



HOUSE BILL No. 5433

November 29, 1995, Introduced by Reps. DeHart, LaForge, Prusi, DeMars, Brewer, Tesanovich, Kelly, Curtis, Harder, Gire, Pitoniak, Hanley and Willard and referred to the Committee on Appropriations.

A bill to amend sections 10 and 24 of Act No. 427 of the Public Acts of 1984, entitled as amended "Municipal employees retirement act of 1984," section 10 as amended by Act No. 51 of the Public Acts of 1989 and section 24 as amended by Act No. 500 of the Public Acts of 1988, being sections 38.1510 and 38.1524 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 10 and 24 of Act No. 427 of the Public
2 Acts of 1984, section 10 as amended by Act No. 51 of the Public
3 Acts of 1989 and section 24 as amended by Act No. 500 of the
4 Public Acts of 1988, being sections 38.1510 and 38.1524 of the
5 Michigan Compiled Laws, are amended to read as follows:

6 Sec. 10. (1) A member or a vested former member may retire
7 upon satisfaction of each of the following requirements:

1 (a) A written application for retirement, on a form
2 established by the retirement system, has been filed with the
3 retirement system. The retirement board may establish required
4 time periods, preceding or surrounding the date of retirement,
5 for the filing of an application for retirement.

6 (b) One of the following applies:

7 (i) The member or vested former member has attained age
8 50 years or older and has 25 or more years of credited service.

9 (ii) The member or vested former member has attained age
10 55 years or older and has 15 or more years of credited service.

11 (iii) The member or vested former member has attained age
12 60 years or older and has 10 or more years of credited service.

13 (iv) The member or vested former member has attained age 60
14 years or older and has 8 or more years of credited service if the
15 member's participating municipality or participating court adopts
16 the termination of membership vesting benefit program V-8 for the
17 member.

18 (v) The member or vested former member has attained age 60
19 years or older and has 6 or more years of credited service if the
20 member's participating municipality or participating court adopts
21 the termination of membership vesting benefit program V-6 for the
22 member.

23 (vi) THE MEMBER OR VESTED FORMER MEMBER WHO IS OR WAS
24 EMPLOYED BY A PARTICIPATING MUNICIPALITY AS A POLICE OFFICER OR A
25 FIRE FIGHTER HAS 25 OR MORE YEARS OF CREDITED SERVICE.

26 (c) The member terminates membership ~~prior to~~ BEFORE the
27 date of retirement.

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

10 (3) If the date of retirement precedes the date the member
11 or vested former member attains the full retirement allowance age
12 as determined under subsection (4) or (5), the amount of retire-
13 ment allowance shall be reduced. The amount of reduction shall
14 be $1/2$ of 1% of the retirement allowance multiplied by the number
15 of months, rounded to the next higher number of months and not
16 less than zero, by which the date of retirement precedes the date
17 the member or vested former member attains the full retirement
18 allowance age. The reduction ~~called for~~ PRESCRIBED in this
19 subsection shall not be applied to benefit component (i) under
20 benefit program B, as provided in section 14. THE REDUCTION PRE-
21 SCRIBED IN THIS SUBSECTION DOES NOT APPLY TO A MEMBER OR VESTED
22 FORMER MEMBER WHO RETIRES PURSUANT TO SUBSECTION (1)(B)(vi).

23 (4) A participating municipality or participating court may
24 adopt benefit program F50, or benefit program F55, or both.
25 Under benefit program F50, the full retirement allowance age
26 ~~shall be~~ IS age 50 years with a required period of credited
27 service of either 25 years or 30 years. Under benefit program

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

4 (5) Full retirement allowance age ~~shall be~~ IS age 60
5 years, unless the participating municipality or participating
6 court has adopted benefit program F50 or benefit program F55, or
7 both, and the member or vested former member has the required
8 period of credited service. The governing body of the partici-
9 pating municipality or chief judge of the participating court
10 shall specify, at the time benefit program F50 or benefit program
11 F55, or both, are adopted, the required period of credited serv-
12 ice that ~~shall be~~ IS applicable to the benefit program.

13 Sec. 24. (1) The retirement board may retire a member who
14 becomes incapacitated for continued employment by the member's
15 participating municipality or participating court if ~~each~~ ALL
16 of the following conditions ~~is~~ ARE met:

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

22 (b) The member has 10 or more years of credited service.

23 (c) The member undergoes the medical examinations and tests
24 ordered by the retirement system.

25 (d) The medical adviser certifies all of the following to
26 the retirement board:

1 (i) The member is mentally or physically incapacitated for
2 any continued employment by the participating municipality or
3 participating court.

4 (ii) The incapacity is likely to be permanent.

5 (iii) The member should be retired.

6 (2) Medical examinations shall be made by or under the
7 direction of a medical adviser selected by the retirement board.
8 The effective date of a disability retirement shall not predate
9 either of the following:

10 (a) The date of the disability.

11 (b) The date the member ceases to be paid by the participat-
12 ing municipality or participating court.

13 (3) The amount of a disability retirement allowance shall be
14 computed ~~in accordance with~~ PURSUANT TO the benefit programs
15 that are applicable to the disability retirant's credited
16 service. The early retirement reduction provisions of section
17 10(3) ~~shall not be applied~~ DO NOT APPLY TO THE COMPUTATION OF
18 THE DISABILITY RETIREMENT ALLOWANCE.

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

25 (a) The requirement of 10 or more years of credited service
26 shall be waived.

1 (b) The amount of retirement allowance shall be computed as
2 if the member had acquired exactly 10 years of credited service
3 if the member had actually acquired less than 10 years of cred-
4 ited service.

5 (5) THE FOLLOWING EXCEPTIONS TO SUBSECTIONS (1) TO (3) APPLY
6 IF THE MEMBER IS EMPLOYED BY A PARTICIPATING MUNICIPALITY AS A
7 POLICE OFFICER OR A FIRE FIGHTER AND IF THE RETIREMENT BOARD
8 FINDS THAT THE MEMBER'S DISABILITY WAS THE NATURAL AND PROXIMATE
9 RESULT OF A PERSONAL INJURY OR DISEASE ARISING OUT OF AND IN THE
10 COURSE OF THE MEMBER'S ACTUAL PERFORMANCE OF DUTY AS A POLICE
11 OFFICER OR FIRE FIGHTER IN THE EMPLOY OF THE PARTICIPATING
12 MUNICIPALITY:

13 (A) THE REQUIREMENT OF 10 OR MORE YEARS OF CREDITED SERVICE
14 SHALL BE WAIVED.

15 (B) THE AMOUNT OF RETIREMENT ALLOWANCE SHALL BE 50% OR MORE
16 OF THE MEMBER'S FINAL AVERAGE COMPENSATION.

17 (C) THE DISABILITY RETIRANT SHALL RECEIVE SERVICE CREDIT
18 UNDER THIS ACT FOR THE PERIOD OF TIME DURING WHICH HE OR SHE IS
19 RECEIVING A DISABILITY RETIREMENT ALLOWANCE UNDER THIS SECTION.
20 WHEN THE DISABILITY RETIRANT WOULD OTHERWISE BE ENTITLED TO
21 RECEIVE A REGULAR RETIREMENT ALLOWANCE UNDER THIS ACT, THE DIS-
22 ABILITY RETIRANT MAY ELECT TO RECEIVE A REGULAR RETIREMENT ALLOW-
23 ANCE PURSUANT TO THE BENEFIT PROGRAM APPLICABLE TO THAT DISABIL-
24 ITY RETIRANT'S CREDITED SERVICE.