

# SENATE BILL No. 7

January 20, 2015, Introduced by Senator HILDENBRAND and referred to the Committee on Appropriations.

A bill to amend 1980 PA 300, entitled  
"The public school employees retirement act of 1979,"  
by amending section 64 (MCL 38.1364), as amended by 1989 PA 194.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 64. (1) If ~~a person~~ **AN INDIVIDUAL** described in section  
2       5(1)(d) later becomes a member of this retirement system, service  
3       credit shall not be given for employment that is excluded in that  
4       subdivision for purposes of determining a retirement allowance.

5       (2) If ~~a person~~ **AN INDIVIDUAL** described in section 5(1)(b)  
6       later becomes a member of this retirement system within 12 months  
7       after the date of termination as a participant in a transitional  
8       public employment program, service credit shall be given for  
9       employment that is excluded in section 5(1)(b) for purposes of  
10      determining a retirement allowance ~~upon~~ **ON** the payment by the

1 ~~person's-INDIVIDUAL'S~~ employer under the transitional public  
2 employment program from funds provided under the former  
3 comprehensive employment and training act of 1973, Public Law 93-  
4 203, as funds permit, to the retirement system of the  
5 contributions, plus regular interest, the employer would have paid  
6 had the employment been rendered in a position covered by this act.  
7 During the ~~person's-INDIVIDUAL'S~~ employment in the transitional  
8 public employment program, the ~~person's-INDIVIDUAL'S~~ employer shall  
9 place in reserve a reasonable but not necessarily an actuarially  
10 determined amount equal to the contributions that the employer  
11 would have paid to the retirement system for those employees in the  
12 transitional public employment program as if they were members  
13 under this act, but only for that number of employees that the  
14 employer determines would transfer from the transitional public  
15 employment program into positions covered by this act. If the ~~funds~~  
16 **MONEY** provided under the former comprehensive employment and  
17 training act of 1973, Public Law 93-203, ~~are-IS~~ insufficient, the  
18 remainder of the employer contributions ~~shall-MUST~~ be paid by the  
19 ~~person's-INDIVIDUAL'S~~ employer under the transitional public  
20 employment program. If ~~a person-AN INDIVIDUAL~~ was not employed by a  
21 reporting unit but performed services for that reporting unit under  
22 a transitional public employment program and became a member of  
23 this retirement system within 12 months after the date of  
24 termination as a participant in the transitional public employment  
25 program, service credit shall be given for that transitional public  
26 employment program service in the manner provided in this  
27 subsection. The reporting unit for which the transitional public

1 employment program service was performed is the ~~person's~~  
2 **INDIVIDUAL'S** employer under the transitional public employment  
3 program for the purposes of this subsection.

4 (3) Before January 31, 1991, ~~a person~~ **AN INDIVIDUAL** excluded  
5 from membership as provided by section 5(1)(a) who later becomes a  
6 member of this retirement system ~~shall be~~ **IS** entitled to purchase  
7 service credit for that service, as provided in subsection (6),  
8 upon presenting acceptable proof of the service for the excluded  
9 period.

10 (4) ~~Before~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (8) AND**  
11 **(9), BEFORE** January 31, 1991, a member of the retirement system  
12 with employment excluded from membership service under section  
13 5(1)(c) or under section 23a(1)(c) of chapter I or section 12(2)(c)  
14 of chapter II of former ~~Act No. 136 of the Public Acts of 1945~~  
15 ~~shall be~~ **1945 PA 136 IS** entitled to purchase service credit for  
16 that employment, as provided in subsection (6), ~~upon~~ **ON**  
17 presentation of documentation of the employment rendered that is  
18 verified from official reporting unit records or other acceptable  
19 documentation as determined by the retirement board. This  
20 subsection only applies after June 30, 1987 if the employment being  
21 purchased was performed while the person was enrolled as a graduate  
22 student at the reporting unit and the employment consisted of 1 or  
23 more of the following:

- 24 (a) Teaching.
- 25 (b) Research.
- 26 (c) Academic advising.
- 27 (d) Administration.

1 (e) Library work.

2 (f) Other employment of an academic or educational nature, as  
3 determined by the board.

4 (5) Before January 31, 1991, a member of the retirement system  
5 with out of system public education service or with service  
6 described in section 69c(1) that was performed while the ~~person~~  
7 **INDIVIDUAL** was a full-time student, whether performed before, on,  
8 or after October 31, 1980, ~~shall be~~ **IS** entitled to purchase service  
9 credit for that service, as provided in subsection (6), ~~upon~~ **ON**  
10 presentation of documentation of the service rendered that is  
11 verified from official payroll records or other acceptable  
12 documentation as determined by the retirement board ~~pursuant to~~  
13 **UNDER** R 38.1119 of the Michigan administrative code. This  
14 subsection only applies after June 30, 1987 if the employment being  
15 purchased was performed while the ~~person~~ **INDIVIDUAL** was enrolled as  
16 a graduate student at a public college or public university and the  
17 employment consisted of 1 or more of the following:

18 (a) Teaching.

19 (b) Research.

20 (c) Academic advising.

21 (d) Administration.

22 (e) Library work.

23 (f) Other employment of an academic or educational nature, as  
24 determined by the board.

25 (6) Service credit shall not be given under subsection (3),  
26 (4), ~~or~~ (5), **OR (8)** until the member **OR RETIRANT, AS APPLICABLE,**  
27 pays into the retirement system the actuarial cost. Service credit

1 shall not be given under subsection (3), (4), ~~or~~ (5), **OR (8)** unless  
2 the service being purchased is followed by 5 years of reporting  
3 unit service credit under this act or former ~~Act No. 136 of the~~  
4 ~~Public Acts of 1945.~~ **1945 PA 136**. Credit provided by subsection  
5 (3), (4), ~~or~~ (5), **OR (8)** shall not be used in satisfying the  
6 minimum of 10 years of service credit required under this act for a  
7 retirement allowance.

8 (7) ~~A person~~ **AN INDIVIDUAL** excluded from membership as  
9 provided by section 5(1)(f), (g), (h), (i), (j), or (k) shall not  
10 receive service credit for the employment described in those  
11 subdivisions even if the ~~person~~ **INDIVIDUAL** subsequently becomes or  
12 has been a member of this retirement system.

13 (8) **UNTIL JULY 1, 2015, AN INDIVIDUAL WHO BECAME A RETIRANT**  
14 **WITH A RETIREMENT ALLOWANCE EFFECTIVE DATE ON OR AFTER JANUARY 31,**  
15 **1988 AND ON OR BEFORE DECEMBER 31, 1989 IS ENTITLED TO PURCHASE**  
16 **SERVICE CREDIT FOR SERVICE PERFORMED AT A REPORTING UNIT THAT IS A**  
17 **UNIVERSITY LISTED IN THE DEFINITION OF PUBLIC SCHOOL EMPLOYEE UNDER**  
18 **SECTION 6, AS PROVIDED IN SUBSECTION (6), ON PRESENTATION OF**  
19 **DOCUMENTATION OF THE EMPLOYMENT RENDERED THAT IS VERIFIED FROM**  
20 **OFFICIAL REPORTING UNIT RECORDS OR OTHER ACCEPTABLE DOCUMENTATION**  
21 **AS DETERMINED BY THE RETIREMENT BOARD. THIS SUBSECTION ONLY APPLIES**  
22 **IF THE EMPLOYMENT BEING PURCHASED WAS PERFORMED WHILE THE**  
23 **INDIVIDUAL WAS ENROLLED AS AN UNDERGRADUATE STUDENT AT THE**  
24 **REPORTING UNIT AND THE EMPLOYMENT CONSISTED OF 1 OR MORE OF THE**  
25 **FOLLOWING:**

26 (A) **TEACHING.**

27 (B) **RESEARCH.**

1 (C) ACADEMIC ADVISING.

2 (D) ADMINISTRATION.

3 (E) LIBRARY WORK.

4 (F) OTHER EMPLOYMENT OF AN ACADEMIC OR EDUCATIONAL NATURE, AS  
5 DETERMINED BY THE BOARD.

6 (9) THE MONTHLY RETIREMENT ALLOWANCE OF A RETIRANT WHO  
7 PURCHASES SERVICE CREDIT UNDER SUBSECTION (8) MUST BE RECOMPUTED  
8 BASED ON THE ADDITIONAL SERVICE CREDIT PURCHASED. THE RECOMPUTED  
9 MONTHLY AMOUNT IS PAYABLE BEGINNING THE FIRST DAY OF THE MONTH  
10 FOLLOWING THE MONTH IN WHICH PAYMENT FOR THE ADDITIONAL SERVICE  
11 CREDIT IS RECEIVED BY THE RETIREMENT SYSTEM.