

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

**38.23 Retirement for disability before attaining age 60; benefits.**

Sec. 23. (1) Upon retirement for disability as provided in section 21, a member who is less than 60 years old shall receive a disability retirement allowance calculated under section 20(1). A disability retirement allowance payable under this subsection is payable beginning on the first day of the month following the date the member becomes totally incapacitated for state employment. A disability retirement allowance payable under this subsection shall not be paid before the first day of the month after the later of the following:

(a) Twelve months before the date the application for a disability retirement allowance was filed with the retirement system under section 21.

(b) The date the disability retiree's name last appeared on the state payroll with pay.

(2) Upon attaining age 60 years, a disability retiree under subsection (1) shall receive a retirement allowance calculated under section 20. For the purpose of calculating that retiree's retirement allowance, the retiree shall be given membership service credit for the period during which the retiree was receiving the disability retirement allowance provided for in subsection (1). If the computation results in a retirement allowance less than the disability retirement allowance provided in subsection (1), the retiree shall receive a retirement allowance equal to the disability retirement allowance provided in subsection (1). Upon attaining age 60, the retiree may elect an option provided for in section 31(1).

(3) During the period a disability retiree is receiving a disability retirement allowance under subsection (1), the retiree's contributions to the employees' savings fund shall be suspended and the balance in the fund, that is credited to the retiree as of the date the disability retirement allowance begins, shall remain in the savings fund and shall be accumulated at regular interest. Upon attaining age 60 years, the disability retiree's accumulated contributions shall be transferred from the employees' savings fund to the pension reserve fund. If the disability retiree should die before attaining age 60 years, the accumulated contributions standing to the disability retiree's credit in the employees' savings fund shall be paid to the person or persons the disability retiree nominated by written designation executed and filed with the retirement system, or if there is not a designated person or persons surviving, then to the disability retiree's legal representative or estate.

(4) The disability retirement allowance payable to a disability retiree under this section shall not be less than \$6,000.00 per year. A disability retirement allowance first payable to a disability retiree under this section shall not be more than an amount that when added to the worker's compensation benefits payable to the disability retiree exceeds the disability retiree's final compensation.

(5) If the disability retiree who retired under section 21 dies before reaching age 60, the retirement allowance payable to the beneficiary designated by the disability retiree shall be calculated as provided in section 20(1). For the purpose of calculating the retirement allowance payable to the beneficiary designated by the disability retiree, the deceased retiree shall be given membership service credit for the period during which the retiree was receiving the disability retirement allowance provided for in subsection (1).

(6) The receipt of a disability retirement allowance under this section is subject to sections 33 and 34.

**History:** 1943, Act 240, Eff. July 30, 1943;—Am. 1944, 1st Ex. Sess., Act 25, Imd. Eff. Feb. 29, 1944;—CL 1948, 38.23;—Am. 1951, Act 200, Imd. Eff. June 14, 1951;—Am. 1953, Act 196, Eff. Oct. 2, 1953;—Am. 1954, Act 126, Eff. Aug. 13, 1954;—Am. 1955, Act 237, Imd. Eff. June 21, 1955;—Am. 1978, Act 91, Imd. Eff. Mar. 31, 1978;—Am. 1983, Act 157, Imd. Eff. July 24, 1983;—Am. 1987, Act 57, Imd. Eff. June 23, 1987;—Am. 1987, Act 241, Imd. Eff. Dec. 28, 1987;—Am. 2004, Act 109, Imd. Eff. May 20, 2004.