

HOUSE BILL No. 6024

March 25, 2010, Introduced by Rep. Mayes and referred to the Committee on Education.

A bill to amend 1980 PA 300, entitled
"The public school employees retirement act of 1979,"
by amending section 3a (MCL 38.1303a), as added by 1996 PA 268.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3a. (1) Except as otherwise provided in this act,
- 2 "compensation" means the remuneration earned by a member for
- 3 service performed as a public school employee.
- 4 (2) Compensation includes salary and wages and all of the
- 5 following:
- 6 (a) Remuneration earned for all services performed as a public
- 7 school employee including, but not limited to, teaching, coaching,

1 and participation in extracurricular activities.

2 (b) ~~On~~ **THROUGH SEPTEMBER 30, 2010, ON** a current basis,
3 investments made in a tax sheltered annuity for a public school
4 employee as remuneration for service under this act. The
5 remuneration shall be valued at the amount of money actually paid
6 into the annuity. **ON AND AFTER OCTOBER 1, 2010, COMPENSATION DOES**
7 **NOT INCLUDE THE VALUE OF INVESTMENTS DESCRIBED IN THIS SUBDIVISION**
8 **OR THE VALUE OF ANY ANNUITY OR ANNUITY PAYMENTS RECEIVED BY THE**
9 **MEMBER.**

10 (c) All amounts deducted from the pay of a public school
11 employee, including amounts deducted pursuant to the member
12 investment plan.

13 (d) Longevity pay.

14 (e) Overtime pay for service performed outside of what is
15 considered normal working hours for the affected employee.

16 (f) Pay for vacation, holiday, and sick leave while absent
17 from work. As used in this subdivision, "sick leave" includes
18 weekly worker's disability compensation payments received for
19 personal injury in the employ of and while employed by a reporting
20 unit.

21 (g) Items of deferred compensation, exclusive of employer
22 contributions to the retirement system.

23 (h) Merit pay as established by a reporting unit for the
24 purpose of rewarding achievement of specific performance
25 objectives.

26 (3) Compensation does not include any of the following:

27 (a) Payments for unused sick or annual leave.

1 (b) Bonus payments.

2 (c) Payments for hospitalization insurance and life insurance
3 premiums.

4 (d) Other fringe benefits paid by and from the funds of
5 employers of public school employees.

6 (e) Remuneration paid for the specific purpose of increasing
7 the final average compensation.

8 (f) Compensation in excess of an amount over the level of
9 compensation reported for the preceding year except increases
10 provided by the normal salary schedule for the current job
11 classification. In cases where the current job classification in
12 the reporting unit has less than 3 members, the normal salary
13 schedule for the most nearly identical job classification in the
14 reporting unit or in similar reporting units shall be used.

15 (4) The retirement board shall require a sworn affidavit from
16 the member that final compensation does not include remuneration
17 paid either directly or indirectly for actual or anticipated
18 expenses.

19 (5) Based upon information and documentation provided by the
20 member, the retirement board shall determine both of the following:

21 (a) Whether any form of remuneration paid to a member is
22 identified in this section.

23 (b) Whether any form of remuneration that is not identified in
24 this section should be considered compensation reportable to the
25 retirement system under this section.

26 (6) In any case where a petitioner seeks to have remuneration
27 included in compensation reportable to the retirement system, the

1 petitioner shall have the burden of proof.