

THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979 (EXCERPT)
Act 300 of 1980

38.1369 Out of system public education service; condition for granting membership or prior service credit; requirements; eligibility for retirement allowance; computation of payment; limitation; refund; noncreditable service; member ineligible to initiate service credit purchase.

Sec. 69. (1) Until September 29, 2017 at 5 p.m. Eastern Daylight Saving Time, as a condition for granting membership or prior service credit under this act for out of system public education service, a member shall meet both of the following requirements:

(a) Pay to the retirement system an amount equal to the amount the member would have contributed under the schedule governing member contributions in effect at the time of that service had the service been performed under this act or former 1945 PA 136, together with regular interest from the end of the school fiscal year in which service was performed to the semiannual anniversary of the date following the payment.

(b) Have 5 years of reporting unit service credit under this act or former 1945 PA 136, following the out of system public education service.

(2) A member is not entitled to a retirement allowance based on out of system public education service that was performed after July 1, 1974, unless the member meets both of the following requirements:

(a) Before September 29, 2017 at 5 p.m. Eastern Daylight Saving Time, initiates a service credit purchase for that service in an amount equal to 5% of the member's full-time or equated full-time compensation earned in the school fiscal year before the school fiscal year in which the application to purchase and payment for the service credit is made, multiplied by the years of that service the member elects to purchase.

(b) That service is followed by 5 years of reporting unit service credit under this act.

(3) For the purposes of computing payment under this section, the compensation amount used must not be less than the highest school fiscal year compensation previously earned by the member. If the compensation amount used for computing payment under this section exceeds the member's final average compensation determined at the time of retirement, the payment required under this section must be recomputed using the member's final average compensation and a refund must be made based on the recomputation. Credit provided by this section must not be used in satisfying the minimum of 10 years of service credit required under this act for a retirement allowance. A person who had employment with a community mental health service program as described in section 6(2) is not subject to the minimum of 10 years of service credit, if the other requirements of this section are met.

(4) A member must not receive more than 15 years of out of system public education service. A member must not receive more out of system public education service than service performed under this act or former 1945 PA 136, unless, before July 1, 1974, the member applied for out of system public education service credit based on payment of contributions for that service credit as required under former 1945 PA 136. The total out of system public education service credited must be used to compute the member's retirement allowance if the minimum service requirements performed under this act or former 1945 PA 136 are met.

(5) If a member who made payment for out of system public education service dies and a retirement allowance beneficiary has not been designated, or if the member withdraws from service before his or her retirement becomes effective, the payment made by the member under this section must be refunded to the member or to the member's refund beneficiary on request.

(6) Out of system public education service is not creditable toward retirement under this act if the member is or will be receiving a retirement allowance for the same service from another retirement system.

(7) Out of system public education service is not creditable under this act unless similar service performed in a reporting unit would be creditable.

(8) After September 29, 2017 at 5 p.m. Eastern Daylight Saving Time, a member is not eligible to initiate service credit purchase under this section.

History: 1980, Act 300, Imd. Eff. Oct. 31, 1980;—Am. 1984, Act 428, Imd. Eff. Jan. 2, 1985;—Am. 1987, Act 242, Imd. Eff. Dec. 28, 1987;—Am. 1989, Act 194, Imd. Eff. Aug. 25, 1989;—Am. 2017, Act 92, Imd. Eff. July 13, 2017.

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