

SENATE BILL No. 506

May 23, 2001, Introduced by Senators PETERS, BYRUM, DINGELL, DE BEAUSSAERT, EMERSON, MILLER, SMITH and LELAND and referred to the Committee on Appropriations.

A bill to amend 1980 PA 300, entitled
 "The public school employees retirement act of 1979,"
 by amending section 75 (MCL 38.1375), as amended by 1989 PA 194.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 75. (1) ~~A member who left or leaves service as a~~
 2 ~~public school employee for purposes of maternity or paternity or~~
 3 ~~child rearing, and returns to service as a public school employ-~~
 4 ~~ee, or a person performing out of system public education service~~
 5 ~~who leaves that service for purposes of maternity, paternity, or~~
 6 ~~child rearing and who subsequently becomes a member of this~~
 7 ~~retirement system, without other intervening employment of more~~
 8 ~~than 20 hours per week for each week for which service credit is~~
 9 ~~claimed, may purchase service credit for the time period or~~
 10 ~~periods during which the person was separated from service as a~~
 11 ~~public school employee or during which the person was separated~~

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~~1 from performing out of system public education service because of~~
~~2 maternity or paternity or child rearing, upon request and payment~~
~~3 to the retirement system of the actuarial cost. The total serv-~~
~~4 ice credited under this section shall not exceed 5 years. A~~
~~5 member requesting purchase of service credit under this section~~
~~6 shall certify to the board the purpose for which the member took~~
~~7 leave and was separated from service as a public school~~
~~8 employee. A MEMBER WHO LEAVES SERVICE AS A PUBLIC SCHOOL~~
~~9 EMPLOYEE FOR MATERNITY, PATERNITY, OR CHILD REARING AND WHO~~
10 RETURNS TO SERVICE AS A PUBLIC SCHOOL EMPLOYEE MAY PURCHASE SERV-
11 ICE CREDIT FOR THE TIME THAT THE MEMBER WAS SEPARATED FROM SERV-
12 ICE AS A PUBLIC SCHOOL EMPLOYEE BECAUSE OF MATERNITY, PATERNITY,
13 OR CHILD REARING. A PERSON WHO LEAVES OUT-OF-SYSTEM PUBLIC EDU-
14 CATION SERVICE FOR MATERNITY, PATERNITY, OR CHILD REARING AND WHO
15 SUBSEQUENTLY BECOMES A MEMBER MAY PURCHASE SERVICE CREDIT FOR THE
16 TIME THAT THE PERSON WAS SEPARATED FROM PERFORMING OUT-OF-SYSTEM
17 PUBLIC EDUCATION SERVICE BECAUSE OF MATERNITY, PATERNITY, OR
18 CHILD REARING. A PERSON WHO BECOMES A MEMBER OF THIS RETIREMENT
19 SYSTEM MAY PURCHASE SERVICE CREDIT FOR MATERNITY, PATERNITY, OR
20 CHILD REARING THAT THE MEMBER WAS ENGAGED IN BEFORE BECOMING A
21 MEMBER. A MEMBER SHALL NOT PURCHASE SERVICE CREDIT UNDER THIS
22 SECTION IF THERE HAS BEEN OTHER INTERVENING EMPLOYMENT OF MORE
23 THAN 20 HOURS A WEEK FOR EACH WEEK THAT SERVICE CREDIT IS
24 CLAIMED. THE TOTAL SERVICE CREDITED UNDER THIS SECTION SHALL NOT
25 EXCEED 5 YEARS. A MEMBER SHALL MAKE THE REQUEST TO PURCHASE
26 SERVICE CREDIT UNDER THIS SECTION AND PAY THE ACTUARIAL COST AS
27 DETERMINED UNDER SUBSECTION (5) BEFORE THE SERVICE IS CREDITED.

1 A MEMBER WHO REQUESTS TO PURCHASE SERVICE CREDIT UNDER THIS
2 SECTION SHALL CERTIFY TO THE BOARD THAT THE MEMBER WAS ENGAGED IN
3 MATERNITY, PATERNITY, OR CHILD REARING FOR THE PERIOD THAT THE
4 MEMBER IS REQUESTING TO PURCHASE THE SERVICE CREDIT.

5 (2) Service credit purchased under this section ~~may~~ SHALL
6 not be used to satisfy the minimum of 10 years of service credit
7 required to receive a retirement allowance under this act.

8 (3) If a member who made payment under this section dies and
9 a retirement allowance beneficiary has not been designated, or if
10 the member leaves reporting unit service before his or her
11 retirement becomes effective, the payment made by the member
12 shall be refunded upon request to the member or to the member's
13 refund beneficiary.

14 (4) A member who reduces hours of employment with a report-
15 ing unit for purposes of maternity, paternity, or child rearing
16 or a person who reduces hours of out of system public education
17 service for purposes of maternity, paternity, or child rearing
18 and who subsequently becomes a member of this retirement system
19 may purchase service credit for those hours by which employment
20 was reduced if all other requirements of this section are met.

21 (5) NOTWITHSTANDING SECTION 79, FOR 1 YEAR AFTER THE EFFEC-
22 TIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, ACTU-
23 ARIAL COST FOR SERVICE CREDIT PURCHASED UNDER THIS SECTION SHALL
24 BE CALCULATED BY USING THE AGE OF THE MEMBER AT THE TIME THE
25 MEMBER FIRST BECAME A PUBLIC SCHOOL EMPLOYEE. ACTUARIAL COST FOR
26 SERVICE CREDIT PURCHASED UNDER THIS SECTION SHALL BE CALCULATED

1 UNDER SECTION 79 FOR ALL YEARS AFTER THE FIRST YEAR AFTER THE
2 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.