

HOUSE BILL No. 4391

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 1980 PA 300, entitled
"The public school employees retirement act of 1979,"
by amending section 46 (MCL 38.1346), as amended by 1991 PA 47.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 46. (1) Except as otherwise provided in this section,
2 a retirement allowance, an optional benefit, or any other benefit
3 accrued or accruing to a person under this act, the reserves cre-
4 ated by this act, and the money, investments, or income of those
5 reserves are exempt from state, county, municipal, or other local
6 tax and are not subject to execution, garnishment, attachment,
7 the operation of bankruptcy or insolvency laws, or other process
8 of law. The right to a retirement allowance, an optional bene-
9 fit, or any other benefit accrued or accruing to a person under
10 this act is unassignable, except as specifically provided in this
11 act.

1 (2) The retirement system may offset retirement benefits or
2 refunds payable under this act against amounts owed to the
3 retirement system by a member, retirant, retirement allowance
4 beneficiary, or refund beneficiary.

5 (3) If the retirement system is required by the federal gov-
6 ernment pursuant to a court order to transmit a part of a
7 member's contributions standing to the member's credit in the
8 reserve for employee contributions to a federal agency, the serv-
9 ice credit that is covered by the payment shall be forfeited in
10 the same manner as if the employee had requested and been paid a
11 refund of the member's most recent contributions.

12 (4) A retirement allowance, an optional benefit, accumulated
13 contributions, or any other benefit to a member, a deferred
14 member, a retirement allowance beneficiary, or a retirant under
15 this act is subject to award by a court court pursuant to section
16 ~~88~~ 18 of ~~chapter 84 of the Revised Statutes of 1846, being~~
17 ~~section~~ 1846 RS 84, MCL 552.18, ~~of the Michigan Compiled Laws,~~
18 and to any other order of a court pertaining to alimony or child
19 support. However, this subsection does not permit or require a
20 benefit to be paid or to be provided that is not otherwise avail-
21 able under this act.

22 (5) If an award or order described in subsection (4)
23 requires the retirement system to withhold payment of a retire-
24 ment allowance, deferred retirement allowance, accumulated con-
25 tributions, or other benefit from the person to whom it is due or
26 requires the retirement system to pay or requires the person to
27 request that the retirement system pay a retirement allowance,

1 deferred retirement allowance, accumulated contributions, or
2 other benefit, for the purpose of meeting the person's obliga-
3 tions to a spouse, former spouse, or child, as provided in
4 subsection (4), the withholding or payment provisions of the
5 award or order are effective only against such amounts as they
6 become payable to the person otherwise entitled to receive the
7 retirement allowance unless otherwise provided in an eligible
8 domestic relations order under the eligible domestic relations
9 order act, 1991 PA 46, MCL 38.1701 TO 38.1711. The limitation
10 contained in this subsection does not apply to the accumulated
11 contributions of a person who has terminated employment before
12 acquiring a vested member status.

13 (6) A retirement allowance or an optional benefit payable to
14 a member, deferred member, or retirant under this act is subject
15 to an eligible domestic relations order under the eligible domes-
16 tic relations order act, 1991 PA 46, MCL 38.1701 TO 38.1711.

17 (7) NOTWITHSTANDING SUBSECTION (5), A RETIRANT WHO DIVORCED
18 HIS OR HER SPOUSE AFTER HIS OR HER RETIREMENT DATE AND BEFORE THE
19 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION
20 SHALL PRESENT TO THE RETIREMENT SYSTEM AN ORDER OF THE COURT TO
21 PAY HIS OR HER DIVORCED SPOUSE A BENEFIT UNDER THIS ACT. THE
22 RETIREMENT SYSTEM SHALL PAY THE DIVORCED SPOUSE THE BENEFIT AS
23 THE COURT DIRECTS.

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

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

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

5 (c) Senate Bill No. _____ or House Bill No. 4390 (request
6 no. 00284'01 a *).