

HOUSE BILL No. 4390

March 1, 2001, Introduced by Reps. Vander Veen, Voorhees and Birkholz and referred to the Committee on Senior Health, Security and Retirement.

A bill to amend 1943 PA 240, entitled
"State employees' retirement act,"
by amending section 40 (MCL 38.40), as amended by 1991 PA 48.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 40. (1) The right of a person to a pension, an annui-
2 ty, a retirement allowance, any optional benefit, any other right
3 accrued or accruing to any person under the provisions of this
4 act, the various funds created by this act, and all money and
5 investments and income of the funds, are exempt from any state,
6 county, municipal, or other local tax, and shall not be subject
7 to execution, garnishment, attachment, the operation of bank-
8 ruptcy or insolvency laws, or other process of law, and shall be
9 unassignable except as otherwise provided in this act.

10 (2) The right of a member, member on deferred retirement
11 status under section 20(4), or retirant to a pension, an annuity,

1 a retirement allowance, any optional benefit, accumulated
2 contributions, or any other benefit under the provisions of this
3 act shall be subject to award by a court pursuant to section 18
4 of ~~chapter 84 of the Revised Statutes of 1846, being section~~
5 ~~552.18 of the Michigan Compiled Laws~~ 1846 RS 84, MCL 552.18, and
6 to any other order of a court pertaining to alimony or child
7 support. The right of a member, deferred member, or retirant to
8 a pension, an annuity, a retirement allowance, or an optional
9 benefit under this act is subject to an eligible domestic rela-
10 tions order under the eligible domestic relations order act, 1991
11 PA 46, MCL 38.1701 TO 38.1711.

12 (3) If an award or order described in subsection (2)
13 requires the retirement system to withhold payment of a pension,
14 deferred pension, accumulated contributions, or other benefit
15 from the person to whom it is due or requires the retirement
16 system to make payment or requires the person to request that the
17 retirement system make payment of a pension, deferred pension,
18 accumulated contributions, or other benefit, for the purpose of
19 meeting the person's obligations to a spouse, former spouse or
20 child, as provided in subsection (2), the withholding or payment
21 provisions of the award or order shall be effective only against
22 such amounts as they become payable to the person receiving a
23 retirement allowance unless otherwise provided in an eligible
24 domestic relations order under the eligible domestic relations
25 order act, 1991 PA 46, MCL 38.1701 TO 38.1711. The limitation
26 contained in this subsection shall not apply to the accumulated

1 contributions of a person who has terminated employment before
2 acquiring a vested member status.

3 (4) NOTWITHSTANDING SUBSECTION (3), A RETIRANT WHO DIVORCED
4 HIS OR HER SPOUSE AFTER HIS OR HER RETIREMENT DATE AND PRIOR TO
5 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSEC-
6 TION SHALL PRESENT TO THE RETIREMENT SYSTEM AN ORDER OF THE COURT
7 TO PAY HIS OR HER DIVORCED SPOUSE A BENEFIT UNDER THIS ACT. THE
8 RETIREMENT SYSTEM SHALL PAY THE DIVORCED SPOUSE THE BENEFIT AS
9 THE COURT ORDER DIRECTS.

10 Enacting section 1. This amendatory act does not take
11 effect unless all of the following bills of the 91st Legislature
12 are enacted into law:

13 (a) Senate Bill No. _____ or House Bill No. 4388 (request
14 no. 00283'01 *).

15 (b) Senate Bill No. _____ or House Bill No. 4389 (request
16 no. 00284'01 *).

17 (c) Senate Bill No. _____ or House Bill No. 4391 (request
18 no. 00285'01 *).