

THE JUDGES RETIREMENT ACT OF 1992 (EXCERPT)

Act 234 of 1992

ARTICLE I

38.2101 Short title.

Sec. 101. This act shall be known and may be cited as "the judges retirement act of 1992".

History: 1992, Act 234, Eff. Mar. 31, 1993.

38.2102 Meanings of words and phrases.

Sec. 102. For the purposes of this act, the words and phrases defined in this article have the meanings ascribed to them in those sections.

History: 1992, Act 234, Eff. Mar. 31, 1993.

38.2103 Definitions; A.

Sec. 103. (1) "Accumulated contributions" means the balance standing to the member's credit in the reserve for member contributions. The balance includes member contributions and interest attributable to those contributions.

(2) "Active duty" means full-time duty in the armed forces other than active duty that is exclusively for training purposes.

(3) "Actuarial cost" means an amount that a member shall pay, except as otherwise specifically provided in this act, to purchase additional service credit under this act. Actuarial cost is determined and calculated as provided in section 215.

(4) "Actuarial funding requirement" means the sum of the contribution rates determined in section 301(2) and (3) multiplied by the aggregate annual compensation of active members.

(5) "Actuary" means the actuary of the retirement system as provided in section 205.

(6) "Aggregate annual compensation" means the sum of all compensation, as defined in section 104(1), paid annually to active members.

(7) "Armed forces" means the United States army, navy, marine corps, air force, and coast guard, including the reserve components.

History: 1992, Act 234, Eff. Mar. 31, 1993.

38.2104 Definitions; C, D.

Sec. 104. (1) "Compensation" means 1 of the following:

(a) For a plan 1 member or plan 2 member, the salary paid by this state.

(b) For a plan 3 member, the salary paid by this state, except that for a plan 3 member who is a judge of the recorder's court of the city of Detroit, compensation means an amount equal to the salary paid by this state to a judge of the circuit court and for a plan 3 member who is a judge of the probate court, compensation means an amount equal to the salary paid pursuant to section 821 of the revised judiciary act of 1961, 1961 PA 236, MCL 600.821. In addition, compensation for a plan 3 member includes salary standardization payments converted as an addition to the state base salary as provided by section 504, if any, and the balance converted pursuant to section 504a, if any.

(c) For a plan 4 member, the total judicial salary payable from all sources.

(d) For a plan 5 member, the total salary paid by this state and the district control unit of the district court in the thirty-sixth district.

(e) For a plan 6 or 7 member, the salary approved by the county board of commissioners and includes salary standardization payments made to the member by the county.

(2) "County retirement plan" means a county retirement plan established under section 12a of 1851 PA 156, MCL 46.12a.

(3) "Court fees" means a court filing fee or costs earmarked for the retirement system and collected by a county clerk, clerk of the circuit court, or clerk of the district court pursuant to sections 880, 2529, 5756, 8371, 8381, and 8420 of the revised judiciary act of 1961, 1961 PA 236, MCL 600.880, 600.2529, 600.5756, 600.8371, 600.8381, and 600.8420.

(4) "Credited service" means all of the following:

(a) Service credited to a member under this act, the former judges retirement system, and the former probate judges retirement system.

(b) Other public service purchased under section 403.

(c) Service purchased under section 404.

(5) "Department" means the department of management and budget.

(6) "Direct rollover" means a payment by the retirement system to the eligible retirement plan specified by the distributee.

(7) "Distributee" includes a member or vested former member. Distributee also includes the member's or vested former member's surviving spouse or the member's or vested former member's spouse or former spouse under an eligible domestic relations order, with regard to the interest of the spouse or former spouse.

(8) "District control unit" means district control unit as defined in section 8104 of the revised judicature act of 1961, 1961 PA 236, MCL 600.8104.

History: 1992, Act 234, Eff. Mar. 31, 1993;—Am. 1995, Act 193, Imd. Eff. Nov. 7, 1995;—Am. 1999, Act 215, Eff. May 30, 2000.

38.2105 Definitions; E, F.

Sec. 105. (1) Beginning January 1, 2002, except as otherwise provided in this subsection, "eligible retirement plan" means 1 or more of the following:

(a) An individual retirement account described in section 408(a) of the internal revenue code, 26 USC 408.

(b) An individual retirement annuity described in section 408(b) of the internal revenue code, 26 USC 408.

(c) An annuity plan described in section 403(a) of the internal revenue code, 26 USC 403.

(d) A qualified trust described in section 401(a) of the internal revenue code, 26 USC 401.

(e) An annuity contract described in section 403(b) of the internal revenue code, 26 USC 403.

(f) An eligible plan under section 457(b) of the internal revenue code, 26 USC 457, that is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state and that separately accounts for amounts transferred into such eligible plan under section 457(b) of the internal revenue code, 26 USC 457, from this retirement system, that accepts the distributee's eligible rollover distribution.

(g) Beginning January 1, 2008, a Roth individual retirement account as described in section 408A of the internal revenue code, 26 USC 408A, subject to the rules that apply to rollovers from a traditional individual retirement account to a Roth individual retirement account.

(2) Beginning January 1, 2007, "eligible rollover distribution" means a distribution of all or any portion of the balance to the credit of the distributee. Eligible rollover distribution does not include any of the following:

(a) A distribution made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary.

(b) A distribution for a specified period of 10 years or more.

(c) A distribution to the extent that the distribution is required under section 401(a)(9) of the internal revenue code, 26 USC 401.

(d) The portion of any distribution that is not includable in federal gross income, except to the extent such portion of the distribution is paid to either of the following:

(i) An individual retirement account or annuity described in section 408(a) or 408(b) of the internal revenue code, 26 USC 408.

(ii) A qualified plan described in section 401(a) of the internal revenue code, 26 USC 401, or an annuity contract described in section 403(b) of the internal revenue code, 26 USC 403, and the plan providers agree to separately account for the amounts paid, including any portion of the distribution that is includable in federal gross income, and the portion of the distribution which is not so includable.

(3) "Executive secretary" means the executive secretary of the retirement system as provided in section 205.

(4) Except as otherwise provided in this subsection, "final compensation" means the annual rate of compensation for the calendar year of retirement. For a member who retires on January 1, final compensation means the annual rate of compensation for the calendar year immediately preceding the date of retirement. Final compensation does not include an amount that exceeds the maximum salary set forth for that particular member or vested former member in the revised judicature act, if applicable. For a member who is a judge and who performs judicial duties for a limited period or a specific assignment as authorized by the supreme court pursuant to section 23 of article VI of the state constitution of 1963, final compensation means the annual rate of compensation the member was being paid at the termination of his or her tenure in office as an elected judge.

(5) "Former elected official" means a member who held a state elective office before membership in this retirement system, the former judges retirement system, or the former probate judges retirement system.

(6) "Former judges retirement system" means the state of Michigan judges' retirement system created by former 1951 PA 198.

(7) "Former probate judges retirement system" means the state of Michigan probate judges retirement system created by former 1954 PA 165.

History: 1992, Act 234, Eff. Mar. 31, 1993;—Am. 1995, Act 193, Imd. Eff. Nov. 7, 1995;—Am. 2002, Act 95, Imd. Eff. Mar. 27, 2002;—Am. 2008, Act 514, Imd. Eff. Jan. 13, 2009.

38.2106 Definitions; I to M.

Sec. 106. (1) "Interest" means the rate or rates of interest per annum, compounded annually, as determined by the retirement board.

(2) "Internal revenue code" means the United States internal revenue code of 1986.

(3) "Judge" means a duly elected or appointed justice of the supreme court, judge of the court of appeals, judge of the circuit court, judge of the district court, judge of the probate court, or judge of the recorder's court of the city of Detroit.

(4) "Medical adviser" means the medical adviser of the retirement system as provided in section 205.

(5) "Member" means a judge or state official who is included in the membership of the retirement system as provided in section 401.

(6) "Membership service" means service performed as a member under this act or under the former judges retirement system or former probate judges retirement system.

History: 1992, Act 234, Eff. Mar. 31, 1993;—Am. 1995, Act 193, Imd. Eff. Nov. 7, 1995.

38.2107 Definitions; O.

Sec. 107. (1) "Option A beneficiary" means the retirement allowance beneficiary designated by the member under section 506(1)(a).

(2) "Option B beneficiary" means the retirement allowance beneficiary designated by the member under section 506(1)(b).

(3) "Other public service" means any of the following services performed within this state by a member:

(a) Service as a former elected official who received an annual state salary for service performed in that office.

(b) Service as a municipal judge.

(c) Service as a justice of the peace in a governmental unit.

(d) Service as a referee of the traffic division of the recorder's court of the city of Detroit, but not to exceed more than 3 years of service.

(e) Service as a judge under the former judges retirement system or former probate judges retirement system if the member has not received credit for the service under this act.

(f) For a state official, state service.

History: 1992, Act 234, Eff. Mar. 31, 1993.

38.2108 Definitions; P.

Sec. 108. (1) "Plan 1 member" means a member or vested former member who is or was the governor, lieutenant governor, secretary of state, attorney general, or legislative auditor general.

(2) "Plan 2 member" means a member or vested former member who is or was the constitutional court administrator, a justice of the supreme court, or a judge of the court of appeals.

(3) "Plan 3 member" means a member or vested former member who is or was a judge of the circuit court, judge of the recorder's court of the city of Detroit, judge of the district court, except a judge of the thirty-sixth district described in subsection (8), or a judge of the probate court, except a judge of the probate court described in subsection (7), (9), or (10).

(4) "Plan 3a member" means a member or vested former member described in subsection (3) who does not convert any of the salary standardization payment under section 504 or sections 14a and 14c of former 1951 PA 198.

(5) "Plan 3b member" means a member or vested former member described in subsection (3) who converts \$2,250.00 of the salary standardization payment under section 504(1) or section 14a of former 1951 PA 198.

(6) "Plan 3c member" means a member or vested former member described in subsection (3) who converts the balance of the salary standardization payment under section 504(2) or section 504a or section 14c of former 1951 PA 198.

(7) "Plan 4 member" means a member or vested former member who is or was a judge of the probate court serving in a single county of less than 15,000 population.

(8) "Plan 5 member" means a member or vested former member who is or was a judge of the district court in the thirty-sixth district.

(9) "Plan 6 member" means a member who on the day before the effective date of this act was a member or vested former member of the former probate judges retirement system, who may be a member of a county retirement plan, and who is under the 3% benefit formula provided by section 16(l)(a), (b), and (c) of former

1954 PA 165.

(10) "Plan 7 member" means a member who on the day before the effective date of this act was a member or vested former member of the former probate judges retirement system, who is not a member of a county retirement plan, and who is under the 3.5% benefit formula provided by section 16(1)(d) of former 1954 PA 165.

History: 1992, Act 234, Eff. Mar. 31, 1993;—Am. 1999, Act 215, Eff. May 30, 2000.

Compiler's note: In subsection (9), the reference to "section 16(l)(a), (b), and (c)" evidently should read "section 16(1)(a), (b), and (c)."

38.2109 Definitions; R.

Sec. 109. (1) "Refund beneficiary" means 1 or more persons whom the member, vested former member, or retirant nominates under section 405 for the purpose of being paid accumulated contributions in the event of the death of the member, vested former member, or retirant if a retirement allowance is not payable to a retirement allowance beneficiary.

(2) "Reporting unit" means the unit of government responsible for reporting a member's compensation, contributions, and other information required by the retirement system. Reporting unit includes, but is not limited to, the state court administrator's office, the supreme court finance office, a county, a city, a district control unit, a local unit of government retirement plan, and a department of this state.

(3) "Retirant" means a member who retired with a retirement allowance payable from the reserves of the retirement system under this act, the former judges retirement system, or the former probate judges retirement system.

(4) "Retirement allowance" means a series of monthly payments to a retirant or retirement allowance beneficiary from the reserves of the retirement system.

(5) "Retirement allowance beneficiary" means a person who is being paid a retirement allowance from the reserves of the retirement system because of the death of a member, vested former member, or retirant under this act, the former judges retirement system, or the former probate judges retirement system.

(6) "Retirement board" means the Michigan judges retirement board created by section 202.

(7) "Retirement system" means the Michigan judges retirement system created by section 201.

(8) "Revised judicature act" means the revised judicature act of 1961, Act No. 236 of the Public Acts of 1961, being sections 600.101 to 600.9947 of the Michigan Compiled Laws.

History: 1992, Act 234, Eff. Mar. 31, 1993.

38.2110 Definitions; S.

Sec. 110. (1) "Salary standardization payment" means the amount of money payable by this state to a county, a city, or a district control unit for supplemental salary paid to a judge, a portion of which a plan 3 member may convert under section 504 as additional compensation for the purpose of calculating a retirement allowance under this act.

(2) "Service" means service performed as a member of this retirement system, the former judges retirement system, the former probate judges retirement system, and other service purchased under sections 403 and 404.

(3) "State service" means service performed as a state employee that is creditable under the state employees' retirement act, Act No. 240 of the Public Acts of 1943, being sections 38.1 to 38.48 of the Michigan Compiled Laws.

(4) "State official" means the governor, lieutenant governor, secretary of state, attorney general, legislative auditor general, and constitutional court administrator.

History: 1992, Act 234, Eff. Mar. 31, 1993.

38.2110a "Tier 1" and "Tier 2" defined.

Sec. 110a. (1) "Tier 1" means the retirement plan available under this act to a member who first became a judge or state official before March 31, 1997 and who does not elect to become a qualified participant of Tier 2.

(2) "Tier 2" means the retirement plan established pursuant to the internal revenue code that is available to qualified participants under article VII.

History: Add. 1996, Act 523, Eff. Mar. 31, 1997.

38.2111 Definitions; V.

Sec. 111. "Vested former member" means a member who is entitled to a deferred vested service retirement allowance under section 502.

History: 1992, Act 234, Eff. Mar. 31, 1993.