

HOUSE BILL No. 4766

May 1, 1991, Introduced by Reps. Gubow, Ciaramitaro, Perry Bullard, Barns, Fitzgerald, Baade, Harder, Nye, Munsell, London, Berman, Johnson, Bankes, Jondahl, DeBeaussaert, Martin and DeMars and referred to the Committee on Senior Citizens and Retirement.

A bill to amend sections 13a, 14, 15, 16, 19, 19c, and 26 of Act No. 198 of the Public Acts of 1951, entitled as amended "Judges' retirement act,"

section 14 as amended by Act No. 208 of the Public Acts of 1984, section 16 as amended by Act No. 37 of the Public Acts of 1990, and section 26 as amended by Act No. 41 of the Public Acts of 1985, being sections 38.813a, 38.814, 38.815, 38.816, 38.819, 38.819c, and 38.826 of the Michigan Compiled Laws; and to add section 17.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 13a, 14, 15, 16, 19, 19c, and 26 of Act
2 No. 198 of the Public Acts of 1951, section 14 as amended by Act
3 No. 208 of the Public Acts of 1984, section 16 as amended by Act
4 No. 37 of the Public Acts of 1990, and section 26 as amended by
5 Act No. 41 of the Public Acts of 1985, being sections 38.813a,

1 38.814, 38.815, 38.816, 38.819, 38.819c, and 38.826 of the
2 Michigan Compiled Laws, are amended and section 17 is added to
3 read as follows:

4 Sec. 13a. (1) A member who ceases to be a judge for any
5 reason other than disability under section 16, retirement, or
6 death, shall be entitled to a deferred annuity. If the member
7 does not withdraw the member's accumulated contributions from the
8 annuity savings fund, and has not less than 8 years of service
9 credited to the member's account, the amount of the deferred
10 annuity shall be equal to 3% of the member's final salary multi-
11 plied by the number of years and fraction of years service, not
12 to exceed the retirement annuity provided for in section 14; or
13 if the member ceases to be a judge on or after July 1, 1975, and
14 has 12 or more years of service, the member shall be entitled to
15 receive a deferred annuity equal to the retirement annuity pro-
16 vided for in section 14 based upon the member's final salary.
17 The member's retirement and the payment of the member's annuity
18 shall begin the first day of the calendar month after the month
19 in which the member files the written application with the board
20 on or after the member's attainment of age 55 years if the member
21 has 18 or more years of service credited to him OR HER of which
22 the last 6 years were continuous service, otherwise age 60
23 years. A member who has 12 or more years of service, but less
24 than 18 years of which the last 6 years were continuous service,
25 shall be entitled to receive a reduced deferred annuity upon
26 attainment of age 55, the annuity to be computed according to
27 section 14, reduced by 0.5% of the annuity multiplied by the

1 number of months and fraction of a month the member's age at
2 retirement is under age 60. The member's entitlement to a
3 deferred annuity shall be forfeited if the member withdraws the
4 accumulated contributions from the annuity savings fund.

5 (2) If a member ceased to be a judge on or after July 1,
6 1975, was entitled to a deferred annuity, and dies before reach-
7 ing age 60, the spouse to whom the member was married at the time
8 of death shall be entitled to receive an annuity equal to 1/2 the
9 amount the member would have received, computed according to this
10 section or section 14, whichever is applicable, effective the
11 first day of the calendar month after the month in which the
12 member would have reached age 60. If the deceased member has 18
13 or more years of service credit, ~~to him~~ of which the last 6
14 years were continuous service, the spouse shall be entitled to an
15 annuity equal to 1/2 the amount the member would have received
16 computed ~~in accordance with~~ UNDER section 14, effective the
17 first day of the calendar month after the month in which the
18 member would have reached age 55. If the deceased member has 12
19 or more years of service credit, but less than 18 years, of which
20 the last 6 years were continuous service, the spouse may elect to
21 receive a reduced annuity, equal to 1/2 the amount the member
22 would have received ~~—~~ computed ~~in accordance with~~ UNDER sec-
23 tion 14, effective the first day of the calendar month after the
24 month in which the member would have reached age 55. If the
25 deceased member does not leave a spouse, or if the spouse dies
26 after the member's death, each of the member's unmarried children
27 under the age of 19 years shall be paid an annuity terminating

1 upon the child's adoption, marriage, attainment of age 19 years,
2 or death, whichever occurs first. The amount of annuity paid a
3 child shall be an amount equal to the share of the annuity deter-
4 mined for a spouse. Upon termination of a child's annuity, it
5 shall be divided into equal shares and added to the annuities
6 being paid the remaining eligible children, if any. If a child
7 is attending school full time, the board may continue the annuity
8 during the period of the child's full-time school attendance, but
9 not beyond the child's attainment of age 22 years. The annuity
10 payable to a child shall be effective the first day of the calen-
11 dar month after the month in which the member would have reached
12 age 60. If the deceased member has 18 or more years of service
13 credit, of which the last 6 years were continuous service, the
14 annuity payable to a child shall be effective the first day of
15 the calendar month after the month in which the member would have
16 reached age 55. If the deceased member has 12 or more years of
17 service credit ~~—~~ but less than 18 years, of which the last 6
18 years were continuous service, the child may elect to receive a
19 reduced annuity. The amount of reduced annuity paid a child
20 shall be an amount equal to the share of the annuity determined
21 for a spouse payable effective the first day of the calendar
22 month after the month in which the member would have reached age
23 55.

24 (3) AN ANNUITY PAYABLE UNDER THIS SECTION IS SUBJECT TO AN
25 ELIGIBLE DOMESTIC RELATIONS ORDER UNDER SECTION 17.

1 Sec. 14. (1) Upon a member's retirement as provided in this
2 section, section 13, or section 16, the member shall be paid a
3 straight life annuity terminating upon his or her death.

4 (2) A member who is 60 years of age or older and has 12 or
5 more years of service credited, who has 25 or more years OF
6 SERVICE credited of which the last 6 years were continuous serv-
7 ice, or who is 55 years of age and has 18 or more years of serv-
8 ice credited of which the last 6 years were continuous service,
9 shall be paid an annuity equal to 50% of the member's final
10 salary for the first 12 years of service credited to the member's
11 account. In addition, the member's straight life annuity, termi-
12 nating upon death, shall be increased by 2-1/2% of the member's
13 final salary multiplied by each year and fraction of a year of
14 service credited to the member's account not to exceed 4 addi-
15 tional years. Not more than 16 years of service may be used to
16 determine the amount of annuity to be paid.

17 (3) A member who is 55 years of age and has 12 or more but
18 less than 18 years of service, of which the last 6 years were
19 continuous service, shall be entitled to receive an annuity as
20 provided in subsection (2), reduced by 0.5% of the annuity multi-
21 plied by the number of months and fraction of a month the
22 member's age at retirement is under 60 years of age.

23 (4) After a member becomes 70 years of age, service shall
24 not be credited beyond the end of the judicial term in which the
25 member becomes 70 years of age. At the time of retirement, a
26 member may elect to be paid an annuity under an optional form of
27 payment provided in section 15 in lieu of a straight life

1 annuity. Judges of the recorder's court of the city of Detroit
2 shall receive the same annuity as that paid to circuit judges.

3 (5) Subsections (2), (3), and (4) are restricted as provided
4 in this subsection. A member who is a judge of the common pleas
5 court of the city of Detroit on August 31, 1981, who becomes a
6 district judge in the thirty-sixth district on September 1, 1981,
7 and who retires as a district judge in the thirty-sixth district
8 shall be entitled to an annuity only on the basis of the sum of
9 the following:

10 (a) The benefits ~~which~~ THAT the member would otherwise
11 have been entitled to receive as of August 31, 1981, under sub-
12 sections (2) to (4) as in effect on August 31, 1981, multiplied
13 by the years of service credited to the member's account on
14 August 31, 1981, and divided by the total years of service cred-
15 ited to the member's account at the time of his or her
16 retirement.

17 (b) The benefits ~~which~~ THAT the member is entitled to
18 receive as a district judge at the time of his or her retirement,
19 multiplied by the years of service credited to the member's
20 account between September 1, 1981, and the date of retirement,
21 divided by the total years of service credited to the member's
22 account at the time of his or her retirement.

23 (6) After June 30, 1978, a member who is 60 years of age or
24 older and has served 2 full terms in the office of governor,
25 lieutenant governor, secretary of state, or attorney general, or
26 1 full term in the office of legislative auditor general shall be
27 paid an annuity equal to 30% of the annual salary paid to the

1 member at the time of retirement for the first 8 years of service
 2 credited to the member's account. In addition, the member's
 3 straight life annuity, terminating upon death, shall be increased
 4 by 3-3/4% of the annual salary paid by the state multiplied by
 5 each year and fraction of a year of service credited to a
 6 member's account. Not more than 16 years of service shall be
 7 used to determine the amount of annuity to be paid.

8 (7) A member who had attained age 64 or older at the time he
 9 or she first became a judge, who has 6 or more continuous years
 10 but less than 8 years of credited service, and who has made con-
 11 tribution for those years of service as provided by this act,
 12 shall be eligible to retire and receive an annuity equal to 3% of
 13 the member's final salary multiplied by the number of years and
 14 fraction of a year of credited service, not to exceed the amount
 15 of annuity provided for in subsection (2).

16 (8) ~~Payment of annuities~~ AN ANNUITY PAYABLE under this
 17 section ~~shall be~~ IS subject to sections 15, 17, and 18.

18 Sec. 15. (1) ~~Prior to~~ BEFORE the effective date of his OR
 19 HER retirement, a member or former member may elect to be paid an
 20 annuity under ~~+ of the following~~ AN optional ~~forms~~ FORM of
 21 payment in lieu of a straight life annuity terminating upon his
 22 OR HER death. The amount of the member's optional form of annu-
 23 ity shall have an annuity reserve equal to the annuity reserve
 24 for the amount of ~~his~~ THE MEMBER'S straight life annuity. If
 25 the member does not make a timely election of an optional form of
 26 payment, ~~he~~ THE MEMBER shall be paid a straight life annuity.
 27 THE OPTIONAL FORMS OF PAYMENT ARE AS FOLLOWS:

1 (A) Option A--Joint and survivor annuity. Under option A
2 the member shall be paid a reduced annuity throughout his OR HER
3 life with the provision that upon his OR HER death ~~his~~ THE full
4 reduced annuity shall be continued throughout the future life of
5 and paid to the person, having an insurable interest in ~~his~~ THE
6 MEMBER'S life, nominated by written designation duly executed and
7 filed with the board at the time of ~~his~~ THE MEMBER'S election
8 of option A.

9 (B) Option B--Modified joint and survivor annuity. Under
10 option B the member shall be paid a reduced annuity throughout
11 his OR HER life with the provision that upon his OR HER death 1/2
12 ~~his~~ OF THE reduced annuity shall be continued throughout the
13 future life of and paid to the person, having an insurable inter-
14 est in ~~his~~ THE MEMBER'S life, nominated by written designation
15 duly executed and filed with the board at the time of ~~his~~ THE
16 MEMBER'S election of option B.

17 (2) AN ANNUITY PAYABLE UNDER A PAYMENT OPTION PROVIDED IN
18 THIS SECTION IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER
19 UNDER SECTION 17.

20 Sec. 16. (1) Upon written application of a member, or the
21 written application of the chair of the judicial tenure commis-
22 sion or the chief justice of the supreme court, filed with the
23 board and the governor, a member who has 8 or more years of serv-
24 ice credit, or who is 65 years of age or older and who has 6 or
25 more years, but less than 8 years, of service credit, who becomes
26 physically or mentally totally and permanently incapacitated to
27 perform his or her judicial duties, shall be retired by the board

1 if, after a medical examination of the member made by or under
2 the direction of the medical director, the medical director cer-
3 tifies in writing to the board that the member is physically or
4 mentally totally incapacitated to perform his or her judicial
5 duties, that the incapacity is likely to be permanent, and that
6 the member should be retired.

7 (2) For the period beginning April 1, 1990 and ending
8 September 30, 1990 only, upon written application of a member, or
9 the written application of the chair of the judicial tenure com-
10 mission or the chief justice of the supreme court, filed with the
11 board and the governor, a member who has 7 or more years of serv-
12 ice credit and becomes physically or mentally totally and per-
13 manently incapacitated to perform his or her judicial duties
14 shall be retired by the board, with a pension or survivor's bene-
15 fit reduced by 1/8 of the amount that would otherwise apply, if,
16 after a medical examination of the member made by or under the
17 direction of the medical director, the medical director certifies
18 in writing to the board that the member is physically or mentally
19 totally incapacitated to perform his or her judicial duties, that
20 the incapacity is likely to be permanent, and that the member
21 should be retired. Upon retirement under this subsection, a
22 member shall be paid an annuity computed ~~according to~~ UNDER
23 section 14.

24 (3) A member, by agreeing to become a member of the retire-
25 ment system, agrees to submit to a medical examination to be made
26 by or under the direction of the medical director. Due notice of
27 the board's decision under subsection (1) or (2) shall be given

1 to the member and the governor. The member, within 30 days
2 following the giving of the notice, may appeal to a medical com-
3 mittee consisting of 3 physicians, 1 designated by the board, 1
4 by the member, and 1 by the first 2 physicians designated. After
5 a medical examination of the member made by or under the direc-
6 tion of the medical committee, the medical committee shall report
7 its findings to the board. The majority opinion of the medical
8 committee, filed in writing with the board, shall be binding on
9 the board and the member. If the member refuses to submit to
10 medical examinations as required and the refusal continues for 90
11 days, or if the decision of the board or the medical committee,
12 if a medical committee is requested, is that the member should
13 retire and he or she fails to retire within 60 days following the
14 date of notification of the decision by registered mail sent to
15 the member's last known residence address, he or she shall for-
16 feit for the member and his or her heirs all rights in and to
17 benefits, except the refund of accumulated contributions, accrued
18 or accruing under this act, and the member shall not again become
19 a member or beneficiary of the retirement system.

20 (4) Upon retirement under subsection (1), a member, other
21 than a member who qualifies under this section because he or she
22 is 65 years of age or older and has 6 or more years, but less
23 than 8 years, of service credit, shall be paid an annuity com-
24 puted ~~according to~~ UNDER section 14. Upon retirement under
25 subsection (1), a member who qualifies under this section
26 because he or she is 65 years of age or older and has 6 or more
27 years, but less than 8 years, of service credit shall be paid an

1 annuity equal to 50% of the member's final salary multiplied by a
2 fraction the numerator of which is equal to the member's number
3 of years and fraction of a year of service and the denominator of
4 which is 8.

5 (5) ~~Payment of annuities~~ AN ANNUITY PAYABLE under this
6 section is subject to ~~section~~ SECTIONS 15 AND 17.

7 SEC. 17. (1) AS USED IN THIS SECTION:

8 (A) "ALTERNATE PAYEE" MEANS A SPOUSE OF A PARTICIPANT UNDER
9 A JUDGMENT OF SEPARATE MAINTENANCE, OR A FORMER SPOUSE, CHILD, OR
10 DEPENDENT OF A PARTICIPANT, WHO IS NAMED IN AN ELIGIBLE DOMESTIC
11 RELATIONS ORDER.

12 (B) "BENEFIT" MEANS A PENSION, AN ANNUITY, A RETIREMENT
13 ALLOWANCE, OR AN OPTIONAL BENEFIT ACCRUED OR ACCRUING TO A PAR-
14 TICIPANT UNDER THIS ACT OR A POSTRETIREMENT SUBSIDY PAYABLE TO A
15 PARTICIPANT UNDER THIS ACT.

16 (C) "DOMESTIC RELATIONS ORDER" MEANS A JUDGMENT, DECREE, OR
17 ORDER OF A COURT MADE PURSUANT TO THE DOMESTIC RELATIONS LAW OF
18 THIS STATE AND RELATING TO THE PROVISION OF ALIMONY PAYMENTS,
19 CHILD SUPPORT, OR MARITAL PROPERTY RIGHTS TO A SPOUSE OF A PAR-
20 TICIPANT UNDER A JUDGMENT OF SEPARATE MAINTENANCE, OR A FORMER
21 SPOUSE, CHILD, OR DEPENDENT OF A PARTICIPANT.

22 (D) "EARLIEST RETIREMENT DATE" MEANS THE EARLIEST DATE ON
23 WHICH A PARTICIPANT MEETS ALL OF THE REQUIREMENTS FOR RETIREMENT
24 UNDER THIS ACT EXCEPT FOR TERMINATION OF EMPLOYMENT.

25 (E) "ELIGIBLE DOMESTIC RELATIONS ORDER" OR "EDRO" MEANS A
26 DOMESTIC RELATIONS ORDER THAT IS CONSIDERED AN ELIGIBLE DOMESTIC

1 RELATIONS ORDER UNDER SUBSECTION (10) OR THAT MEETS ALL OF THE
2 FOLLOWING REQUIREMENTS:

3 (i) THE DOMESTIC RELATIONS ORDER STATES THE NAME, LAST KNOWN
4 ADDRESS, AND SOCIAL SECURITY NUMBER OF THE PARTICIPANT.

5 (ii) THE DOMESTIC RELATIONS ORDER STATES THE NAME, LAST
6 KNOWN ADDRESS, AND SOCIAL SECURITY NUMBER OF THE ALTERNATE
7 PAYEE.

8 (iii) THE DOMESTIC RELATIONS ORDER STATES THE AMOUNT OR PER-
9 CENTAGE OF THE BENEFIT TO BE PAID TO AN ALTERNATE PAYEE, OR THE
10 MANNER UNDER WHICH THE RETIREMENT SYSTEM IS TO DETERMINE THE
11 AMOUNT OR PERCENTAGE OF THE BENEFIT TO BE PAID TO AN ALTERNATE
12 PAYEE.

13 (iv) THE DOMESTIC RELATIONS ORDER STATES THAT IT APPLIES TO
14 THE STATE OF MICHIGAN JUDGES' RETIREMENT SYSTEM AND THAT THE
15 RETIREMENT SYSTEM SHALL MAKE PAYMENTS TO THE ALTERNATE PAYEE AS
16 REQUIRED UNDER THE ELIGIBLE DOMESTIC RELATIONS ORDER AND THIS
17 SECTION.

18 (v) THE DOMESTIC RELATIONS ORDER DOES NOT REQUIRE THE
19 RETIREMENT SYSTEM TO PROVIDE A TYPE OR FORM OF BENEFIT NOT PRO-
20 VIDED BY THIS ACT OR A FORM OF PAYMENT NOT PROVIDED BY THIS
21 SECTION.

22 (vi) THE DOMESTIC RELATIONS ORDER DOES NOT REQUIRE THE
23 RETIREMENT SYSTEM TO PROVIDE AN INCREASED BENEFIT DETERMINED ON
24 THE BASIS OF ACTUARIAL VALUE.

25 (vii) THE DOMESTIC RELATIONS ORDER DOES NOT REQUIRE THE PAY-
26 MENT OF A BENEFIT TO AN ALTERNATE PAYEE THAT IS REQUIRED TO BE

1 PAID TO ANOTHER ALTERNATE PAYEE UNDER A PREVIOUSLY FILED ELIGIBLE
2 DOMESTIC RELATIONS ORDER.

3 (viii) THE DOMESTIC RELATIONS ORDER IS FILED BEFORE THE
4 PARTICIPANT'S RETIREMENT ALLOWANCE EFFECTIVE DATE.

5 (F) "PARTICIPANT" MEANS A MEMBER, DEFERRED MEMBER, DECEASED
6 FORMER MEMBER, OR RETIRANT UNDER THIS ACT.

7 (G) "POSTRETIREMENT SUBSIDY" INCLUDES, BUT IS NOT LIMITED
8 TO, ALL OF THE FOLLOWING:

9 (i) A SUPPLEMENTAL PAYMENT.

10 (ii) A PERCENTAGE INCREASE TO A BENEFIT PAYABLE TO A
11 PARTICIPANT.

12 (iii) ANY OTHER PAYMENT TO A PARTICIPANT OR INCREASE TO A
13 BENEFIT PAYABLE TO A PARTICIPANT PURSUANT TO THIS ACT, EXCLUDING
14 HEALTH BENEFITS.

15 (2) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, AN ALTER-
16 NATE PAYEE IS ENTITLED TO AN ACTUAL INTEREST IN A SHARE OF A BEN-
17 EFIT THAT IS OR WILL BECOME PAYABLE TO A PARTICIPANT UNDER THIS
18 ACT, IF SO PROVIDED IN AN EDRO FILED WITH THE RETIREMENT SYSTEM.
19 THE RETIREMENT SYSTEM SHALL ADMINISTER THE PAYMENT OF A BENEFIT
20 UNDER THIS ACT PURSUANT TO THE EDRO AND THIS SECTION.

21 (3) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE PAY-
22 MENT OF A BENEFIT TO AN ALTERNATE PAYEE UNDER AN EDRO AND THIS
23 SECTION SHALL BEGIN ON THE RETIREMENT ALLOWANCE EFFECTIVE DATE OF
24 THE PARTICIPANT. THE PAYMENT OF A BENEFIT UNDER AN EDRO AND THIS
25 SECTION SHALL BE PAID IN 1 OF THE FOLLOWING FORMS:

26 (A) A SINGLE LIFE ANNUITY THAT IS EQUAL TO THE ACTUARIAL
27 EQUIVALENT OF THE ALTERNATE PAYEE'S SHARE OF THE BENEFIT PAYABLE

1 THROUGHOUT THE LIFE OF THE ALTERNATE PAYEE. IF THE PARTICIPANT
2 IS ENTITLED TO THE PAYMENT OF A BENEFIT THAT IS NOT REDUCED UNDER
3 EITHER SECTION 13A(1) OR 14(3), THE ALTERNATE PAYEE'S SINGLE LIFE
4 ANNUITY SHALL BE CALCULATED USING THE PARTICIPANT'S UNREDUCED
5 BENEFIT. IF THE PARTICIPANT IS ONLY ENTITLED TO THE PAYMENT OF A
6 BENEFIT THAT IS REDUCED UNDER EITHER SECTION 13A(1) OR 14(3), THE
7 ALTERNATE PAYEE'S SINGLE LIFE ANNUITY SHALL BE CALCULATED USING
8 THE PARTICIPANT'S BENEFIT AS REDUCED BY EITHER SECTION 13A(1) OR
9 14(3).

10 (B) A REDUCED BENEFIT THAT IS EQUAL TO THE ACTUARIAL EQUIVA-
11 LENT OF THE TOTAL BENEFIT BEING DIVIDED UNDER THE EDRO PAYABLE
12 THROUGHOUT THE LIVES OF THE PARTICIPANT AND THE ALTERNATE PAYEE.
13 THE REDUCED BENEFIT SHALL BE PAYABLE IN THE MANNER PROVIDED UNDER
14 OPTION A OR OPTION B UNDER SECTION 15(1). THE EDRO SHALL SPECIFY
15 THE PERCENTAGE OR AMOUNT OF THE REDUCED BENEFIT THAT IS PAYABLE
16 UNDER THIS SUBDIVISION TO THE PARTICIPANT AND TO THE ALTERNATE
17 PAYEE WHILE BOTH ARE ALIVE. IF THE PARTICIPANT PREDECEASES THE
18 ALTERNATE PAYEE WHILE A REDUCED BENEFIT IS BEING PAID TO THE PAR-
19 TICIPANT AND THE ALTERNATE PAYEE UNDER THIS SUBDIVISION, THE SUR-
20 VIVOR PORTION OF THE REDUCED BENEFIT SHALL BE PAYABLE TO THE
21 ALTERNATE PAYEE. IF THE ALTERNATE PAYEE PREDECEASES THE PARTICI-
22 PANT WHILE A REDUCED BENEFIT IS BEING PAID TO THE PARTICIPANT AND
23 THE ALTERNATE PAYEE UNDER THIS SUBDIVISION, THE ALTERNATE PAYEE'S
24 PERCENTAGE OR AMOUNT OF THE REDUCED BENEFIT SHALL REVERT TO AND
25 BECOME PAYABLE TO THE PARTICIPANT.

1 (C) A SINGLE LIFE ANNUITY THAT IS EQUAL TO THE ALTERNATE
2 PAYEE'S SHARE OF THE BENEFIT PAYABLE THROUGHOUT THE LIFE OF THE
3 PARTICIPANT.

4 (4) AN EDRO MAY PROVIDE FOR THE PAYMENT OF A BENEFIT TO AN
5 ALTERNATE PAYEE BEGINNING ON OR AFTER THE PARTICIPANT'S EARLIEST
6 RETIREMENT DATE BUT BEFORE THE PARTICIPANT TERMINATES EMPLOYMENT
7 AS PROVIDED IN THIS SUBSECTION. AN ALTERNATE PAYEE SHALL BEGIN
8 TO RECEIVE THE PAYMENT OF A BENEFIT UNDER THIS SUBSECTION EFFEC-
9 TIVE THE FIRST DAY OF THE MONTH IMMEDIATELY FOLLOWING THE MONTH
10 IN WHICH THE ALTERNATE PAYEE NOTIFIES THE RETIREMENT SYSTEM OF
11 HIS OR HER ELECTION TO BEGIN TO RECEIVE PAYMENT OF HIS OR HER
12 INTEREST IN THE BENEFIT OF A PARTICIPANT. IF AN ALTERNATE PAYEE
13 ELECTS TO RECEIVE HIS OR HER INTEREST IN THE BENEFIT OF A PARTIC-
14 IPANT AFTER THE PARTICIPANT'S EARLIEST RETIREMENT DATE BUT BEFORE
15 THE PARTICIPANT'S TERMINATION OF EMPLOYMENT, THE ALTERNATE PAYEE
16 IS ONLY ENTITLED TO THE ACTUARIAL EQUIVALENT OF THE ALTERNATE
17 PAYEE'S SHARE OF THE PARTICIPANT'S BENEFIT THAT WOULD BE PAYABLE
18 WHEN THE PARTICIPANT REACHES AGE 60. IF THE PARTICIPANT RETIRES
19 BEFORE AGE 60, THE RETIREMENT SYSTEM SHALL RECALCULATE THE BENE-
20 FIT PAYABLE TO THE ALTERNATE PAYEE SO THAT THE RECALCULATED BENE-
21 FIT PAYABLE TO THE ALTERNATE PAYEE PLUS THE BENEFIT PREVIOUSLY
22 PAID TO THE ALTERNATE PAYEE ARE THE ACTUARIAL EQUIVALENT OF THE
23 ALTERNATE PAYEE'S SHARE OF THE BENEFIT PAYABLE TO THE
24 PARTICIPANT. IF THE RECALCULATED BENEFIT IS MORE THAN THE BENE-
25 FIT THE ALTERNATE PAYEE IS RECEIVING, THE RETIREMENT SYSTEM SHALL
26 BEGIN PAYING THE RECALCULATED BENEFIT TO THE ALTERNATE PAYEE

1 EFFECTIVE THE FIRST DAY OF THE MONTH IMMEDIATELY FOLLOWING THE
2 MONTH IN WHICH THE PARTICIPANT RETIRES.

3 (5) AN EDRO MAY PROVIDE THAT A SPOUSE UNDER A JUDGMENT OF
4 SEPARATE MAINTENANCE OR A FORMER SPOUSE IS CONSIDERED THE SPOUSE
5 OF A PARTICIPANT FOR THE PURPOSE OF RECEIVING A BENEFIT AS A SUR-
6 VIVING SPOUSE UNDER SECTION 13A, 16, 19, OR 19C. THE BENEFIT
7 PAYABLE TO A SPOUSE UNDER A JUDGMENT OF SEPARATE MAINTENANCE OR A
8 FORMER SPOUSE AS A SURVIVING SPOUSE UNDER THIS SUBSECTION SHALL
9 BE COMPUTED AS PROVIDED IN THE EDRO AND SECTION 13A, 16, 19, OR
10 19C. IF THE AMOUNT OR PERCENTAGE OF THE BENEFIT TO BE PAID TO A
11 SPOUSE UNDER A JUDGMENT OF SEPARATE MAINTENANCE OR A FORMER
12 SPOUSE AS THE SURVIVING SPOUSE OF THE PARTICIPANT UNDER THIS SUB-
13 SECTION IS LESS THAN THE ENTIRE AMOUNT PAYABLE UNDER SECTION 13A,
14 16, 19, OR 19C, THE SURVIVING SPOUSE OR OTHER BENEFICIARY OF THE
15 PARTICIPANT, AS DETERMINED UNDER SECTION 13A, 16, 19, OR 19C, IS
16 ENTITLED TO RECEIVE THE PORTION OF THE BENEFIT NOT PAYABLE TO A
17 SPOUSE UNDER A JUDGMENT OF SEPARATE MAINTENANCE OR A FORMER
18 SPOUSE UNDER THIS SUBSECTION.

19 (6) IF AN ALTERNATE PAYEE UNDER THIS SECTION DIES BEFORE
20 RECEIVING ANY PAYMENT OF HIS OR HER INTEREST IN A BENEFIT PURSU-
21 ANT TO THIS SECTION AND AN EDRO, THAT INTEREST REVERTS TO THE
22 PARTICIPANT.

23 (7) THE CREATION, ASSIGNMENT, OR RECOGNITION OF A RIGHT OF
24 AN ALTERNATE PAYEE TO AN ACTUAL INTEREST IN A SHARE OF A BENEFIT
25 THAT IS OR WILL BECOME PAYABLE TO A PARTICIPANT PURSUANT TO AN
26 EDRO UNDER THIS SECTION IS NOT A PROHIBITED ASSIGNMENT UNDER
27 SECTION 26.

1 (8) THE RETIREMENT SYSTEM SHALL ESTABLISH A REASONABLE
2 PROCEDURE TO DETERMINE IF A DOMESTIC RELATIONS ORDER IS AN EDRO
3 UNDER THIS SECTION. THE RETIREMENT SYSTEM SHALL PROMPTLY NOTIFY
4 THE PARTICIPANT AND ALTERNATE PAYEE NAMED IN A DOMESTIC RELATIONS
5 ORDER THAT THE RETIREMENT SYSTEM HAS RECEIVED THE DOMESTIC RELA-
6 TIONS ORDER. THE NOTICE SHALL INCLUDE A DESCRIPTION OF THE PRO-
7 CEDURE BY WHICH THE RETIREMENT SYSTEM DETERMINES IF THE DOMESTIC
8 RELATIONS ORDER IS AN EDRO UNDER THIS SECTION.

9 (9) THE RETIREMENT SYSTEM SHALL, WITHIN A REASONABLE PERIOD
10 OF TIME AFTER RECEIVING A DOMESTIC RELATIONS ORDER, DETERMINE IF
11 THE DOMESTIC RELATIONS ORDER IS AN EDRO UNDER THIS SECTION. IF
12 THE RETIREMENT SYSTEM DETERMINES THAT THE DOMESTIC RELATIONS
13 ORDER IS AN EDRO UNDER THIS SECTION, THE RETIREMENT SYSTEM SHALL
14 PROMPTLY NOTIFY THE PARTICIPANT AND ALTERNATE PAYEE NAMED IN THE
15 EDRO THAT THE DOMESTIC RELATIONS ORDER IS AN EDRO. THE RETIRE-
16 MENT SYSTEM SHALL BEGIN THE PAYMENT OF A BENEFIT UNDER THIS SEC-
17 TION PURSUANT TO THE EDRO AND THIS SECTION ON THE FIRST DAY OF
18 THE MONTH FOLLOWING THE MONTH IN WHICH THE DOMESTIC RELATIONS
19 ORDER WAS DETERMINED TO BE AN EDRO OR THE FIRST DAY OF THE MONTH
20 FOLLOWING THE MONTH IN WHICH A BENEFIT IS PAYABLE UNDER THE EDRO
21 AND THIS SECTION, WHICHEVER IS LATER. IF THE RETIREMENT SYSTEM
22 DETERMINES THAT THE DOMESTIC RELATIONS ORDER IS NOT AN EDRO UNDER
23 THIS SECTION, THE RETIREMENT SYSTEM SHALL PROMPTLY NOTIFY THE
24 PARTICIPANT AND ALTERNATE PAYEE NAMED IN THE DOMESTIC RELATIONS
25 ORDER THAT THE DOMESTIC RELATIONS ORDER IS NOT AN EDRO. THE
26 RETIREMENT SYSTEM SHALL SPECIFY IN THE NOTICE WHY THE RETIREMENT
27 SYSTEM DETERMINED THAT THE DOMESTIC RELATIONS ORDER IS NOT AN

1 EDRO UNDER THIS SECTION. A DETERMINATION BY THE RETIREMENT
2 SYSTEM THAT A DOMESTIC RELATIONS ORDER IS NOT AN EDRO UNDER THIS
3 SECTION DOES NOT PROHIBIT A PARTICIPANT, ALTERNATE PAYEE, OR
4 COURT FROM FILING AN AMENDED DOMESTIC RELATIONS ORDER WITH THE
5 RETIREMENT SYSTEM UNDER THIS SECTION.

6 (10) A DOMESTIC RELATIONS ORDER FILED WITH THE RETIREMENT
7 SYSTEM BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
8 THIS SECTION SHALL BE CONSIDERED AN EDRO UNDER THIS SECTION IF
9 THE RETIREMENT SYSTEM IS MAKING PAYMENTS UNDER THE DOMESTIC RELA-
10 TIONS ORDER ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
11 ADDED THIS SECTION OR TO THE EXTENT A DOMESTIC RELATIONS ORDER IS
12 CONSISTENT WITH THE PROVISIONS OF THIS SECTION. THIS SUBSECTION
13 DOES NOT PROHIBIT A PARTICIPANT, ALTERNATE PAYEE, OR COURT FROM
14 FILING AN AMENDED DOMESTIC RELATIONS ORDER UNDER THIS SECTION.

15 Sec. 19. (1) If a member ceases to be a judge for any
16 reason except retirement or death, he OR SHE shall be paid ~~his~~
17 THE accumulated contributions standing to ~~his~~ THE MEMBER'S
18 credit in the annuity savings fund upon his OR HER demand in
19 writing on forms furnished by the board.

20 (2) If a member dies and no annuity becomes or will become
21 payable on account of his OR HER death, ~~his~~ THE accumulated
22 contributions standing to ~~his~~ THE MEMBER'S credit in the annu-
23 ity savings fund at the time of ~~his~~ THE MEMBER'S death shall be
24 paid to the person or persons nominated by written designation
25 duly executed and filed with the board. If no designated person
26 or persons survives the member, his OR HER accumulated
27 contributions shall be paid to his OR HER legal representative.

1 (3) If a retired member and his OR HER option A or option B
2 beneficiary UNDER SECTION 15(1) or ~~his~~ THE MEMBER'S spouse, if
3 applicable, die before there has been paid an aggregate amount of
4 annuity equal to ~~his~~ THE accumulated contributions standing to
5 ~~his~~ THE MEMBER'S credit in the annuity savings fund at the time
6 of ~~his~~ THE MEMBER'S retirement or death, the difference between
7 ~~his~~ THE MEMBER'S accumulated contributions and the aggregate
8 amount of annuity paid shall be paid to the person or persons
9 nominated by written designation duly executed and filed with the
10 board. If no designated person survives the retired member and
11 ~~his~~ THE MEMBER'S option A or option B beneficiary UNDER SECTION
12 15(1) or ~~his~~ THE MEMBER'S spouse, the difference shall be paid
13 to the legal representative of the last to die of the retired
14 member and ~~his~~ THE MEMBER'S option A or option B beneficiary
15 UNDER SECTION 15(1) or ~~his~~ THE MEMBER'S spouse.

16 (4) Payment of refunds of accumulated contributions as pro-
17 vided in this section may be made in a single sum or in install-
18 ments, as provided by board rule.

19 (5) THE PAYMENT OF REFUNDS OF ACCUMULATED CONTRIBUTIONS
20 UNDER THIS SECTION IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS
21 ORDER UNDER SECTION 17.

22 Sec. 19c. (1) If a member who has 8 or more years of serv-
23 ice credit dies while in office or if a member dies following his
24 OR HER retirement, the applicable following annuity shall be
25 paid:

26 (a) To the spouse. If the deceased member or retired member
27 leaves a spouse to whom he OR SHE was married at the time of his

1 OR HER death, the spouse shall be paid an annuity equal to 1/2
2 the amount of annuity computed ~~according to~~ UNDER section 14
3 based on the deceased member's final salary and service credit.

4 A spouse's annuity shall terminate upon the death of the spouse.

5 (b) To the children. If the deceased member or retired
6 member does not leave a spouse, or if the spouse dies subsequent
7 to the member's or retired member's death, and if no annuity is
8 payable or will become payable under section 15, each of the
9 member's or retired member's unmarried children under the age of
10 19 years shall be paid an annuity terminating upon ~~his~~ THE
11 CHILD'S adoption, marriage, attainment of age 19 years, or death,
12 whichever occurs first. The amount of annuity paid a child shall
13 be an equal share of the amount of annuity determined ~~according~~
14 ~~to~~ UNDER subdivision (a). Upon termination of a child's annui-
15 ty, it shall be divided into equal shares and added to the annui-
16 ties being paid the remaining eligible children, if any. If a
17 child is attending school full time, the board may continue the
18 annuity during the period of ~~his~~ THE CHILD'S full-time school
19 attendance, but in no case beyond the child's attainment of age
20 22 years.

21 (2) An annuity shall not be paid under this section if an
22 annuity is being paid or will become payable under section 15 or
23 if a refund of accumulated contributions is paid under section
24 19.

25 (3) The spouse of a deceased member ~~shall have the right~~
26 ~~to~~ MAY elect a refund of accumulated contributions in lieu of an
27 annuity if the member died in office. The spouse of a deceased

1 retired member ~~shall have the right to~~ MAY elect to be paid an
 2 annuity under an optional form of payment elected by the retired
 3 member pursuant to section 15 or of being paid an annuity pursu-
 4 ant to this section.

5 (4) These amendatory provisions shall not impair any vested
 6 rights heretofore established.

7 (5) THE PAYMENT OF AN ANNUITY OR A REFUND OF ACCUMULATED
 8 CONTRIBUTIONS UNDER THIS SECTION IS SUBJECT TO AN ELIGIBLE DOMES-
 9 TIC RELATIONS ORDER UNDER SECTION 17.

10 Sec. 26. (1) The right of ~~any~~ A person to an annuity, to
 11 the return of accumulated contributions, the annuity itself, any
 12 optional benefit, any other right accrued or accruing to any
 13 member or beneficiary under ~~the provisions of~~ this act, and the
 14 money belonging to the retirement system, ~~shall be~~ ARE unas-
 15 signable and ~~shall~~ ARE not ~~be~~ subject to execution, garnish-
 16 ment, attachment, the operation of bankruptcy or insolvency law,
 17 or any other process of law, except as ~~is specifically~~
 18 OTHERWISE provided ~~by the provisions of~~ IN this act.

19 (2) The right of ~~any~~ A member, former member who meets the
 20 requirements of section 13a, or retired member to an annuity or
 21 deferred annuity, to the return of accumulated contributions, the
 22 annuity itself, any optional benefit, or any other benefit under
 23 ~~the provisions of~~ this act ~~shall be~~ IS subject to award by a
 24 court pursuant to section 18 of chapter 84 of the Revised
 25 Statutes of 1846, being section 552.18 of the Michigan Compiled
 26 Laws, and to any other order of a court pertaining to ALIMONY OR
 27 child support. THE RIGHT OF A MEMBER, FORMER MEMBER WHO MEETS

1 THE REQUIREMENTS OF SECTION 13A, OR RETIRED MEMBER TO AN ANNUITY,
2 OR DEFERRED ANNUITY, TO THE RETURN OF ACCUMULATED CONTRIBUTIONS,
3 THE ANNUITY ITSELF, ANY OPTIONAL BENEFIT, OR ANY OTHER BENEFIT
4 UNDER THIS ACT IS SUBJECT TO AN ELIGIBLE DOMESTIC RELATIONS ORDER
5 UNDER SECTION 17.

6 (3) If an award or order described in subsection (2)
7 requires the retirement system to withhold payment of ~~a pension~~
8 AN ANNUITY, deferred ~~pension~~ ANNUITY, accumulated contribu-
9 tions, or other benefit from the person to whom it is due or
10 requires the retirement system to make payment or requires the
11 person to request that the retirement system make payment of ~~a~~
12 ~~pension~~ AN ANNUITY, deferred ~~pension~~ ANNUITY, accumulated con-
13 tributions, or other benefit, for the purpose of meeting the
14 person's obligations to a spouse, former spouse or child, as pro-
15 vided in subsection (2), the withholding or payment provisions of
16 the award or order ~~shall be~~ IS effective only against ~~such~~
17 THOSE amounts as they become payable to the person receiving ~~a~~
18 ~~retirement allowance~~ AN ANNUITY UNLESS OTHERWISE PROVIDED IN AN
19 ELIGIBLE DOMESTIC RELATIONS ORDER UNDER SECTION 17. The limita-
20 tion contained in this subsection ~~shall~~ DOES not apply to the
21 accumulated contributions of a person who has terminated employ-
22 ment ~~prior to~~ BEFORE acquiring a vested member status.