

SUBSTITUTE FOR
HOUSE BILL NO. 6113

A bill to amend 1961 PA 88, entitled
"Reciprocal retirement act,"
by amending sections 4 and 5 (MCL 38.1104 and 38.1105), 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 leaves
2 the employ of a reciprocal unit, designated as the preceding
3 reciprocal unit, and enters the employ of another governmental
4 unit, designated as the succeeding governmental unit, shall be
5 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

1 force acquired in the employ of the preceding reciprocal unit.

2 (b) ~~The~~**BEGINNING SEPTEMBER 1, 2006, THE** member does not
3 withdraw his or her accumulated deposits from the preceding
4 reciprocal unit's retirement system, or if the member has withdrawn
5 the accumulated deposits, the member deposits with the preceding
6 reciprocal unit the amount withdrawn together with interest
7 compounded annually at the rate in effect for the preceding
8 reciprocal unit; the deposit to be made within ~~5~~**20** years after the
9 date the member becomes employed by the succeeding governmental
10 unit.

11 (c) ~~The~~**BEGINNING SEPTEMBER 1, 2006, THE** member enters the
12 employ of each succeeding governmental unit within ~~15~~**20** years
13 after the date of leaving the employ of each preceding governmental
14 unit.

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

21 (e) The retirement allowance payable by any preceding
22 reciprocal retirement system shall be determined at the time the
23 member ceased to be a member of the preceding reciprocal retirement
24 system, upon the basis of the retirement allowance formula of the
25 preceding reciprocal retirement system, the member's credited
26 service in force in the preceding reciprocal retirement system, and
27 the member's final average salary at that time.

1 (f) Payment of a retirement allowance by a preceding
2 reciprocal retirement system shall begin on the first day of the
3 second calendar month immediately following the month in which
4 proper written application is filed with the governing body of the
5 preceding reciprocal retirement system on or after attainment of 60
6 years of age. The retirement allowance shall not begin before
7 attainment of the minimum age for age and service retirement
8 required in the preceding reciprocal retirement system.

9 Sec. 5. A member of a reciprocal retirement system who has 30
10 months or more of credited service acquired as a member of the
11 system and who has attained the age but has not met the service
12 requirements for age and service retirement shall be entitled to
13 use his or her credited service in force previously acquired as a
14 member of governmental unit retirement systems in meeting the
15 service requirements of the system from which he or she retires. ~~If~~
16 **BEGINNING SEPTEMBER 1, 2006, IF** the member has a break in
17 governmental unit employment for a period longer than ~~15-20~~ years,
18 his or her service rendered in the employ of the governmental units
19 prior to his or her last break in service shall not be used in
20 satisfying the service requirement for age and service retirement
21 in the system from which he or she retires. Except as provided in
22 section 6, credited service acquired in a governmental unit in
23 which the member was previously employed shall not be used in
24 determining the amount of his or her retirement allowance payable
25 by the reciprocal retirement system from which he or she retires
26 unless otherwise provided by the retirement system.