retirement allowance
27 under subsection (2)(b) to ~~-(d)-~~ (E) is divorced from the spouse

1 who had been named the retirant's survivor beneficiary under
2 subsection (2)(b) to ~~-(d)-~~ (E), the election of a reduced retire-
3 ment allowance form of payment shall be considered void by the
4 retirement system if the judgment of divorce or award or order of
5 the court, or an amended judgment of divorce or award or order of
6 the court, described in section 53 and dated after ~~the effective~~
7 ~~date of the amendatory act that added this subsection~~ JUNE 27,
8 1991 provides that the election of a reduced retirement allowance
9 form of payment under subsection (2)(b) to ~~-(d)-~~ (E) is to be
10 considered void by the retirement system and the retirant pro-
11 vides a certified copy of the judgment of divorce or award or
12 order of the court, or an amended judgment of divorce or award or
13 order of the court, to the retirement system If the election of
14 a reduced retirement allowance form of payment under subsection
15 (2)(b) to ~~-(d)-~~ (E) is considered void by the retirement system
16 under this subsection, the retirant's retirement allowance shall
17 revert to a straight life retirement allowance, including postre-
18 tirement adjustments, if any, subject to an award or order of the
19 court as described in section 53 The retirement allowance shall
20 revert to a straight life retirement allowance under this subsec-
21 tion effective the first of the month after the date the retire-
22 ment system receives a certified copy of the judgment of divorce
23 or award or order of the court This subsection does not super-
24 sede a judgment of divorce or award or order of the court in
25 effect on ~~the effective date of the amendatory act that added~~
26 ~~this subsection~~ JUNE 27, 1991 This subsection does not require
27 the retirement system to distribute or pay retirement assets on

1 behalf of a retirant in an amount that exceeds the actuarially
2 determined amount that would otherwise become payable if a judg-
3 ment of divorce had not been rendered

4 (7) A retirement allowance payable under a form of payment
5 provided in this section is subject to an eligible domestic rela-
6 tions order under the eligible domestic relations order act, ACT
7 NO 46 OF THE PUBLIC ACTS OF 1991, BEING SECTIONS 38 1701 TO
8 38 1711 OF THE MICHIGAN COMPILED LAWS

9 Sec 24 (1) The retirement board may retire a member who
10 becomes incapacitated for continued employment by the member's
11 participating municipality or participating court if ~~each~~ ALL
12 of the following conditions ~~is~~ ARE met

13 (a) Application for disability retirement is filed with the
14 retirement system by either the member or the member's partici-
15 pating municipality or participating court within 1 year after
16 the date the member ceases to be paid by the participating munic-
17 ipality or participating court

18 (b) The member has ~~10 or more~~ THE MINIMUM NUMBER OF years
19 of credited service REQUIRED TO BE A VESTED FORMER MEMBER UNDER
20 SECTION 12

21 (c) The member undergoes the medical examinations and tests
22 ordered by the retirement system

23 (d) The medical adviser certifies all of the following to
24 the retirement board

25 (1) The member is mentally or physically incapacitated for
26 any continued employment by the participating municipality or
27 participating court

1 (11) The incapacity is likely to be permanent

2 (111) The member should be retired

3 (2) Medical examinations UNDER THIS SECTION shall be made by
4 or under the direction of a medical adviser selected by the
5 retirement board The effective date of a disability retirement
6 shall not predate either of the following

7 (a) The date of the disability

8 (b) The date the member ceases to be paid by the participat-
9 ing municipality or participating court

10 (3) The amount of a disability retirement allowance shall be
11 computed ~~in accordance with~~ PURSUANT TO the benefit programs
12 that are applicable to the disability retirant's credited
13 service The early retirement reduction provisions of section
14 10(3) shall not be applied

15 (4) The following exceptions to the provisions of subsec-
16 tions (1) to (3) shall apply if the retirement board finds that
17 the member's disability was the natural and proximate result of a
18 personal injury or disease arising out of and in the course of
19 the member's actual performance of duty in the employ of the par-
20 ticipating municipality or participating court

21 (a) The CREDITED SERVICE requirement of ~~10 or more years of~~
22 ~~credited service shall be~~ SUBSECTION (1)(B) IS waived

23 (b) The amount of retirement allowance shall ~~be computed as~~
24 ~~if the member had acquired exactly 10 years of credited service~~
25 ~~if the member had actually acquired less than 10 years of cred-~~
26 ~~ited service~~ NOT BE LESS THAN 25% OF THE MEMBER'S FINAL AVERAGE
27 COMPENSATION

1 Sec 26 (1) A retirement allowance shall be paid for life
2 to the surviving spouse of a deceased member or a deceased vested
3 former member if each of the following conditions is met

4 (a) The member or vested former member has ~~-10 or more-~~ THE
5 MINIMUM NUMBER OF years of credited service REQUIRED TO BE A
6 VESTED FORMER MEMBER UNDER SECTION 12

7 (b) The member or vested former member was married to the
8 surviving spouse at the time of death

9 (c) The member or vested former member does not have a
10 section 28 named contingent survivor beneficiary at the time of
11 death

12 (2) Payment of a retirement allowance to the surviving
13 spouse of a deceased vested former member shall not commence
14 prior to the date the member would have first satisfied a section
15 10 age and service requirement for retirement without application
16 of the section 10(3) reduction factor The amount of a surviving
17 spouse's retirement allowance shall be 85% of the deceased
18 member's or deceased vested former member's accrued retirement
19 allowance

20 (3) A retirement allowance shall be paid to each surviving
21 child of a deceased member or a deceased vested former member if
22 each of the following conditions is met

23 (a) The member or vested former member has ~~-10 or more-~~ THE
24 MINIMUM NUMBER OF years of credited service REQUIRED TO BE A
25 VESTED FORMER MEMBER UNDER SECTION 12

26 (b) The child is unmarried and has not attained age 21
27 years

1 (c) The member or vested former member does not have a
2 section 28 named contingent survivor beneficiary at the time of
3 death

4 (4) Payment of a retirement allowance to a surviving child
5 shall not be made for any month for which a surviving spouse is
6 paid a retirement allowance A surviving child's retirement
7 allowance shall terminate upon the child's twenty-first birthday
8 or upon the prior marriage or death of the child The amount of
9 a surviving child's retirement allowance shall be an equal share
10 of 50% of the deceased member's or the deceased vested former
11 member's accrued retirement allowance A child's share shall be
12 recomputed each time there is a change in the number of surviving
13 children eligible for payment of a retirement allowance

14 (5) A deceased member's or a deceased vested former member's
15 accrued retirement allowance shall be computed under the follow-
16 ing presumptions

17 (a) The deceased member or deceased vested former member
18 shall be presumed to have retired under the provisions of section
19 10, exclusive of section 10(3), on the day preceding death

20 (b) The deceased member shall be presumed to have elected
21 form of payment SL

22 (6) The presumptions of retiring and election of form of
23 payment shall be effective notwithstanding the failure to satisfy
24 the specific requirements of sections 10 and 23 with regard to
25 such activities

26 Sec 28 (1) A member may name a contingent survivor
27 beneficiary for the exclusive purpose of being paid a retirement

1 allowance under this section The naming of a contingent
2 survivor beneficiary shall be in writing and filed with the
3 retirement system The contingent survivor beneficiary may be
4 revoked or changed at any time prior to termination of
5 membership

6 (2) A retirement allowance shall be paid to the contingent
7 survivor beneficiary for life, if each of the following condi-
8 tions is met

9 (a) The member dies while still a member employed by a par-
10 ticipating municipality or participating court

11 (b) The member at time of death has ~~10 or more~~ THE MINIMUM
12 NUMBER OF years of credited service REQUIRED TO BE A VESTED
13 FORMER MEMBER UNDER SECTION 12

14 (c) The contingent survivor beneficiary is found by the
15 retirement board to have an insurable interest in the life of the
16 deceased member

17 (d) A spouse, if married to the member at the time of the
18 election, has agreed in writing to the naming of the contingent
19 survivor beneficiary if that beneficiary is a person other than
20 the spouse

21 (3) The amount of retirement allowance payable to a contin-
22 gent survivor beneficiary shall be computed under the following
23 presumptions

24 (a) The deceased member shall be presumed to have retired
25 under section 10, exclusive of section 10(3), on the day preced-
26 ing the member's death

1 (b) The deceased member shall be presumed to have elected
2 form of payment II and named the contingent survivor beneficiary
3 as survivor beneficiary

4 (4) The presumptions of retiring, election of form of pay-
5 ment, and naming of survivor beneficiary shall be effective not-
6 withstanding the failure to satisfy the specific requirements of
7 sections 10 and 23 with regard to such activities

8 SEC 40A THE GOVERNING BODY OF A PARTICIPATING MUNICIPALITY,
9 TY, BY RESOLUTION, OR THE CHIEF JUDGE OF A PARTICIPATING COURT,
10 BY ADMINISTRATIVE ORDER, SHALL ADOPT A WRITTEN POLICY THAT PRO-
11 VIDES FOR THE UNIFORM APPLICATION OF THE PROVISIONS OF THIS ACT
12 TO ALL MEMBERS EMPLOYED BY THE PARTICIPATING MUNICIPALITY OR PAR-
13 TICIPATING COURT WHO ARE COVERED BY THE SAME PROGRAM COVERAGE
14 CLASSIFICATIONS ESTABLISHED BY THE RETIREMENT BOARD UNDER SECTION
15 41

16 Section 2 Section 9 of Act No 427 of the Public Acts of
17 1984 being section 38 1509 of the Michigan Compiled Laws, is
18 repealed