

PUBLIC EMPLOYEE RETIREMENT BENEFITS FORFEITURE ACT (EXCERPT)
Act 350 of 1994

38.2704 Court; forfeiture order; contents; delivery to retirement system.

Sec. 4. (1) If a member or retirant, before the effective date of the amendatory act that added section 4a, is convicted of or enters a nolo contendere plea accepted by the court for a felony arising out of his or her service as a public employee, the court may order forfeiture as provided in this section. If a member or retirant, on or after the effective date of the amendatory act that added section 4a, is convicted of or enters a nolo contendere plea accepted by the court for a felony arising out of his or her service as a public employee, the court must order forfeiture as provided in this section. If a court orders forfeiture under this section, the court shall determine the extent to which a forfeiture under this act affects the vested status of the member or retirant under the terms of the retirement system. An order under this section must contain all of the following, as applicable:

(a) The portion of the member's or retirant's retirement benefit under a retirement system established by that individual's employer at the time the act or acts that resulted in the felony were committed that accrued to the member or retirant on or after the date the first act that resulted in the felony was committed is forfeited.

(b) The member's or retirant's accumulated contributions standing to that individual's credit in the individual account established for that purpose in the retirement system must be refunded to the member or retirant.

(c) Except for a retirement benefit that is a benefit from employer contributions to a defined contribution plan forfeited under subdivision (a), the retirement system shall pay to an individual, if any, who would otherwise be a beneficiary of the member or retirant whose retirement benefit is being forfeited under this act an actuarially equivalent monthly retirement allowance at the age the member or retirant would have become eligible for unreduced retirement benefits under that retirement system.

(d) The retirement system shall provide hospitalization and medical coverage insurance to the member or retirant whose retirement benefit is being forfeited under this act and to his or her beneficiaries in the same manner and under the same restrictions as is provided to other retirants and beneficiaries of that retirement system.

(2) If a court enters an order described in subsection (1), the clerk of the court shall deliver the order to the retirement system.

History: 1994, Act 350, Eff. Mar. 30, 1995;—Am. 1996, Act 467, Imd. Eff. Dec. 26, 1996;—Am. 2017, Act 43, Eff. Sept. 5, 2017.