

# HOUSE BILL No. 4728

May 9, 2007, Introduced by Rep. David Law and referred to the Committee on Government Operations.

A bill to amend 1957 PA 261, entitled  
"Michigan legislative retirement system act,"  
by amending section 71 (MCL 38.1071), as added by 1996 PA 486.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 71. (1) A qualified participant shall not participate in  
2 any other public sector retirement benefits plan for simultaneous  
3 service rendered to the same public sector employer. Except as  
4 otherwise provided in this act or by the state treasurer, this  
5 section does not prohibit a qualified participant from  
6 participating in a retirement plan established by this state or  
7 other public sector employer under the internal revenue code.

8       (2) A QUALIFIED PARTICIPANT WHO FIRST BECOMES A QUALIFIED  
9 PARTICIPANT ON OR AFTER JULY 1, 2007 CONSENTS AS A CONDITION OF  
10 PARTICIPATION IN TIER 2 THAT HE OR SHE SHALL NOT RECEIVE A

1 RETIREMENT ALLOWANCE OR OTHER BENEFIT FROM ANY OTHER PUBLIC SECTOR  
2 RETIREMENT BENEFITS PLAN WHILE HOLDING THE POSITION THAT QUALIFIES  
3 HIM OR HER FOR PARTICIPATION IN TIER 2 AND THE OTHER PLAN. A  
4 QUALIFIED PARTICIPANT WHO RECEIVES A RETIREMENT ALLOWANCE IN  
5 VIOLATION OF THIS SUBSECTION FORFEITS HIS OR HER RIGHT TO EMPLOYER  
6 CONTRIBUTIONS UNDER THIS ACT. IF A QUALIFIED PARTICIPANT VIOLATES  
7 THIS SUBSECTION, THE EMPLOYER SHALL IMMEDIATELY SUSPEND EMPLOYER  
8 CONTRIBUTIONS UNDER THIS ACT. A QUALIFIED PARTICIPANT WHO IS A  
9 CONTRIBUTING MEMBER IN A LOCAL PUBLIC SECTOR RETIREMENT BENEFITS  
10 PLAN ON THE DAY BEFORE HE OR SHE BECOMES A QUALIFIED PARTICIPANT IN  
11 TIER 2 AND WHO DOES NOT HAVE A VESTED RIGHT TO A RETIREMENT BENEFIT  
12 UNDER THAT PLAN ON THAT DATE MAY WITHDRAW THE CONTRIBUTIONS MADE BY  
13 THAT PARTICIPANT TO THE LOCAL PLAN WITHOUT VIOLATING THIS  
14 SUBSECTION. THIS SUBSECTION DOES NOT APPLY TO A FORMER QUALIFIED  
15 PARTICIPANT.