

**STATE EMPLOYEES' RETIREMENT ACT (EXCERPT)**  
**Act 240 of 1943**

**38.19a Retirement upon satisfaction of certain requirements; monthly retirement allowance supplement; benefits, salary, or remuneration precluding payment under subsection (2); payment of sick leave; payment by retirement system; amount payable by principal departments; member considered retirant; deposit by principal department; use of deposits; exception; monthly payment by Michigan employment security commission; service credit for participation in pay reduction plan C; death of retirant or applicant for retirement.**

Sec. 19a. (1) Notwithstanding section 19, a member who is employed by the state on May 1, 1984 may retire and receive a retirement allowance computed according to section 20 if the member satisfies all of the following requirements:

(a) On the effective date of his or her retirement, 1 of the following applies:

(i) The member has attained age 60 and has 10 or more years of credited service.

(ii) The member's combined age and length of credited service is equal to or greater than 80 years, and the member has attained age 50.

(b) The member is not a supplemental member as defined in section 45.

(c) The member was employed by the state for the 6-month period immediately preceding May 1, 1984. This subdivision shall not apply to a member who had been restored to active service during that 6-month period pursuant to section 33.

(d) The member files a written application with the retirement board, on or after May 1, 1984 but not later than June 1, 1984, stating a date, which date shall be on or after June 2, 1984 but not later than September 30, 1984, on which he or she desires to retire.

(e) The member agrees to the conditions stated in subsection (3).

(2) A member who retires under this section, and who at the time of his or her retirement has not attained age 62 years, shall receive a monthly retirement allowance supplement for each month, including any fraction of a month, until the retirant attains age 62 years. The amount of the monthly retirement allowance supplement shall be based upon the annual rate of base salary of the retirant as of the pay period immediately preceding the date of retirement, according to the following schedule:

Annual Base Salary	Monthly Retirement Allowance Supplement
Less than \$10,000.00	\$240.00
At least \$10,000.00 but not more than \$19,999.99	\$280.00
At least \$20,000.00 but not more than \$29,999.99	\$320.00
At least \$30,000.00	\$360.00

A payment shall not be made under this subsection for any month for which the retirant is paid, on account of his or her state employment, worker's compensation benefits, unemployment compensation benefits, long or short term disability benefits, federal social security benefits, Michigan state employees' retirement system disability benefits, state salary, or receiving remuneration for any contractual services provided to the state certified under section 18(1)(d) of former Act No. 18 of the Public Acts of 1981.

(3) Any amount which a member retiring under this section would otherwise be entitled to receive in a lump sum at retirement on account of accumulated sick leave shall be paid in 60 consecutive equal monthly installments.

(4) Payment of retirement allowances, retirement allowance supplements, and installment payments on account of accumulated sick leave to retirants under this section shall be made by the retirement system. Except as provided in subsection (7), each principal department shall pay to the retirement system for employees of that department who retire under this section an amount sufficient to cover all of the following:

(a) Retirement allowances payable to each individual who retires under this section before having attained age 60 years, until the retirant attains age 60 years, or in the event of a survivor allowance payable under section 31(1)(a), until the retirant would have attained age 60 years. This amount shall be paid from the account established in that department under subsection (6). In the absence of sufficient funds in the account established under subsection (6), this amount shall be paid from other funds available to the department.

(b) Retirement allowance supplements payable under this section. This amount shall be paid from the account established in that department under subsection (6). In the absence of sufficient funds in the account established under subsection (6), this amount shall be paid from other funds available to the department.

(c) Installment payments on account of accumulated sick leave payable under subsection (3). This amount shall be paid from money available to the department for that purpose.

(5) Notwithstanding section 1h(2), a member who retires under this section shall be considered a retirant for purposes of receiving benefits under this act.

(6) Except as otherwise provided in this subsection, each principal department shall deposit into a separate departmental account the 1983-84 and 1984-85 fiscal year appropriations for salaries, wages, longevity payments, group insurance payments, retirement fund contributions, and social security employer contributions, which would have been paid to or on behalf of each employee who retires under this section, for use as follows:

(a) Payments to the retirement system as provided in subsection (4)(a) and (b) shall be made from the account.

(b) Installment payments to a retirant under subsection (3) and payments to the retirement system under subsection (4)(c) shall not be made from the account.

(c) Expenditures may be made from the account as provided in section 33 of former Act No. 18 of the Public Acts of 1981.

Deposits shall not be required under this subsection for employees of the Michigan employment security commission who retire under this section.

(7) The Michigan employment security commission shall pay to the retirement system monthly, from money available to that commission, an amount sufficient to cover the items enumerated in subsection (4)(a), (b), and (c), for employees of the Michigan employment security commission who retire under this section.

(8) For the purpose of qualifying for retirement under subsection (1)(a), or receiving a retirement allowance under this section, or both, a member who participated in pay reduction plan C may receive service credit for such leave of absence upon payment to the retirement system of an amount actuarially determined by the board, but which shall be not less than 5% of the member's full-time biweekly compensation for the fiscal year in which payment is made multiplied by the number of biweekly pay periods for which the member participated in pay reduction plan C and which the member is eligible to purchase under this subsection. For purposes of this subsection, "pay reduction plan C" means the plan available to a member during the fiscal years ending on or after September 30, 1981, under which the member may elect to take a leave of absence without pay for a duration of not less than 1 pay period. A member shall not be eligible to receive service credit under this subsection for more than 13 biweekly pay periods.

(9) If a person who retired under this section dies after the effective date of his or her retirement but before having attained age 62 years, the monthly retirement allowance supplement otherwise payable to the retirant under subsection (2) shall be paid as follows:

(a) Except as provided by subdivision (b), to the person or persons nominated for that purpose by the retirant by written designation duly executed and filed with the board. Payment shall be made by monthly installments in the manner provided under subsection (2), until the retirant would have attained age 62 years.

(b) If the retirant failed to execute and file a written nomination or nominated his or her estate, or if the person or persons nominated predecease the retirant, to the retirant's personal representative in a lump sum equal to the difference between the total amount the retirant would have received under subsection (2), had he or she attained age 62 years, and the amount actually received by the retirant under subsection (2).

(10) If a member who is eligible for retirement under this section files an application for retirement under subsection (1)(d) and dies prior to the date on which he or she desires to retire, the monthly retirement allowance supplement otherwise payable under subsection (2) shall be paid as follows:

(a) Except as provided by subdivision (b), to the person or persons nominated for that purpose by the member by written designation duly executed and filed with the board. Payment shall be made by monthly installments in the manner provided under subsection (2), until the member would have attained age 62 years.

(b) If the member failed to execute and file a written nomination or nominated his or her estate, or if the person or persons nominated predecease the member, to the member's personal representative in a lump sum equal to the amount the member would have received under subsection (2) had he or she retired and attained age 62 years.

**History:** Add. 1984, Act 3, Eff. May 1, 1984;—Am. 1995, Act 176, Imd. Eff. Oct. 17, 1995.