

Retirement; reciprocal retirement system; payment of retirement allowance by preceding reciporocal retirement system; remove requirement that individual be 60 years old to be eligible.

RETIREMENT: Reciprocal retirement system; RETIREMENT: State employees; RETIREMENT: County employees; STATE AGENCIES (EXISTING): Management and budget

A bill to amend 1961 PA 88, entitled
"Reciprocal retirement act,"
by amending section 4 (MCL 38.1104), as amended by 1990 PA 274.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 4. A member of a reciprocal retirement system who
2 leaves the employ of a reciprocal unit, designated as the preced-
3 ing reciprocal unit, and enters the employ of another governmen-
4 tal unit, designated as the succeeding governmental unit, shall
5 be entitled to a retirement allowance payable by the preceding
6 reciprocal unit's retirement system subject to the following
7 conditions:
- 8 (a) The member has 30 months or more of credited service in
9 force acquired in the employ of the preceding reciprocal unit.
- 10 (b) The member does not withdraw his or her accumulated
11 deposits from the preceding reciprocal unit's retirement system,

1 or if the member has withdrawn the accumulated deposits, the
2 member deposits with the preceding reciprocal unit the amount
3 withdrawn together with interest compounded annually at the rate
4 in effect for the preceding reciprocal unit; the deposit to be
5 made within 5 years after the date the member becomes employed by
6 the succeeding governmental unit. IF THE MEMBER HAS WITHDRAWN
7 THE ACCUMULATED DEPOSITS AND DOES NOT MAKE THE DEPOSIT OF THE
8 AMOUNT INCLUDING INTEREST AS PRESCRIBED IN THIS SUBDIVISION, THE
9 MEMBER IS CONSIDERED TO HAVE NO CREDITED SERVICE IN FORCE UNDER
10 THIS SECTION, SECTION 5, OR SECTION 6.

11 (c) The member enters the employ of each succeeding govern-
12 mental unit within 15 years after the date of leaving the employ
13 of each preceding governmental unit.

14 (d) The member's credited service in force with the preced-
15 ing reciprocal retirement systems plus the member's credited
16 service acquired in the employ of succeeding governmental units
17 equals or exceeds the minimum credited service required for age
18 and service retirement in the applicable preceding reciprocal
19 retirement system.

20 (e) The retirement allowance payable by any preceding recip-
21 rocal retirement system shall be determined at the time the
22 member ceased to be a member of the preceding reciprocal retire-
23 ment system, upon the basis of the retirement allowance formula
24 of the preceding reciprocal retirement system, ATTAINMENT OF THE
25 MINIMUM AGE FOR AGE AND SERVICE RETIREMENT IF LESS THAN 60 YEARS,
26 the member's credited service in force in the preceding

1 reciprocal retirement system, and the member's final average
2 salary at that time.

3 (f) Payment of a retirement allowance by a preceding recip-
4 rocal retirement system shall begin on the first day of the
5 ~~second~~ calendar month immediately following the month in which
6 proper written application is filed with the governing body of
7 the preceding reciprocal retirement system AND on or after
8 attainment of ~~60 years of age. The retirement allowance shall~~
9 ~~not begin before attainment of~~ the minimum age for age and serv-
10 ice retirement required in the preceding reciprocal retirement
11 system OR AGE 60, WHICHEVER IS LESS.