

SUBSTITUTE FOR
SENATE BILL NO. 524

A bill to amend 1992 PA 234, entitled
"The judges retirement act of 1992,"
(MCL 38.2101 to 38.2670) by adding section 514.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 514. (1) EFFECTIVE JULY 1, 2007, THE RETIREMENT ALLOWANCE
2 PAYABLE TO A RETIRANT OR BENEFICIARY OF A DECEASED RETIRANT WHO
3 MEETS THE REQUIREMENTS OF SUBSECTION (2) UNDER TIER 1 IS
4 SUPPLEMENTED BY 67%.

5 (2) TO QUALIFY FOR THE SUPPLEMENT IN SUBSECTION (1), ALL OF
6 THE FOLLOWING SHALL APPLY TO A RETIRANT OF TIER 1:

7 (A) THE RETIRANT WAS POTENTIALLY ELIGIBLE TO PURCHASE 2 YEARS'
8 SERVICE CREDIT UNDER THIS ACT, THE FORMER JUDGE'S RETIREMENT

1 SYSTEM, OR THE FORMER PROBATE JUDGE'S RETIREMENT SYSTEM BECAUSE THE
2 RETIRANT SERVED HONORABLY ON ACTIVE DUTY AS A MEMBER OF THE ARMED
3 SERVICES OF THE UNITED STATES.

4 (B) THE RETIRANT WAS UNABLE TO PURCHASE THE SERVICE CREDIT
5 WHILE A MEMBER BECAUSE THE RETIRANT HAD NOT ACCUMULATED 12 YEARS OF
6 CREDITED SERVICE.

7 (C) THE RETIRANT WAS GREATER THAN 60 YEARS OF AGE WHEN HE OR
8 SHE ENTERED THE SYSTEM AND WAS PREVENTED FROM ACCUMULATING 12 YEARS
9 OF CREDITED SERVICE BY THE MANDATORY RETIREMENT AGE FOR JUDGES
10 FOUND IN SECTION 19(3) OF ARTICLE VI OF THE STATE CONSTITUTION OF
11 1963.

12 (3) THE PERCENTAGE OF FINAL COMPENSATION LIMITS OF SECTION 503
13 DO NOT APPLY TO THE INCREASE AUTHORIZED BY THIS SECTION.

14 (4) THE RECALCULATED RETIREMENT ALLOWANCE SHALL BE THE BASIS
15 ON WHICH FUTURE ADJUSTMENTS TO THE RETIREMENT ALLOWANCE ARE
16 CALCULATED.

17 (5) THE SUPPLEMENT PROVIDED BY THIS SECTION SHALL BE PAID
18 ANNUALLY. FOR A RETIRANT OR BENEFICIARY OF A DECEASED RETIRANT WHO
19 IS ELIGIBLE TO RECEIVE A SUPPLEMENT UNDER THIS SECTION, WHO IS
20 RECEIVING A RETIREMENT ALLOWANCE PURSUANT TO SERVICE CREDITED UNDER
21 THE FORMER JUDGES RETIREMENT SYSTEM, AND WHO IS RECEIVING A
22 RETIREMENT ALLOWANCE PURSUANT TO SERVICE CREDITED UNDER THE FORMER
23 PROBATE JUDGES RETIREMENT SYSTEM, THE RETIREMENT SYSTEM, PURSUANT
24 TO THIS SECTION, SHALL ONLY SUPPLEMENT THE RETIREMENT ALLOWANCE
25 THAT IS THE LARGEST IN AMOUNT. IF A RETIRANT DIES BEFORE DECEMBER
26 31, 2007 AND NO BENEFITS BECOME PAYABLE UNDER SECTION 506 OR 508,
27 THE RETIRANT'S RETIREMENT ALLOWANCE SHALL NOT BE SUPPLEMENTED UNDER

1 THIS SECTION.