

**SENATE SUBSTITUTE FOR**

**HOUSE BILL NO. 4605**

(As amended by the Senate, December 13, 2002)

A bill to amend 1943 PA 240, entitled "State employees' retirement act," by amending sections 11,13, 45, 46, and 47 (MCL 38.11, 38,13, 38.45, 38.46, and 38.47), sections 11, 13, and 46 as amended by 2002 PA 93 and section 45 as amended by 1988 PA 351, and by adding section 19i.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 11. (1) There is created the employees' savings fund,  
2 employer's accumulation fund, annuity reserve fund, pension  
3 reserve fund, income fund, expense fund, and health insurance  
4 reserve fund.

5           (2) The employees' savings fund is the fund in which shall  
6 be accumulated at regular interest the contributions to the  
7 retirement system deducted from the compensation of members. The  
8 retirement board shall provide for the maintenance of an

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1 individual account for each member that shows the amount of the  
2 member's contributions together with interest on those  
3 contributions. The accumulated contributions of a member  
4 returned to the member upon his or her withdrawal from service,  
5 or paid to the member's estate or designated beneficiary in the  
6 event of the member's death, as provided in this act, shall be  
7 paid from the employees' savings fund. Any accumulated contribu-  
8 tions not claimed by a member or the member's legal representa-  
9 tive as provided in this act within 5 years after the member's  
10 separation from state service shall be transferred from the  
11 employees' savings fund to the income fund. The accumulated con-  
12 tributions of a member, upon the member's retirement, shall be  
13 transferred from the employees' savings fund to the pension  
14 reserve fund.

15 (3) The employer's accumulation fund is the fund in which  
16 shall be accumulated the reserves derived from money provided by  
17 this state for the payment of all retirement allowances to be  
18 payable to retirants and beneficiaries as provided in this act.  
19 The amounts paid by this state shall be credited to the  
20 employer's accumulation fund. Upon the retirement of a member,  
21 or upon the member's death, if a beneficiary is entitled to a  
22 retirement allowance payable from funds of the retirement system,  
23 the difference between the reserve for the retirement allowance  
24 to be paid on account of the member's retirement or death and the  
25 member's accumulated contributions standing to his or her credit  
26 in the employees' savings fund at the time of his or her  
27 retirement or death shall be transferred from the employer's

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1 accumulation fund to the pension reserve fund. If, in any year,  
2 the pension reserve fund is insufficient to cover the reserves  
3 for retirement allowances and other benefits being paid from the  
4 fund, the amount or amounts of the insufficiency or insufficien-  
5 cies shall be transferred from the employer's accumulation fund  
6 to the pension reserve fund.

7 (4) The annuity reserve fund is the fund from which shall be  
8 paid all annuities, or benefits in lieu of annuities, because of  
9 which reserves have been transferred from the employees' savings  
10 fund to the annuity reserve fund. Upon the adoption of this act,  
11 the balance in the annuity reserve fund shall be transferred to  
12 the pension reserve fund, and the annuities heretofore payable  
13 from the annuity reserve fund shall thereafter become payable  
14 from the pension reserve fund.

15 (5) The pension reserve fund is the fund from which shall be  
16 paid all retirement allowances and benefits in lieu of pensions,  
17 as provided in this act. For a disability retirant returned to  
18 active service with this state, his or her pension reserve, com-  
19 puted as of the date of return, shall be transferred from the  
20 pension reserve fund to the employees' savings fund and the  
21 employer's accumulation fund in the proportion that this reserve,  
22 as of the date of his or her retirement, was transferred to the  
23 pension reserve fund from the employees' savings fund and from  
24 the employer's accumulation fund. The amounts transferred to the  
25 employees' savings fund under this section shall be credited to  
26 the member's individual account in the fund.

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1 (6) An income fund is created for the purpose of crediting  
2 regular interest on the amounts in the various other funds of the  
3 retirement system with the exception of the expense fund, and to  
4 provide a contingent fund out of which special requirements of  
5 any of the other funds may be covered. Transfers for special  
6 requirements shall be made only when the amount in the income  
7 fund exceeds the ordinary requirements of the fund as evidenced  
8 by a resolution of the retirement board recorded in its minutes.  
9 The retirement board shall annually allow regular interest for  
10 the preceding year to each of the funds enumerated in subsections  
11 (2), (3), (4), (5), and (8), and the amount allowed under this  
12 subsection shall be due and payable to each of these funds and  
13 shall be annually credited to the funds by the retirement board  
14 and paid from the income fund. However, interest on contribu-  
15 tions from members within a calendar year shall begin on the  
16 first day of the next calendar year, and shall be credited at the  
17 end of the calendar year. Except as provided in this subsection,  
18 income, interest, and dividends derived from the deposits and  
19 investments authorized by this act shall be paid into the income  
20 fund. The retirement system shall determine the share of income,  
21 interest, and dividends attributable to the balance in the health  
22 advance funding subaccount created under subsection (9) and the  
23 share of income, interest, and dividends attributable to the  
24 health advance funding subaccount balance shall be paid into the  
25 health advance funding subaccount. The retirement board is  
26 authorized to accept gifts and bequests. Any funds that come  
27 into the possession of the retirement system as a gift or

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1 bequest, or any funds that may be transferred from the employees'  
2 savings fund by reason of lack of claimant, or because of a sur-  
3 plus in any fund created by this act, or any other money the dis-  
4 position of which is not otherwise provided for in this act shall  
5 be credited to the income fund.

6 (7) The expense fund is the fund from which shall be paid  
7 the expenses of the administration of this act, exclusive of  
8 amounts payable as retirement allowances and other benefits pro-  
9 vided for in this act. The legislature shall appropriate the  
10 funds necessary to defray and cover the expenses of administering  
11 this act.

12 (8) The health insurance reserve fund is the fund into which  
13 appropriations made by the legislature, subscriber co-payments,  
14 and payments by the retirement system under section 68 for  
15 health, dental, and vision insurance premiums are paid. Health,  
16 dental, and vision insurance premiums payable pursuant to  
17 sections 20d and 68 shall be paid from the health insurance  
18 reserve fund. The assets and any earnings on the assets con-  
19 tained in the health insurance reserve fund and the health  
20 advance funding subaccount described in subsection (9) are not to  
21 be treated as pension assets for any purpose.

22 (9) The health advance funding subaccount is the account to  
23 which amounts transferred pursuant to sections 20d, 38(6), and 52  
24 are credited. Any amounts received in the health advance funding  
25 subaccount and accumulated earnings on those amounts shall not be  
26 expended until the actuarial accrued liability for health  
27 benefits under section 20d is at least 100% funded. The

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1 department may expend funds or transfer funds to another account  
2 to expend for health benefits under section 20d if the actuarial  
3 accrued liability for health benefits under section 20d is at  
4 least 100% funded. For each fiscal year after the fiscal year in  
5 which the actuarial accrued liability for health benefits under  
6 section 20d is at least 100% funded by the health advance funding  
7 subaccount, amounts received in the health advance funding subac-  
8 count and accumulated earnings on those amounts may be expended  
9 or credited to fund health benefits under section 20d as provided  
10 in section 38(3). FOR THE FISCAL YEAR ENDING ON SEPTEMBER 30,  
11 2003 ONLY, THE GENERAL FUND PORTION OF ALL AMOUNTS RECEIVED IN THE HEALTH  
ADVANCE FUNDING  
12 SUBACCOUNT AS OF OCTOBER 1, 2002 AND ACCUMULATED EARNINGS ON  
13 THOSE AMOUNTS SHALL BE TRANSFERRED TO THE GENERAL FUND.

14 Notwithstanding any other provision of this section, the depart-  
15 ment may transfer amounts from the health advance funding subac-  
16 count to the employer's accumulation fund created under this sec-  
17 tion if the department does both of the following:

18 (a) At least 45 days before the intended transfer, submits a  
19 request to the chairs of the senate and house appropriations com-  
20 mittees and, at least 15 days before the intended transfer,  
21 obtains the approval of both the senate and house appropriations  
22 committees.

23 (b) Ensures that the request submitted to the senate and  
24 house appropriations committees contains an actuarial valuation  
25 prepared pursuant to section 38 that demonstrates that as of the  
26 beginning of a fiscal year, and after all credits and transfers  
27 required by this act for the previous fiscal year have been made,

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1 the sum of the actuarial value of assets and the actuarial  
2 present value of future normal cost contributions does not exceed  
3 the actuarial present value of benefits.

4 (10) The description of the various funds in this section  
5 shall be interpreted to refer to the accounting records of the  
6 retirement system and not to the segregation of assets credited  
7 to the various funds of the retirement system.

8 Sec. 13. (1) Except as otherwise provided in this act, mem-  
9 bership in the retirement system consists of state employees  
10 occupying permanent positions in the state civil service. All  
11 state employees except those specifically excluded by law and  
12 those who are members or eligible to be members of other statu-  
13 tory retirement systems in this state, shall become members of  
14 the retirement system. The employees may use service previously  
15 performed as an employee of this state in meeting the service  
16 requirements for the retirement allowances and death benefits  
17 provided by the retirement system. However, the prior service  
18 shall not be used in computing the amount of a retirement allow-  
19 ance to be paid by the retirement system unless the employee pays  
20 to the retirement system the amount the employee's contributions  
21 would have been had the employee become a member immediately upon  
22 employment by the state with interest compounded annually at the  
23 regular rate from a date 1 year after the date of employment by  
24 this state to the date of payment. A person who draws compensa-  
25 tion as a state employee of a political subdivision of this state  
26 is eligible for the benefits provided by this act to the extent  
27 of the person's compensation paid by this state. An individual

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1 who meets the requirements of section 44a is a member of the  
2 retirement system.

3 (2) Elected or appointed state officials may elect not to  
4 become or continue as members of the retirement system by filing  
5 written notice with the retirement board. An appointed state  
6 official who is a member of a state board, commission, or council  
7 and who receives a per diem rate in his or her capacity as a  
8 member of the board, commission, or council is excluded from mem-  
9 bership in the retirement system for the service rendered in his  
10 or her capacity as a member of the board, commission, or  
11 council. Service performed by an elected or appointed official  
12 during the time the official elects not to participate shall not  
13 be used in meeting the service requirement or in computing the  
14 amount of retirement allowance to be paid by the retirement  
15 system. A member who elects not to participate shall be refunded  
16 all contributions made before the election.

17 (3) Membership in the retirement system does not include any  
18 of the following:

19 (a) A person who is a contributing member in the public  
20 school employees' retirement system provided for in the public  
21 school employees retirement act of 1979, 1980 PA 300, MCL 38.1301  
22 to 38.1408.

23 (b) A person who is a contributing member in the Michigan  
24 judges retirement system provided for in the judges retirement  
25 act of 1992, 1992 PA 234, MCL 38.2101 to 38.2670.

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1 (c) A person who comes within the Michigan state police  
2 retirement system provided for in the state police retirement act  
3 of 1986, 1986 PA 182, MCL 38.1601 to 38.1648.

4 (d) An individual who is first employed and entered upon the  
5 payroll on or after March 31, 1997 for employment for which the  
6 individual would have been eligible for membership under this  
7 section before March 31, 1997. An individual described in this  
8 subdivision is eligible to be a qualified participant in Tier 2  
9 subject to sections 50 to 69.

10 (e) Except as provided in section 19g, an individual who  
11 elects to terminate membership under section 50 and who, but for  
12 that election, would otherwise be eligible for membership in Tier  
13 1 under this section.

14 (F) A RETIRANT WHO AGAIN BECOMES EMPLOYED BY THE STATE AND  
15 IS ENTERED UPON THE PAYROLL ON OR AFTER DECEMBER 1, 2002, FOR  
16 EMPLOYMENT FOR WHICH THE RETIRANT WOULD HAVE BEEN ELIGIBLE FOR  
17 MEMBERSHIP UNDER THIS SECTION BEFORE DECEMBER 1, 2002. A RETIR-  
18 ANT DESCRIBED IN THIS SUBDIVISION SHALL BE A QUALIFIED PARTICI-  
19 PANT IN TIER 2 SUBJECT TO SECTIONS 50 TO 69.

20 (4) A person who is hired in state classified or unclassi-  
21 fied service after June 30, 1974, who is first employed and  
22 entered upon the payroll before March 31, 1997, and who possesses  
23 a Michigan teaching certificate shall be a member of this retire-  
24 ment system. After June 30, 1974, but before March 31, 1997, a  
25 person who returns to state employment in the classified or  
26 unclassified service who previously was a contributing member of  
27 the Michigan public school employees' retirement system shall

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1 have the person's accumulated contributions and service  
2 transferred to this retirement system, or having withdrawn the  
3 contributions, may pay into the retirement system the amount  
4 withdrawn together with regular interest and have credit restored  
5 as provided for in section 16. On and after March 31, 1997, an  
6 individual described in this subsection who returns to state  
7 service shall make an irrevocable election to remain in Tier 1 or  
8 to become a qualified participant of Tier 2 in the manner pre-  
9 scribed in section 50.

10 (5) A person, not regularly employed by this state, who is  
11 employed through participation in 1 or more of the following pro-  
12 grams, shall not be a member of the retirement system and shall  
13 not receive service credit for the employment:

14 (a) A program authorized, undertaken, and financed pursuant  
15 to the comprehensive employment and training act of 1973, former  
16 Public Law 93-203, 87 Stat. 839.

17 (b) A summer youth employment program established pursuant  
18 to the Michigan youth corps act, 1983 PA 69, MCL 409.221 to  
19 409.229.

20 (c) A program established pursuant to the job training part-  
21 nership act, Public Law 97-300, 96 Stat. 1322.

22 (d) A program established pursuant to the Michigan opportu-  
23 nity and skills training program, first established under sec-  
24 tions 12 to 23 of ~~Act No. 259 of the Public Acts of 1983~~ 1983  
25 PA 259.

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1 (e) A program established pursuant to the Michigan community  
2 service corps program, first established under sections 25 to 35  
3 of ~~Act No. 259 of the Public Acts of 1983~~ 1983 PA 259.

4 (6) A person, not regularly employed by this state, who is  
5 employed to administer a program described in subsection (5)  
6 shall not be a member of the retirement system and shall not  
7 receive service credit for the employment.

8 (7) If a person described in subsection (5)(a) later becomes  
9 a member of this retirement system within 12 months after the  
10 date of termination as a participant in a transitional public  
11 employment program, service credit shall be given for employment  
12 which is excluded in subsection (5) for purposes of determining a  
13 retirement allowance upon the payment by the person's employer  
14 under subsection (5) from funds provided under the comprehensive  
15 employment and training act of 1973, former Public Law 93-203,  
16 87 Stat. 839, as funds permit, to the retirement system of the  
17 contributions, plus regular interest, the employer would have  
18 paid had the employment been rendered in a position covered by  
19 this act. During the person's employment in the transitional  
20 public employment program, the person's employer shall place in  
21 reserve a reasonable but not necessarily an actuarially deter-  
22 mined amount equal to the contributions that the employer would  
23 have paid to the retirement system for those employees in the  
24 transitional public employment program as if they were members  
25 under this act, but only for that number of employees that the  
26 employer determined would move from the transitional public  
27 employment program into positions covered by this act. If the

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1 funds provided under the comprehensive employment and training  
2 act of 1973, former Public Law 93-203, 87 Stat. 839, are insuffi-  
3 cient, the remainder of the employer contributions shall be paid  
4 by the person's current employer.

5 (8) For purposes of section 19g, a former member shall be  
6 considered a member and shall be considered to have satisfied the  
7 requirements of section 19g(1)(c) and (2)(c) if the former member  
8 was employed by the department formerly known as the department  
9 of mental health on January 1, 1996 and went on layoff status  
10 before January 1, 1997.

11 SEC. 19I. (1) NOTWITHSTANDING SECTION 19, A MEMBER MAY  
12 RETIRE AND RECEIVE A RETIREMENT ALLOWANCE COMPUTED UNDER THIS  
13 SECTION IF THE MEMBER MEETS ALL OF THE FOLLOWING REQUIREMENTS:

14 (A) ON OR BEFORE DECEMBER 31, 2002, OR ON THE EFFECTIVE DATE  
15 OF HIS OR HER RETIREMENT, WHICHEVER IS EARLIER, THE MEMBER'S COM-  
16 BINED AGE AND LENGTH OF CREDITED SERVICE IS EQUAL TO OR GREATER  
17 THAN 75 YEARS, OR, IF THE MEMBER HAS AT LEAST 20 YEARS OF SERVICE  
18 CREDIT, THE MEMBER'S COMBINED AGE AND LENGTH OF CREDITED SERVICE  
19 IS EQUAL TO OR GREATER THAN 65 YEARS.

20 (B) THE MEMBER IS AN EMPLOYEE OF THE LEGISLATURE, IS AN  
21 EMPLOYEE OF THE OFFICE OF GOVERNOR, IS AN EMPLOYEE OF THE JUDI-  
22 CIAL SYSTEM, OR IS AN UNCLASSIFIED EMPLOYEE WITHIN THE STATE  
23 CIVIL SERVICE.

24 (C) THE MEMBER WAS EMPLOYED BY THIS STATE OR THE LEGISLATURE  
25 FOR THE 30-MONTH PERIOD ENDING ON DECEMBER 1, 2002. A MEMBER WHO  
26 IS ON LAYOFF STATUS FROM STATE EMPLOYMENT IS CONSIDERED TO HAVE  
27 MET THE EMPLOYMENT REQUIREMENT OF THIS SUBDIVISION.

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1 (D) THE MEMBER EXECUTES AND FILES A WRITTEN APPLICATION WITH  
2 THE RETIREMENT BOARD, ON OR AFTER DECEMBER 1, 2002, BUT NOT LATER  
3 THAN DECEMBER 31, 2002, STATING A DATE ON OR AFTER JANUARY 1,  
4 2003, BUT NOT LATER THAN FEBRUARY 1, 2003, ON WHICH HE OR SHE  
5 DESIRES TO RETIRE. A MEMBER MAY WITHDRAW A WRITTEN APPLICATION  
6 ON OR BEFORE JANUARY 15, 2003. A WRITTEN APPLICATION SUBMITTED  
7 BY A MEMBER AND NOT WITHDRAWN ON OR BEFORE JANUARY 15, 2003 IS  
8 IRREVOCABLE.

9 (E) THE MEMBER IS NOT EMPLOYED IN A COVERED POSITION AS  
10 DEFINED IN SECTION 45.

11 (F) THE MEMBER IS NOT A CONSERVATION OFFICER AS DESCRIBED IN  
12 SECTION 48.

13 (2) IF A MEMBER MEETS ALL OF THE REQUIREMENTS OF SUBSECTION  
14 (1) EXCEPT THE REQUIREMENT IN SUBSECTION (1)(C), THE MEMBER MAY  
15 RETIRE AND RECEIVE A RETIREMENT ALLOWANCE EQUAL TO THE MEMBER'S  
16 NUMBER OF YEARS AND FRACTION OF A YEAR OF CREDITED SERVICE MULTI-  
17 PLIED BY 1-1/2% OF HIS OR HER FINAL AVERAGE COMPENSATION. EXCEPT  
18 FOR THE CALCULATION PROVIDED IN THIS SUBSECTION, THE MEMBER'S  
19 RETIREMENT ALLOWANCE IS SUBJECT TO SECTION 20. THE MEMBER'S  
20 RETIREMENT ALLOWANCE IS NOT SUBJECT TO REDUCTION PURSUANT TO SEC-  
21 TION 19(2).

22 (3) ANY AMOUNT THAT A MEMBER RETIRING UNDER THIS SECTION  
23 WOULD OTHERWISE BE ENTITLED TO RECEIVE IN A LUMP SUM AT RETIRE-  
24 MENT ON ACCOUNT OF ACCUMULATED SICK LEAVE SHALL BE PAID IN 60  
25 CONSECUTIVE EQUAL MONTHLY INSTALLMENTS BEGINNING ON OR AFTER  
26 FEBRUARY 1, 2003. PAYMENTS RECEIVED UNDER THIS SUBSECTION MAY  
27 NOT BE USED TO PURCHASE SERVICE CREDIT UNDER THIS ACT. THESE

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1 PAYMENTS FOR ACCUMULATED SICK LEAVE ARE TO BE PAID FROM FUNDS  
2 APPROPRIATED TO THE APPOINTING AUTHORITY AND NOT FROM FUNDS OF  
3 THE RETIREMENT SYSTEM. THESE PAYMENTS SHALL BE CONSIDERED TAX-  
4 ABLE INCOME UNDER THE INCOME TAX ACT OF 1967, 1967 PA 281,  
5 MCL 206.1 TO 206.532.

6 (4) UPON HIS OR HER RETIREMENT AS PROVIDED IN THIS SECTION,  
7 A MEMBER WHO DID NOT MAKE AN ELECTION UNDER SECTION 50 TO TERMI-  
8 NATE MEMBERSHIP IN TIER 1 AND BECOME A QUALIFIED PARTICIPANT IN  
9 TIER 2 SHALL RECEIVE A RETIREMENT ALLOWANCE EQUAL TO THE MEMBER'S  
10 NUMBER OF YEARS AND FRACTION OF A YEAR OF CREDITED SERVICE MULTI-  
11 PLIED BY 1-3/4% OF HIS OR HER FINAL AVERAGE COMPENSATION. EXCEPT  
12 FOR THE CALCULATION PROVIDED IN THIS SUBSECTION, THE MEMBER'S  
13 RETIREMENT ALLOWANCE IS SUBJECT TO SECTION 20. THE MEMBER'S  
14 RETIREMENT ALLOWANCE IS NOT SUBJECT TO REDUCTION PURSUANT TO  
15 SECTION 19(2).

16 (5) UPON HIS OR HER RETIREMENT AS PROVIDED IN THIS SECTION,  
17 A FORMER MEMBER WHO MADE AN ELECTION UNDER SECTION 50 TO TERMI-  
18 NATE MEMBERSHIP IN TIER 1 AND BECOME A QUALIFIED PARTICIPANT IN  
19 TIER 2 SHALL RECEIVE A RETIREMENT ALLOWANCE EQUAL TO THE MEMBER'S  
20 NUMBER OF YEARS AND FRACTION OF A YEAR OF CREDITED SERVICE MULTI-  
21 PLIED BY 1/4% OF HIS OR HER FINAL AVERAGE COMPENSATION. EXCEPT  
22 FOR THE CALCULATION PROVIDED IN THIS SUBSECTION, THE FORMER  
23 MEMBER'S RETIREMENT ALLOWANCE IS SUBJECT TO SECTION 20. THE  
24 FORMER MEMBER'S RETIREMENT ALLOWANCE IS NOT SUBJECT TO REDUCTION  
25 PURSUANT TO SECTION 19(2).

26 (6) FOR PURPOSES OF THIS SECTION, AN INDIVIDUAL WHO ELECTED  
27 TO TERMINATE MEMBERSHIP UNDER SECTION 50 AND WHO, BUT FOR THAT

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1 ELECTION, WOULD OTHERWISE BE ELIGIBLE FOR MEMBERSHIP IN TIER 1  
2 UNDER SECTION 13, SHALL BE CONSIDERED A MEMBER OF TIER 1 FOR THE  
3 LIMITED PURPOSE OF RECEIVING A RETIREMENT ALLOWANCE CALCULATED  
4 UNDER THIS SECTION AND PAID BY THE RETIREMENT SYSTEM.

5 (7) AN EMPLOYEE WHO RETIRES UNDER THIS SECTION SHALL NOT BE  
6 HIRED UNDER CONTRACT BY THE STATE FOR A PERIOD OF 2 YEARS AFTER  
7 THE DATE OF SEPARATION.

8 Sec. 45. As used in sections 45 to 47:

9 (a) ~~Except as provided in subparagraph (v), on and after~~  
10 ~~January 1, 1989, "covered"~~ "COVERED position" means any of the  
11 following:

12 (i) ~~A~~ ON OR AFTER JANUARY 1, 1989, A position in the clas-  
13 sified civil service with a classification of corrections offi-  
14 cer; resident unit officer; corrections medical aide; corrections  
15 shift supervisor; corrections security specialist; deputy prison  
16 warden; or departmental administrator-prison warden.

17 (ii) ~~A~~ ON OR AFTER JANUARY 1, 1989, A position that is  
18 assigned to a work station inside the security perimeter of a  
19 state correctional facility designated as "medium", "close", or  
20 "maximum".

21 (iii) ~~A~~ ON OR AFTER JANUARY 1, 1989, A position within a  
22 state correctional facility that requires the employee to be in  
23 direct contact with prisoners for more than 50% of the employee's  
24 work time performing supervisory or disciplinary duties including  
25 1 or more of the following:

26 (A) Supervising prisoners in the performance of tasks.

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1 (B) Supervising prisoners for the purpose of enforcing the  
2 facility's rules.

3 (C) Direct participation in the disciplinary process.

4 (iv) ~~A~~ ON OR AFTER JANUARY 1, 1989, A position with the  
5 center for forensic psychiatry that is classified by civil serv-  
6 ice as forensics security aide IIB, forensics security aide IIIB,  
7 forensics security supervisor IVB, forensics security supervisor  
8 VB, forensics security supervisor VIB, or forensics supervisor  
9 VII.

10 (v) A position that was a covered position under this sec-  
11 tion before January 1, 1989, that is excluded by subparagraphs  
12 (i), (ii), (iii), and (iv), if and only as long as the person in  
13 the position on January 1, 1989, continues in the position after  
14 January 1, 1989.

15 [REDACTED]  
16 [REDACTED]  
17 [REDACTED]  
18 [REDACTED]  
19 [REDACTED]  
20 [REDACTED]  
21 [REDACTED]  
22 [REDACTED]  
23 [REDACTED]  
24 [REDACTED]  
25 [REDACTED]

26 (b) "Supplemental member" means a member who is employed in  
27 a covered position.

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1 (c) "Covered service" means credited service acquired in a  
2 covered position.

3 (d) "Supplemental final average compensation" means 1/3 of  
4 the compensation paid a supplemental member during the period of  
5 3 consecutive years of the member's covered service producing the  
6 highest average and contained within the member's last 10 years  
7 of credited service immediately preceding the date the member's  
8 employment in a covered position last terminates.

9 (e) "State correctional facility" means a facility under the  
10 jurisdiction of the department of corrections that has a designa-  
11 tion of "maximum", "close", "medium", "minimum", "prison camp",  
12 or "correction center".

13 Sec. 46. (1) A supplemental member may retire with a sup-  
14 plemental early retirement allowance AS provided FOR in section  
15 47 ~~upon satisfaction of each~~ IF THE SUPPLEMENTAL MEMBER MEETS  
16 ALL of the following conditions:

17 (a) He or she is age 51 years or older but less than age 62  
18 years.

19 (b) He or she has 25 or more years of covered service.

20 (c) His or her last 3 years of credited service are covered  
21 service. [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED]

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1 (d) He or she files a written request for retirement with  
2 the retirement board stating the date that he or she wishes to be  
3 retired.

4 (2) A supplemental member may be separated from employment  
5 in a covered position the first day of the calendar month follow-  
6 ing the month in which he or she attains age 56 years. A supple-  
7 mental member separated under this subsection may retire with a  
8 supplemental early retirement allowance provided in section 47 if  
9 he or she satisfies each of the following conditions:

10 (a) He or she has not attained age 62 years.

11 (b) He or she has 10 or more years of covered service.

12 (c) His or her last 3 years of credited service are covered  
13 service. [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 (d) He or she files a written request for retirement with  
19 the retirement board stating the date that he or she wishes to be  
20 retired.

21 (3) The state personnel director shall determine all ques-  
22 tions on eligibility for supplemental early retirement benefits  
23 within the meaning of sections 45 to 47.

24 Sec. 47. (1) Upon retirement as provided in section 46, a  
25 supplemental member shall be paid a temporary straight life sup-  
26 plemental early retirement allowance terminating upon ~~his~~  
27 ~~attainment of~~ THE SUPPLEMENTAL MEMBER REACHING age 62 years or

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1 his OR HER death, whichever occurs first. Prior to the effective  
2 date of ~~his~~ retirement, ~~he~~ THE SUPPLEMENTAL MEMBER may  
3 ~~elect~~ CHOOSE to be paid his OR HER retirement allowance under  
4 an optional form of payment provided in section ~~31(a)~~  
5 31(1)(A). For the purposes of this election, the provisions of  
6 section ~~31(a)~~ 31(1)(A) are modified to reflect the temporary  
7 nature of a supplemental early retirement allowance.

8 (2) The amount of ~~his~~ THE SUPPLEMENTAL MEMBER'S temporary  
9 straight life supplemental early retirement allowance ~~shall be~~  
10 IS equal to the difference between (i) 2.0% of his OR HER supple-  
11 mental final average compensation multiplied by his OR HER cov-  
12 ered service plus 1.5% of ~~his~~ THE SUPPLEMENTAL MEMBER'S final  
13 average compensation multiplied by the excess, if any, of his OR  
14 HER credited service over his OR HER covered service; and (ii)  
15 the amount of retirement allowance paid ~~pursuant to~~ UNDER sec-  
16 tion 20.

SEC. 47A. THE RETIREMENT BOARD SHALL REPORT TO THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES NOT LATER THAN JUNE 30, 2003 ON THE COST OF TRANSFERRING PERSONS TO NONCOVERED POSITIONS IF THEY WERE IN COVERED POSITIONS WITH CORRECTIONS CENTERS BEFORE THEIR POSITIONS WERE TERMINATED DUE TO THE CLOSURES OF THE CORRECTIONS CENTERS BETWEEN AUGUST 1, 1999 AND AUGUST 1, 2000. IF THE PERSONS CONTINUE IN NONCOVERED POSITIONS UNTIL RETIRING AS SUPPLEMENTAL MEMBERS UNDER SECTIONS 46 AND 47 OR TRANSFERRED TO COVERED POSITIONS BUT WHOSE LAST 3 YEARS OF CREDITED SERVICE ARE A COMBINATION OF COVERED AND UNCOVERED SERVICE DUE TO THE TERMINATION OF THE COVERED POSITIONS BY THE CLOSURE OF A CORRECTIONS CENTER.