

**STATE OF MICHIGAN  
90TH LEGISLATURE  
REGULAR SESSION OF 2000**

Introduced by Senator Gougeon

# **ENROLLED SENATE BILL No. 342**

AN ACT to amend 1961 PA 88, entitled "An act to provide for the preservation and continuity of retirement system service credits for public employees who transfer their employment between units of government," by amending section 4 (MCL 38.1104), as amended by 1990 PA 274.

*The People of the State of Michigan enact:*

Sec. 4. A member of a reciprocal retirement system who leaves the employ of a reciprocal unit, designated as the preceding reciprocal unit, and enters the employ of another governmental unit, designated as the succeeding governmental unit, shall be entitled to a retirement allowance payable by the preceding reciprocal unit's retirement system subject to the following conditions:

(a) The member has 30 months or more of credited service in force acquired in the employ of the preceding reciprocal unit.

(b) The member does not withdraw his or her accumulated deposits from the preceding reciprocal unit's retirement system, or if the member has withdrawn the accumulated deposits, the member deposits with the preceding reciprocal unit the amount withdrawn together with interest compounded annually at the rate in effect for the preceding reciprocal unit; the deposit to be made within 5 years after the date the member becomes employed by the succeeding governmental unit. If the member has withdrawn the accumulated deposits and does not make the deposit of the amount including interest as prescribed in this subdivision, the member is considered to have no credited service in force under this section, section 5, or section 6.

(c) The member enters the employ of each succeeding governmental unit within 15 years after the date of leaving the employ of each preceding governmental unit.

(d) The member's credited service in force with the preceding reciprocal retirement systems plus the member's credited service acquired in the employ of succeeding governmental units equals or exceeds the minimum credited service required for age and service retirement in the applicable preceding reciprocal retirement system.

(e) The retirement allowance payable by any preceding reciprocal retirement system shall be determined at the time the member ceased to be a member of the preceding reciprocal retirement system, upon the basis of the retirement allowance formula of the preceding reciprocal retirement system, attainment of the minimum age for age and service retirement if less than 60 years, the member's credited service in force in the preceding reciprocal retirement system, and the member's final average salary at that time.

(f) Payment of a retirement allowance by a preceding reciprocal retirement system shall begin on the first day of the calendar month immediately following the month in which proper written application is filed with the governing body of the preceding reciprocal retirement system and on or after attainment of the minimum age for age and service retirement required in the preceding reciprocal retirement system or age 60, whichever is less.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Sam E. Randall

Clerk of the House of Representatives.

Approved \_\_\_\_\_

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Governor.