



# HOUSE BILL No. 5434

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

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 acts and parts of acts.

## 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

1 by Act No. 50 of the Public Acts of 1991, sections 24 and 28 as  
2 amended by Act No. 500 of the Public Acts of 1988, and section 26  
3 as amended by Act No. 291 of the Public Acts of 1986, being sec-  
4 tions 38.1506, 38.1510, 38.1523, 38.1524, 38.1526, and 38.1528 of  
5 the Michigan Compiled Laws, are amended and sections 6a and 40a  
6 are added to read as follows:

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

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

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

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

1 ~~period of qualifying governmental service to be credited the~~  
2 ~~member.~~

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

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

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

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

26 (4) The RETIREMENT BOARD SHALL CREDIT THE payment BY A  
27 MEMBER under subsection (1)(c) ~~shall be credited~~ to the

1 member's individual account in the reserve for employee  
2 contributions.

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

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

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

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

1 ACTUARIAL PRESENT VALUE OF POTENTIAL BENEFITS BEFORE CREDITING  
2 THE SPECIFIED PERIOD OF SERVICE UNDER THIS SECTION. THE ACTUAR-  
3 IAL PRESENT VALUE OF POTENTIAL BENEFITS SHALL BE CALCULATED USING  
4 THE EXPERIENCE ASSUMPTIONS USED FOR THE ANNUAL ACTUARIAL  
5 VALUATION.

6 (2) THE RETIREMENT BOARD SHALL CREDIT THE PAYMENT BY A  
7 MEMBER UNDER SUBSECTION (1)(B) TO THE MEMBER'S INDIVIDUAL ACCOUNT  
8 IN THE RESERVE FOR EMPLOYEE CONTRIBUTIONS.

9 (3) SERVICE CREDITED UNDER THIS SECTION SHALL NOT BE USED TO  
10 SATISFY THE MINIMUM NUMBER OF YEARS OF CREDITED SERVICE REQUIRED  
11 FOR A MEMBER TO BE A VESTED FORMER MEMBER UNDER SECTION 12.

12 SERVICE CREDITED UNDER THIS SECTION SHALL NOT BE USED TO SATISFY  
13 THE MINIMUM NUMBER OF YEARS OF CREDITED SERVICE REQUIRED FOR THE  
14 MEMBER TO RETIRE UNDER SECTION 10 BEFORE THE MEMBER ATTAINS THE  
15 AGE THAT IS EQUAL TO THE SUM OF 18 AND THE MINIMUM NUMBER OF  
16 YEARS OF CREDITED SERVICE REQUIRED FOR THE MEMBER TO RETIRE UNDER  
17 SECTION 10.

18 (4) A MEMBER SHALL NOT ACQUIRE MORE THAN A TOTAL OF 5 YEARS  
19 OF CREDITED SERVICE UNDER THIS SECTION FROM ALL PARTICIPATING  
20 MUNICIPALITIES AND PARTICIPATING COURTS.

21 Sec. 10. (1) A member or a vested former member may retire  
22 upon satisfaction of ~~each~~ ALL of the following requirements:

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

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

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

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

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

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

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

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

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

1 (2) Upon retirement the member or vested former member shall  
2 be paid a retirement allowance computed ~~in accordance with~~  
3 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~~ in RETIREMENT ALLOW-  
19 ANCE UNDER this subsection shall not be applied to benefit compo-  
20 nent (i) under benefit program B, as provided in section 14.

21 (4) A participating municipality or participating court may  
22 adopt BENEFIT PROGRAM F(N), benefit program F50, or benefit pro-  
23 gram F55, or ~~both~~ A COMBINATION OF THESE BENEFIT PROGRAMS.  
24 UNDER BENEFIT PROGRAM F(N), THE FULL RETIREMENT ALLOWANCE AGE IS  
25 ANY AGE WITH THE REQUIRED PERIOD OF CREDITED SERVICE. THE  
26 REQUIRED PERIOD OF CREDITED SERVICE IS EQUAL TO OR GREATER THAN  
27 20 YEARS, BUT NOT MORE THAN 30 YEARS, AS SPECIFIED PURSUANT TO

1 SUBSECTION (5). Under benefit program F50, the full retirement  
2 allowance age ~~shall be~~ IS age 50 years with a required period  
3 of credited service of either 25 years or 30 years. Under bene-  
4 fit program F55, the full retirement allowance age ~~shall be~~ IS  
5 age 55 years with a required period of credited service of 15  
6 years, 20 years, 25 years, or 30 years.

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

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



1 made if form of payment II, IIA, or III is elected. A named  
2 survivor beneficiary may be more than 1 person if form of payment  
3 IV is elected. A named survivor beneficiary shall have an insur-  
4 able interest in the life of the member or vested former member  
5 at the time of naming.

6 (2) The member or vested former member may elect 1 of the  
7 following forms of payment:

8 (a) Form of Payment SL - Straight Life Retirement  
9 Allowance. Under form of payment SL the retirant is paid a  
10 retirement allowance for life. The amount shall be determined as  
11 provided in section 10.

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

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

1 THE DEATH OF THE RETIRANT DURING THE LIFETIME OF THE NAMED  
2 SURVIVOR BENEFICIARY, THE NAMED SURVIVOR BENEFICIARY IS PAID 3/4  
3 OF THE AMOUNT OF THE REDUCED FORM OF PAYMENT IIA RETIREMENT  
4 ALLOWANCE OVER THE NAMED SURVIVOR BENEFICIARY'S REMAINING LIFE.

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

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

1 beneficiary, whichever survives the longest, if both the retirant  
2 and named survivor beneficiary die during the guaranteed period.

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

14 (3) Payment shall be made under form of payment SL if there  
15 is not a timely election of form of payment.

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

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

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

1 ~~this subsection~~ JUNE 27, 1991. This subsection does not require  
2 the retirement system to distribute or pay retirement assets on  
3 behalf of a retirant in an amount that exceeds the actuarially  
4 determined amount that would otherwise become payable if a judg-  
5 ment of divorce had not been rendered.

6 (7) A retirement allowance payable under a form of payment  
7 provided in this section is subject to an eligible domestic rela-  
8 tions order under the eligible domestic relations order act, ACT  
9 NO. 46 OF THE PUBLIC ACTS OF 1991, BEING SECTIONS 38.1701 TO  
10 38.1711 OF THE MICHIGAN COMPILED LAWS.

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

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

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

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 UNDER THIS SECTION shall be made by  
7 or under the direction of a medical adviser selected by the  
8 retirement board. The effective date of a disability retirement  
9 shall not predate 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.

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

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

26 (b) The amount of retirement allowance shall ~~be computed as~~  
27 ~~if the member had acquired exactly 10 years of credited service~~

1 ~~if the member had actually acquired less than 10 years of~~  
2 ~~credited service~~ NOT BE LESS THAN 25% OF THE MEMBER'S FINAL  
3 AVERAGE COMPENSATION.

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

7 (a) The member or vested former member has ~~10 or more~~ THE  
8 MINIMUM NUMBER OF years of credited service REQUIRED TO BE A  
9 VESTED FORMER MEMBER UNDER SECTION 12.

10 (b) The member or vested former member was married to the  
11 surviving spouse at the time of death.

12 (c) The member or vested former member does not have a  
13 section 28 named contingent survivor beneficiary at the time of  
14 death.

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

23 (3) A retirement allowance shall be paid to each surviving  
24 child of a deceased member or a deceased vested former member if  
25 each of the following conditions is met:

1 (a) The member or vested former member has ~~10 or more~~ THE  
2 MINIMUM NUMBER OF years of credited service REQUIRED TO BE A  
3 VESTED FORMER MEMBER UNDER SECTION 12.

4 (b) The child is unmarried and has not attained age 21  
5 years.

6 (c) The member or vested former member does not have a  
7 section 28 named contingent survivor beneficiary at the time of  
8 death.

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

19 (5) A deceased member's or a deceased vested former member's  
20 accrued retirement allowance shall be computed under the follow-  
21 ing presumptions:

22 (a) The deceased member or deceased vested former member  
23 shall be presumed to have retired under the provisions of section  
24 10, exclusive of section 10(3), on the day preceding death.

25 (b) The deceased member shall be presumed to have elected  
26 form of payment SL.



1 (6) The presumptions of retiring and election of form of  
2 payment shall be effective notwithstanding the failure to satisfy  
3 the specific requirements of sections 10 and 23 with regard to  
4 such activities.

5 Sec. 28. (1) A member may name a contingent survivor bene-  
6 ficiary for the exclusive purpose of being paid a retirement  
7 allowance under this section. The naming of a contingent survi-  
8 vor beneficiary shall be in writing and filed with the retirement  
9 system. The contingent survivor beneficiary may be revoked or  
10 changed at any time prior to termination of membership.

11 (2) A retirement allowance shall be paid to the contingent  
12 survivor beneficiary for life, if each of the following condi-  
13 tions is met:

14 (a) The member dies while still a member employed by a part-  
15 ticipating municipality or participating court.

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

19 (c) The contingent survivor beneficiary is found by the  
20 retirement board to have an insurable interest in the life of the  
21 deceased member.

22 (d) A spouse, if married to the member at the time of the  
23 election, has agreed in writing to the naming of the contingent  
24 survivor beneficiary if that beneficiary is a person other than  
25 the spouse.

1 (3) The amount of retirement allowance payable to a  
2 contingent survivor beneficiary shall be computed under the  
3 following presumptions:

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

7 (b) The deceased member shall be presumed to have elected  
8 form of payment II and named the contingent survivor beneficiary  
9 as survivor beneficiary.

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

14 SEC. 40A. THE GOVERNING BODY OF A PARTICIPATING MUNICIPALITY,  
15 BY RESOLUTION, OR THE CHIEF JUDGE OF A PARTICIPATING COURT,  
16 BY ADMINISTRATIVE ORDER, SHALL ADOPT A WRITTEN POLICY THAT PRO-  
17 VIDES FOR THE UNIFORM APPLICATION OF THE PROVISIONS OF THIS ACT  
18 TO ALL MEMBERS EMPLOYED BY THE PARTICIPATING MUNICIPALITY OR PAR-  
19 TICIPATING COURT WHO ARE COVERED BY THE SAME PROGRAM COVERAGE  
20 CLASSIFICATIONS ESTABLISHED BY THE RETIREMENT BOARD UNDER SECTION  
21 41 OR 41A.

22 Section 2. Section 9 of Act No. 427 of the Public Acts of  
23 1984, being section 38.1509 of the Michigan Compiled Laws, is  
24 repealed.