

OPTIONAL RETIREMENT ACT OF 1967 (EXCERPT)
Act 156 of 1967

38.386 Optional retirement program; participant deemed limited member of retirement system; refund of contributions upon termination of service or death; computation of benefits; reelection to retirement system as bar to service credit.

Sec. 6. (1) An eligible employee electing to participate in the optional retirement program in accordance with section 5(1) is deemed to be a limited member of the retirement system for the purpose of determining his eligibility for rights and benefits in the retirement system. His continued service with a state supported institution of higher education while under the optional retirement program is deemed to be member service in the retirement system for the purpose of determining his eligibility for retirement benefits dependent upon a specified period of total service or upon attainment of a specified age while in service.

(2) If an eligible employee who has elected to participate in the optional retirement program in accordance with section 5(1) terminates service or dies before becoming eligible for a retirement benefit, he or his named beneficiary, is entitled to a refund of his contributions to the retirement system, including interest at the rate of 2 1/2% per annum.

(3) If an eligible employee has elected to participate in the optional retirement program and retains a limited membership in the retirement system in accordance with section 5(1), the basis for computation of his retirement benefits under the retirement system after his election to participate in the optional retirement program shall be all of the following:

(a) The credited service as of the time of making the election.

(b) The average of his annual compensation for those 5 consecutive years before the time of making the election which produces the highest amount, or, the average of his annual compensation before the time of making the election if his total credited service is less than 5 years.

(4) An eligible employee electing to participate in the optional retirement program, and his beneficiaries, is not entitled to a right or benefit under the retirement system other than to the extent the rights and benefits are expressly provided for in this section.

(5) An employee who reelections to return to the retirement system under section 5(4), shall not be eligible to receive service credit for that period of time during which he was a member of the optional retirement program under this act.

History: 1967, Act 156, Imd. Eff. June 30, 1967;—Am. 1975, Act 284, Imd. Eff. Dec. 2, 1975.