

SUBSTITUTE FOR
HOUSE BILL NO. 6379

A bill to amend 1943 PA 240, entitled
"State employees' retirement act,"
(MCL 38.1 to 38.69) by adding section 19k.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 19K. (1) NOTWITHSTANDING SECTION 19, A MEMBER MAY RETIRE
2 AND RECEIVE A RETIREMENT ALLOWANCE COMPUTED UNDER THIS SECTION IF
3 THE MEMBER MEETS ALL OF THE FOLLOWING REQUIREMENTS:

4 (A) ON OR BEFORE JANUARY 1, 2010, OR ON THE EFFECTIVE DATE OF
5 HIS OR HER RETIREMENT, WHICHEVER IS EARLIER, THE MEMBER'S COMBINED
6 AGE AND LENGTH OF CREDITED SERVICE IS EQUAL TO OR GREATER THAN 75
7 YEARS.

8 (B) THE MEMBER IS AN INDIVIDUAL EMPLOYED BY THE WAYNE COUNTY
9 JUDICIAL COUNCIL, IF CREATED, BY THE DETROIT JUDICIAL COUNCIL, IF
10 CREATED, OR BY THE CITY OF DETROIT OR WAYNE COUNTY PERFORMING
11 JUDICIAL DUTIES IN THE CIRCUIT COURT IN THE THIRD JUDICIAL CIRCUIT,
12 IN THE RECORDER'S COURT OF THE CITY OF DETROIT, OR IN THE DISTRICT

1 COURT IN THE THIRTY-SIXTH DISTRICT.

2 (C) EXCEPT AS PROVIDED IN SECTION 13(8), THE MEMBER WAS
3 EMPLOYED BY THIS STATE FOR THE 6-MONTH PERIOD ENDING ON THE
4 EFFECTIVE DATE OF HIS OR HER RETIREMENT. A MEMBER WHO IS ON LAYOFF
5 STATUS FROM STATE EMPLOYMENT IS CONSIDERED TO HAVE MET THE
6 EMPLOYMENT REQUIREMENT OF THIS SUBDIVISION.

7 (D) THE MEMBER EXECUTES AND FILES A WRITTEN APPLICATION WITH
8 THE RETIREMENT BOARD, ON OR AFTER AUGUST 1, 2009, BUT NOT LATER
9 THAN NOVEMBER 1, 2009, STATING A DATE ON OR AFTER NOVEMBER 1, 2009,
10 BUT NOT LATER THAN JANUARY 1, 2010, ON WHICH HE OR SHE DESIRES TO
11 RETIRE. A MEMBER MAY WITHDRAW A WRITTEN APPLICATION ON OR BEFORE
12 DECEMBER 15, 2009. A WRITTEN APPLICATION SUBMITTED BY A MEMBER AND
13 NOT WITHDRAWN ON OR BEFORE DECEMBER 15, 2009 IS IRREVOCABLE.

14 (E) THE MEMBER IS NOT ELIGIBLE FOR A SUPPLEMENTAL EARLY
15 RETIREMENT UNDER SECTION 46 AS A COVERED EMPLOYEE DEFINED IN
16 SECTION 45 ON OR AFTER NOVEMBER 1, 2009 THROUGH THE EFFECTIVE DATE
17 OF THE MEMBER'S RETIREMENT UNDER THIS SECTION.

18 (F) THE MEMBER IS NOT A CONSERVATION OFFICER AS DESCRIBED IN
19 SECTION 48.

20 (2) ANY AMOUNT THAT A MEMBER RETIRING UNDER THIS SECTION WOULD
21 OTHERWISE BE ENTITLED TO RECEIVE IN A LUMP SUM AT RETIREMENT ON
22 ACCOUNT OF ACCUMULATED SICK LEAVE SHALL BE PAID IN 60 CONSECUTIVE
23 EQUAL MONTHLY INSTALLMENTS BEGINNING ON OR AFTER NOVEMBER 1, 2009.
24 PAYMENTS RECEIVED UNDER THIS SUBSECTION SHALL NOT BE USED TO
25 PURCHASE SERVICE CREDIT UNDER THIS ACT. THESE PAYMENTS FOR
26 ACCUMULATED SICK LEAVE ARE TO BE PAID FROM FUNDS APPROPRIATED TO
27 THE APPOINTING AUTHORITY AND NOT FROM FUNDS OF THE RETIREMENT

1 SYSTEM. THESE PAYMENTS ARE NOT PENSIONS, ANNUITIES, RETIREMENT
2 ALLOWANCES, OPTIONAL BENEFITS, OR ANY OTHER RIGHTS DESCRIBED IN
3 SECTION 40, ARE NOT EXEMPT FROM TAXATION, ARE SUBJECT TO EXECUTION,
4 GARNISHMENT, ATTACHMENT, THE OPERATION OF BANKRUPTCY OR INSOLVENCY
5 LAWS, OR OTHER PROCESS OF LAW, AND MAY BE ASSIGNABLE AS PROVIDED IN
6 THIS ACT.

7 (3) ANY AMOUNT THAT A MEMBER RETIRING UNDER THIS SECTION IS
8 ENTITLED TO RECEIVE IN A LUMP SUM AT RETIREMENT ON ACCOUNT OF
9 ACCUMULATED ANNUAL LEAVE SHALL BE PAID ON OR AFTER NOVEMBER 1,
10 2009. THESE PAYMENTS ARE NOT PENSIONS, ANNUITIES, RETIREMENT
11 ALLOWANCES, OPTIONAL BENEFITS, OR ANY OTHER RIGHTS DESCRIBED IN
12 SECTION 40, ARE NOT EXEMPT FROM TAXATION, ARE SUBJECT TO EXECUTION,
13 GARNISHMENT, ATTACHMENT, THE OPERATION OF BANKRUPTCY OR INSOLVENCY
14 LAWS, OR OTHER PROCESS OF LAW, AND MAY BE ASSIGNABLE AS PROVIDED IN
15 THIS ACT.

16 (4) UPON HIS OR HER RETIREMENT AS PROVIDED IN THIS SECTION, A
17 MEMBER WHO DID NOT MAKE AN ELECTION UNDER SECTION 50 TO TERMINATE
18 MEMBERSHIP IN TIER 1 AND BECOME A QUALIFIED PARTICIPANT IN TIER 2
19 SHALL RECEIVE A RETIREMENT ALLOWANCE EQUAL TO THE MEMBER'S NUMBER
20 OF YEARS AND FRACTION OF A YEAR OF CREDITED SERVICE MULTIPLIED BY
21 1-3/4% OF HIS OR HER FINAL AVERAGE COMPENSATION. EXCEPT FOR THE
22 CALCULATION PROVIDED IN THIS SUBSECTION, THE MEMBER'S RETIREMENT
23 ALLOWANCE IS SUBJECT TO SECTION 20. THE MEMBER'S RETIREMENT
24 ALLOWANCE IS NOT SUBJECT TO REDUCTION PURSUANT TO SECTION 19(2).

25 (5) UPON HIS OR HER RETIREMENT AS PROVIDED IN THIS SECTION, A
26 FORMER MEMBER WHO MADE AN ELECTION UNDER SECTION 50 TO TERMINATE
27 MEMBERSHIP IN TIER 1 AND BECOME A QUALIFIED PARTICIPANT IN TIER 2

1 SHALL RECEIVE A RETIREMENT ALLOWANCE EQUAL TO THE MEMBER'S NUMBER
2 OF YEARS AND FRACTION OF A YEAR OF CREDITED SERVICE MULTIPLIED BY
3 1/4% OF HIS OR HER FINAL AVERAGE COMPENSATION. EXCEPT FOR THE
4 CALCULATION PROVIDED IN THIS SUBSECTION, THE FORMER MEMBER'S
5 RETIREMENT ALLOWANCE IS SUBJECT TO SECTION 20. THE FORMER MEMBER'S
6 RETIREMENT ALLOWANCE IS NOT SUBJECT TO REDUCTION PURSUANT TO
7 SECTION 19(2).

8 (6) FOR PURPOSES OF THIS SECTION, AN INDIVIDUAL WHO ELECTED TO
9 TERMINATE MEMBERSHIP UNDER SECTION 50 AND WHO, BUT FOR THAT
10 ELECTION, WOULD OTHERWISE BE ELIGIBLE FOR MEMBERSHIP IN TIER 1
11 UNDER SECTION 13, SHALL BE CONSIDERED A MEMBER OF TIER 1 FOR THE
12 LIMITED PURPOSE OF RECEIVING A RETIREMENT ALLOWANCE CALCULATED
13 UNDER THIS SECTION AND PAID BY THE RETIREMENT SYSTEM.