

HOUSE BILL No. 4785

May 2, 1991, Introduced by Reps. Barns, DeMars and Murphy and referred to the Committee on Senior Citizens and Retirement.

A bill to amend section 12a of Act No. 156 of the Public Acts of 1851, entitled as amended

"An act to define the powers and duties of the county boards of commissioners of the several counties, and to confer upon them certain local, administrative and legislative powers; and to prescribe penalties for the violation of the provisions of this act,"

as amended by Act No. 178 of the Public Acts of 1990, being section 46.12a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 12a of Act No. 156 of the Public Acts of
2 1851, as amended by Act No. 178 of the Public Acts of 1990, being
3 section 46.12a of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 12a. (1) A county board of commissioners at a lawfully
6 held meeting may DO 1 OR MORE OF THE FOLLOWING:

1 (a) Provide group life, health, accident and
2 hospitalization, and disability coverage for a county employee,
3 retired employee, or an employee of an office, board, or depart-
4 ment of the county, including the board of county road commis-
5 sioners, and a dependent of an employee, either with or without
6 cost participation by the employee, and appropriate the necessary
7 funds for the insurance. For a county with 100 employees or
8 more, self-insure for health, accident and hospitalization, and
9 group disability coverage for a county employee, retired employ-
10 ee, or an employee of an office, board, or department of the
11 county, including the board of county road commissioners, and a
12 dependent of an employee, either with or without cost participa-
13 tion by the employee, and appropriate the necessary funds.

14 (b) Adopt and establish a plan by which the county purchases
15 or participates in the cost of an endowment policy or retirement
16 annuity for a county employee or an employee of an office, board,
17 or department of the county, including the board of county road
18 commissioners, to provide monthly pension or retirement benefits
19 for each employee 60 years of age or older in an amount not to
20 exceed \$150.00 per month or 2% of the average monthly earnings of
21 the employee for 5 years immediately before retirement times the
22 years of service of the employee, whichever is the lesser sum.
23 As an option, a county board of commissioners may adopt and
24 establish a plan by which the county pays pension or retirement
25 benefits to a county employee or an employee of an office, board,
26 or department of the county, including the board of county road
27 commissioners, who has been employed for not less than 25 years,

1 or who is 60 years of age or older and has been employed for not
2 less than 5 years, in monthly payments not to exceed 2.5% of the
3 employee's highest average monthly compensation or earnings
4 received from the county or county road fund for 5 years of serv-
5 ice times the total number of years of service of the employee,
6 including a fraction of a year, not to exceed 3/4 of the average
7 final compensation of the employee. A plan may also pay early
8 retirement benefits at 55 years of age or older to the extent of
9 actuarially equivalent benefits not increasing the costs of the
10 plan. Except as provided in subsection (28), endowment policies,
11 retirement benefits, pensions, or annuity retirement benefits in
12 excess of the amounts stipulated in this subdivision may be pro-
13 vided for by a plan of employee participation to cover the cost
14 of the excess. If the employment or the pension or retirement
15 benefits of an employee who participated in the cost of pension
16 or retirement benefits are terminated before the employee
17 receives pension or retirement benefits equal to the total amount
18 of the employee's participation, the balance of the total partic-
19 ipation shall be refunded to the employee at the time of termina-
20 tion, if living, or if deceased, to the employee's heir, legal
21 representative, or designated beneficiary as provided in the plan
22 adopted and established by the county board of commissioners. If
23 a terminated employee is subsequently rehired by the county, the
24 employee may repay the amount of participation refunded to the
25 employee upon the employee's termination, together with compound
26 interest from the date of refund to the dates of repayment at the
27 rates provided in the plan. As conditions for repayment, the

1 plan may require return to employment for a period not to exceed
2 3 years and may require that repayment be completed within a
3 period of not less than 1 year following return to employment. A
4 plan adopted for the payment of retirement benefits or a pension
5 shall grant benefits to an employee eligible for pension or
6 retirement benefits according to a uniform scale for all persons
7 in the same general class or classification. An employee shall
8 not be denied benefits by termination of his or her employment
9 after the employee becomes eligible for benefits under the plan
10 and this section. An endowment policy or annuity purchased pur-
11 suant to this section shall be purchased from an insurer autho-
12 rized to write endowment policies or annuities in this state.

13 (2) In a plan adopted under this section, at least 60% of
14 the total pension or retirement benefit granted to an employee
15 from county funds shall consist of a percentage not to exceed
16 2.5% of the employee's average final compensation times the
17 employee's years of service and shall be granted to each employee
18 eligible for retirement under the plan uniformly and without
19 restriction or limitation other than those prescribed in this
20 section. "Average final compensation" as used in this section
21 means the annual average of the highest actual compensation
22 received by a county employee, other than a county employee who
23 is ~~either~~ a judge of a municipal court of record subject to
24 subsection (21) or a judge subject to subsection (24), during
25 either a period of 5 consecutive years of service contained
26 within the employee's 10 years of service immediately before the
27 employee's retirement or a period of 5 years of service as

1 specified in the plan. In a county that adopts a plan for
2 granting longevity pay, the county board of commissioners may
3 exclude this longevity pay from average final compensation for
4 the purpose of computing the rate of employee contribution and
5 the amount of benefits payable to an employee upon retirement.
6 "Longevity pay" means increments of compensation payable at
7 annual or semiannual intervals and based upon years of service to
8 the county, exclusive of compensation provided for a given class
9 of positions.

10 (3) A circuit court stenographer is eligible for membership
11 in, and the benefits of, a pension or retirement benefit under a
12 plan established pursuant to this section, or a social security
13 plan established by the county or 1 of the counties that pays a
14 portion of the compensation of a circuit court stenographer.

15 (4) If the employment of a county employee eligible to
16 receive a pension or retirement benefit under a plan established
17 pursuant to this section is terminated after the employee has
18 completed 8 or more years of service in county employment, the
19 employee shall receive the amount of pension or retirement bene-
20 fit to which the employee's service would have entitled the
21 employee under the plan established, if the employee waives the
22 employee's right to a refund of the employee's total participa-
23 tion upon the termination of employment. The payment of pension
24 or retirement benefits shall begin, as provided in the plan,
25 after the employee would have become eligible for retirement
26 under the plan had the employee's employment not been terminated,
27 but not later than 90 days after the employee becomes 65 years of

1 age. The payment of pension or retirement benefits shall not
2 begin until the employee has applied for pension or retirement
3 benefits in the manner prescribed in the plan established.

4 (5) A plan established under this section may provide for
5 pension or retirement benefits for a county employee who becomes
6 totally disabled for work in the county service from any cause,
7 after not less than 10 years of county employment, to the extent
8 of the limitations provided in this section. A plan may also
9 provide for pension or retirement benefits to the extent of the
10 limitations provided in this section or \$400.00 per month, which-
11 ever is the greater sum, for an employee who becomes totally dis-
12 abled for work in the county service from causes that are the
13 direct and proximate result of county employment, to continue for
14 the duration of the disability or until the employee becomes eli-
15 gible for retirement pursuant to other provisions of the plan
16 authorized by this section. A plan may also provide for pension
17 or retirement benefits, to the extent of the limitations provided
18 in this section, for the actual dependents of a county employee
19 who dies while still employed by the county after not less than
20 10 years of county employment, or who dies after leaving county
21 employment with not less than the number of years of service
22 required to vest in the plan but before becoming eligible to
23 receive a pension or retirement benefit. A plan may also provide
24 for pension or retirement benefits to the extent of the limita-
25 tions provided in this section or \$400.00 per month, whichever is
26 greater, for the actual dependents of a deceased county employee
27 whose death is the direct and proximate result of county

1 employment. The plan may provide that the period from the end of
2 the deceased or disabled employee's period of service to the date
3 that employee would have become eligible for retirement be used
4 as service for the sole purpose of computing the amount of dis-
5 ability or death pension.

6 (6) "County employee" includes a bailiff of the district
7 court in the thirty-sixth district who serves pursuant to section
8 8322 of the revised judicature act of 1961, Act No. 236 of the
9 Public Acts of 1961, as amended, being section 600.8322 of the
10 Michigan Compiled Laws, and a person who receives more than 50%
11 of all compensation for personal services, rendered to governmen-
12 tal units, from a county fund or county road fund, except a
13 person, other than a bailiff of the district court in the
14 thirty-sixth district, engaged for special services on a contract
15 or fee basis. The plan adopted under this section, until
16 December 31, 1979, may include as a county employee a person on
17 leave of absence from county employment who is not a member of
18 another retirement system except as a retirant and who pays or
19 arranges payment of contributions equal to the contributions that
20 would have been required to be paid under the plan by both the
21 county and the employee, based upon the compensation the employee
22 would have received from the county, if the employee had not
23 taken a leave of absence or a person who complies with the
24 requirements of such a provision approved for inclusion in a plan
25 by the county board of commissioners before January 1, 1976, who
26 shall be considered to be a county employee during the period of
27 compliance. Provision may be made to exclude a person who is

1 employed on a temporary basis and a person employed in a position
2 normally requiring less than 1,000 hours, or some lesser speci-
3 fied number of hours, work per year. A bailiff serving in the
4 district court in the thirty-sixth district is eligible to
5 receive benefits under this section if a plan has been estab-
6 lished by law by which the cost of benefits is payable from
7 sources including charges on all legal instruments in which the
8 service of process by a bailiff is required and earmarked by law
9 for benefits, and contributions made by the state and each bai-
10 liff pursuant to section 8322(7) of Act No. 236 of the Public
11 Acts of 1961, as amended. The plan shall include provisions by
12 which a bailiff or former bailiff who served as bailiff as of
13 January 1, 1967, may retire after 25 years of service regardless
14 of age, with maximum benefits to be computed as follows: start-
15 ing as of January 1, 1969, the average of any 5 years of earnings
16 of the previous 10 years served in succession before retirement
17 multiplied by 1.9% times the years of service; starting as of
18 June 1, 1975, the average of any 5 years of earnings multiplied
19 by 2% times the years of service. For purposes of this subsec-
20 tion, "earnings" means the salary and fees, other than mileage,
21 received by a bailiff pursuant to section 8322(6) of Act No. 236
22 of the Public Acts of 1961, as amended. The plan shall include
23 provisions by which health, accident, and hospitalization insur-
24 ance premiums may be paid out of the earnings of this fund.
25 These payments shall be made at the discretion of the pension
26 board of trustees. ~~The~~ A county that has a retirement fund for
27 bailiffs under this section shall annually review the retirement

1 fund and shall ensure that the fund is maintained in an
2 actuarially sound condition. Copies of the actuarial reports
3 shall be provided to the state judicial council created by chap-
4 ter 91 of Act No. 236 of the Public Acts of 1961, being sections
5 600.9101 to 600.9107 of the Michigan Compiled Laws.

6 (7) An employee while receiving a pension or retirement ben-
7 efit because of disability, pursuant to this section, may be con-
8 sidered as employed in the county service for the purpose of
9 retirement under this section.

10 (8) A county employee who is included by law in another pen-
11 sion or retirement system by reason of the compensation the
12 employee receives from the county may be excluded from a plan
13 established under this section or included only to the extent of
14 the difference between benefits granted under this section and
15 the other pension or retirement system.

16 (9) The county board of commissioners, upon the request of a
17 county employee, by not less than a 3/5 vote may credit that
18 county employee with the amount of government service resulting
19 from employment with the United States government, except mili-
20 tary service, EMPLOYMENT WITH a state, or EMPLOYMENT WITH any of
21 their political subdivisions under the following conditions:

22 (a) Employment by the county occurred within ~~5~~ 15 years
23 following the county employee's separation from service of the
24 last unit of government by which the county employee was
25 employed.

26 (b) Service rendered before the last break in service of
27 more than ~~5~~ 15 years shall not be credited.

1 (c) Service that is recognized for the purpose of a deferred
2 retirement allowance under a retirement system or other
3 employer-funded retirement benefit plan, except for a retirement
4 benefit plan under the social security act, chapter 531, 49
5 Stat. 620, of the United States government, a state, or a politi-
6 cal subdivision of a state shall not be credited if the county
7 employee retired under a retirement system of the United States
8 government, a state, or any of their political subdivisions or
9 until the county employee irrevocably forfeits the right to the
10 deferred retirement allowance.

11 (d) The county employee deposits in the plan established
12 under this section an amount equal to the aggregate amount of
13 contributions the county employee would have made had the service
14 been acquired in the employ of the county, plus interest from the
15 dates the contributions would have been made to the date of
16 deposit, at rates determined by the board. If records are insuf-
17 ficient or unavailable to compute the exact amount of required
18 deposit, the board may estimate the amount.

19 (e) The county employee has 8 or more years of credited
20 service in county employment, has legal vesting in the county
21 plan, and deposits in the county employees' retirement system an
22 amount equal to the aggregate amount of contributions the
23 employer would have made had the government service being cred-
24 ited under this section been acquired in the employ of the
25 county.

26 (10) A plan adopted under this section may provide for
27 annual or less frequent postretirement redetermination of a

1 pension. The redetermined amount of pension shall be not greater
2 than the amount of pension otherwise payable multiplied by the
3 following percent: 100%, plus the percentage the county board of
4 commissioners determines appropriate for each full year, exclud-
5 ing a fraction of a year, in the period from the effective date
6 of payments of the pension and the date as of which the redeter-
7 mination is being made. The redetermined amount shall not be
8 less than the amount of pension otherwise payable. A provision
9 of this section that limits the amount of a pension shall not
10 apply to the operation of this subsection redetermining the
11 amount of a pension. As used in this subsection, "the amount of
12 pension otherwise payable" means the amount of pension that would
13 be payable without regard to this subsection. The application of
14 a provision redetermining pension amounts may be restricted to
15 pensions having an effective date of payment either before or
16 after a specified date.

17 (11) The cost of pension or retirement benefits for a county
18 employee under this section may be paid from the same fund from
19 which the employee receives compensation, and the county board of
20 commissioners may appropriate the necessary funds to carry out
21 the purposes of this section. If a county establishes a plan by
22 which the county pays pension or retirement benefits to an
23 employee pursuant to this section, the county shall, in accord-
24 ance with provisions for pension or retirement benefits that are
25 incorporated in the plan, establish and maintain reserves on an
26 actuarial basis in the manner provided in this subsection
27 sufficient to finance the pension and retirement and death

1 benefit liabilities under the plan and sufficient to pay the
2 pension and retirement and death benefits as they become due. A
3 county that adopts a retirement plan under this section and
4 establishes reserves on an actuarial basis shall maintain the
5 reserves as provided in this subsection. The reserves shall be
6 determined by an actuarial valuation and established and main-
7 tained by yearly appropriations by the county and contributions
8 by employees. The reserves shall be established, maintained, and
9 funded to cover the pension and other benefits provided for in
10 the plan in the same manner and within the same limits as to time
11 as is provided for Benefit Program B in the municipal employees
12 retirement system described in section 14 of the municipal
13 employees retirement act OF 1984, Act No. 427 of the Public Acts
14 of 1984, being section 38.1514 of the Michigan Compiled Laws.
15 These reserves are trust funds and shall not be used for any
16 other purpose than the payment of pension, retirement, and other
17 benefits and refunds of employee contributions in accordance with
18 the plan established in a county. An employee's contributions
19 shall be kept and accumulated in a separate fund and used only
20 for the payment of annuities and refunds to employees. This sub-
21 section does not apply to a county that adopted a retirement plan
22 under this section and did not establish reserves on an actuarial
23 basis before October 11, 1947.

24 (12) A plan established by a county for the payment of pen-
25 sion and retirement benefits to an employee under this section
26 shall be approved as complying with this section by a county
27 pension plan committee consisting of the attorney general, the

1 state treasurer, and the executive secretary of the state
2 employees' retirement system created by the state employees'
3 retirement act, Act No. 240 of the Public Acts of 1943, as
4 amended, being sections 38.1 to ~~38.47~~ 38.48 of the Michigan
5 Compiled Laws, before the plan becomes effective or operative in
6 the county. Each county retirement plan operating under this
7 section shall be approved by the committee as complying with this
8 section biennially. A financial statement for each county
9 retirement plan operating under this section shall be submitted
10 annually to the county pension plan committee by the county
11 board, official, or employee designated by the county board of
12 commissioners. The financial statement shall be in the form,
13 contain the information, and be submitted as the county pension
14 plan committee prescribes. The state treasurer shall audit the
15 funds and accounts of county retirement plans established under
16 this section in the same manner as the state treasurer audits
17 other county accounts and may audit and investigate county
18 retirement plan funds and accounts to the extent necessary to
19 effectuate the purposes of this section. This subsection does
20 not apply to a county that adopted a retirement plan under this
21 section and did not establish reserves on an actuarial basis
22 before October 11, 1947.

23 (13) If a county establishes a plan for the payment of pen-
24 sion and retirement benefits to its employees pursuant to this
25 section, the county board of commissioners may provide for a
26 board of trustees to administer the plan and for the manner of
27 election or appointment of the members of the board of trustees.

1 The county board of commissioners may grant authority to the
2 board of trustees to fully administer and operate the plan and to
3 deposit, invest, and reinvest the funds and reserves of the plan
4 within the limitations prescribed by the county board of commis-
5 sioners in the plan. The county board of commissioners may
6 authorize the investment of funds of a county retirement plan
7 established under this section in anything in which the funds of
8 the state employees' retirement system or the funds of the munic-
9 ipal employees retirement system may be invested, pursuant to Act
10 No. 240 of the Public Acts of 1943, as amended, and Act No. 427
11 of the Public Acts of 1984, being sections 38.1501 to ~~38.1555~~
12 38.1556 of the Michigan Compiled Laws. A county retirement plan
13 established under this section may provide for financing, fund-
14 ing, and the payment of benefits in the same manner and to the
15 same extent as is provided for in Act No. 240 of the Public Acts
16 of 1943, as amended, and Act No. 427 of the Public Acts of 1984,
17 may provide for and require contributions by county employees,
18 and may permit additional employee contributions on a voluntary
19 basis.

20 (14) Upon the approval of the county board of commissioners,
21 a member who entered the armed service of the United States
22 before June 1, 1980 or who entered the armed service of the
23 United States on or after June 1, 1980 during a time of war or
24 emergency condition as described in section 1 of Act No. 190 of
25 the Public Acts of 1965, as amended, being section 35.61 of the
26 Michigan Compiled Laws, may elect to receive credited service for
27 not more than 5 years of active military service. Credit for

1 military service shall be given upon request and payment to the
2 retirement system of an amount equal to 5% of the member's
3 full-time or equated full-time annual compensation for the year
4 in which payment is made multiplied by the number of years, and
5 fraction of a year, of credited service that the member elects to
6 purchase up to the maximum. Service shall not be credited if the
7 service is or would be credited under any other federal, state,
8 or local publicly supported retirement system. Service shall not
9 be credited under this subsection until the member has the number
10 of years of credited service needed to vest under the plan. Only
11 completed years and months of armed service shall be credited
12 under this subsection.

13 (15) A member who enters or entered any armed service of the
14 United States may purchase credited service for periods of con-
15 tinuous active duty lasting 30 days or more, subject to ALL OF
16 the following conditions:

17 (a) The county board of commissioners authorizes the pur-
18 chase of credited service under this subsection by an affirmative
19 vote of a majority of the members of the county board of
20 commissioners. The county board of commissioners shall establish
21 a written policy to implement the provisions of this subsection
22 in order to provide uniform application of this subsection to all
23 members of the plan.

24 (b) The member has at least the number of years of credited
25 service needed to vest under the plan, not including any credited
26 service purchased under this subsection and subsection (14).

1 (c) The member pays the plan 5% of the member's annual
2 compensation multiplied by the period of credited service being
3 purchased. As used in this subdivision, "annual compensation"
4 means the aggregate amount of compensation paid the member during
5 the 4 most recent calendar quarters for each of which the member
6 was credited 3/12 of a year of credited service.

7 (d) Fractional months of armed service shall not be recog-
8 nized for the purposes of this subsection.

9 (e) Armed service credited a member under subsection (14)
10 shall not be the basis of credited service under this section.

11 (f) Armed service credited a member under this subsection
12 shall not exceed either 5 years or the difference between 5 years
13 and the armed service credited the member under subsection (14).

14 (g) Credited service shall not be granted for periods of
15 armed service that are or could be used for obtaining or increas-
16 ing a benefit from another retirement system.

17 (16) As used in this subsection, "transitional public
18 employment program" means a public service employment program in
19 the area of environmental quality, health care, education, public
20 safety, crime prevention and control, prison rehabilitation,
21 transportation, recreation, maintenance of parks, streets, and
22 other public facilities, solid waste removal, pollution control,
23 housing and neighborhood improvements, rural development, conser-
24 vation, beautification, veterans' outreach, or any other area of
25 human betterment and community improvement as part of a program
26 of comprehensive manpower services authorized, undertaken, and
27 financed pursuant to the former comprehensive employment and

1 training act of 1973, Public Law 93-203. A person participating
2 in a transitional public employment program ~~shall~~ IS not ~~be~~
3 eligible for membership in a retirement system or pension plan
4 established under this section. If the person later becomes a
5 member of a retirement system or pension plan established under
6 this section within 12 months after the date of termination as a
7 participant in a transitional public employment program, service
8 credit shall be given for employment in the transitional public
9 employment program for purposes of determining a retirement
10 allowance upon the payment by the person and the person's
11 employer under the transitional public employment program from
12 funds provided under the former comprehensive employment and
13 training act of 1973, Public Law 93-203, as funds permit, to the
14 retirement system of the contributions, plus regular interest,
15 the person and the employer would have paid had the employment
16 been rendered in a position covered by this section. During the
17 person's employment in the transitional public employment pro-
18 gram, the person's employer shall provide an opportunity by pay-
19 roll deduction for the person to make his or her employee contri-
20 bution to the applicable pension system. To provide for the
21 eventual payment of the employer's contribution, the person's
22 employer shall during this same period place in reserve a reason-
23 able but not necessarily an actuarially determined amount equal
24 to the contributions that the employer would have paid to the
25 retirement system for those employees in the transitional public
26 employment program as if they were members under this section,
27 but only for that number of employees that the employer

1 determined would transfer from the transitional public employment
2 program into positions covered by this section. If the funds
3 provided under the former comprehensive employment and training
4 act of 1973, Public Law 93-203, are insufficient, the remainder
5 of the employer contributions shall be paid by the person's cur-
6 rent employer.

7 (17) Subsection (16) does not exclude the participant in a
8 transitional public employment program from the accident, dis-
9 ability, or other benefits available to members of the retirement
10 system covered by this section.

11 (18) If a probate judge who is a member of a plan estab-
12 lished under this section contributes for not less than 20 years,
13 the county board of commissioners may allow the probate judge to
14 cease further contributions.

15 (19) An employee of the circuit court in the third judicial
16 circuit, the common pleas court of the city of Detroit, or the
17 recorder's court of the city of Detroit who became an employee of
18 the state judicial council on September 1, 1981, and who was 44
19 years of age or older as of that date, and who will have accumu-
20 lated 25 or more years of service credit by September 1, 1987,
21 shall continue to be eligible for membership in, and the benefits
22 of, a pension or retirement benefit plan established pursuant to
23 this section in the same manner as the employee was eligible
24 before September 1, 1981. A person who was an employee of the
25 circuit court in the third judicial circuit, the common pleas
26 court of the city of Detroit, or the recorder's court of the city
27 of Detroit on August 31, 1981, who last entered county employment

1 ~~prior to~~ BEFORE November 2, 1956, who became an employee of the
2 state judicial council on September 1, 1981, and who accumulated
3 not less than 24 years of service credit by August 31, 1981,
4 shall continue to be eligible for membership in, and the benefits
5 of, a pension or retirement benefit plan established pursuant to
6 this section in the same manner as the employee was eligible
7 before September 1, 1981. An election to continue to be a member
8 of a pension or retirement benefit plan established pursuant to
9 this section as authorized by section 594(2) of the revised judi-
10 cature act of 1961, Act No. 236 of the Public Acts of 1961, being
11 section 600.594 of the Michigan Compiled Laws, or section 36(2)
12 of Act No. 369 of the Public Acts of 1919, being section 725.36
13 of the Michigan Compiled Laws, is not effective unless the
14 employee has made the election in the manner prescribed by those
15 sections and has made the payments required by those sections.

16 (20) A plan adopted under this section may provide that an
17 employee of the circuit court in the third judicial circuit, the
18 common pleas court of the city of Detroit, or the recorder's
19 court of the city of Detroit who is a member of the Wayne county
20 employees' retirement system on August 31, 1981, who becomes an
21 employee of the state judicial council and a member of the state
22 employees' retirement system on September 1, 1981, receive a ben-
23 efit based on the annual average of the highest actual compensa-
24 tion received by the employee during a period of 5 years of
25 county or state service.

26 (21) Beginning September 1, 1981, for determining the
27 retirement benefit for a county employee who is a judge of a

1 municipal court of record pursuant to subsection (2), "average
2 final compensation" means the annual average of the highest
3 actual compensation received by the judge as additional salary
4 pursuant to section 13(2) of Act No. 369 of the Public Acts of
5 1919, as amended, being section 725.13 of the Michigan Compiled
6 Laws, during a period of 5 years of service as specified in the
7 plan. This subsection shall not be construed to diminish or
8 impair an accrued financial benefit.

9 (22) Beginning September 1, 1981, for each county employee
10 who is a judge of a municipal court of record, or of the circuit
11 or district court, the sum of the average final compensation
12 determined for that county employee pursuant to this section and
13 the final salary determined for that county employee as a member
14 of the state of Michigan judges' retirement system pursuant to
15 the judges' retirement act, Act No. 198 of the Public Acts of
16 1951, as amended, being sections 38.801 to 38.831 of the Michigan
17 Compiled Laws, shall not exceed the employee's total annual judi-
18 cial salary payable from all sources at the time of his or her
19 retirement. This subsection shall not be construed to diminish
20 or impair an accrued financial benefit.

21 (23) Beginning September 1, 1981, for each county employee
22 who is a judge of the probate court, the sum of the average final
23 compensation calculated for that employee pursuant to this sec-
24 tion and the final salary calculated for that employee as a
25 member of the state of Michigan probate judges retirement system
26 pursuant to the probate judges retirement act, Act No. 165 of the
27 Public Acts of 1954, as amended, being sections 38.901 to 38.933

1 of the Michigan Compiled Laws, shall not exceed the employee's
2 total annual judicial salary payable from all sources at the time
3 of his or her retirement. This subsection shall not be construed
4 to diminish or impair an accrued financial benefit.

5 (24) Beginning September 1, 1981, for determining a retire-
6 ment benefit pursuant to subsection (2) for a county employee who
7 is a judge who receives an annuity pursuant to section 14(5) of
8 Act No. 198 of the Public Acts of 1951, as amended, being section
9 38.814 of the Michigan Compiled Laws, "average final
10 compensation" means the difference between the judge's total
11 annual salary payable from all sources on August 31, 1981, and
12 the judge's state base salary payable on August 31, 1981. This
13 subsection shall not be construed to diminish or impair an
14 accrued financial benefit.

15 (25) Beginning January 1, 1983, the sum of the final salary
16 determined for each county employee who is a judge of the probate
17 court used as the basis for determining the judge's retirement
18 allowance as a member of a retirement system established pursuant
19 to this section and the salary or compensation figure used as the
20 basis for determining the ~~state of Michigan~~ judge's retirement
21 allowance as a member of the STATE OF MICHIGAN judges' retirement
22 system created by Act No. 198 of the Public Acts of 1951, shall
23 not exceed the judge's total annual salary payable from all
24 sources at the time of his or her retirement. This subsection
25 shall not be construed to diminish or impair an accrued financial
26 benefit.

1 (26) The county board of commissioners, upon the request of
2 a county employee, by not less than a 3/5 vote may credit that
3 county employee with the amount of membership service that the
4 county employee was previously credited with by the retirement
5 system established under this section under the following
6 conditions:

7 (a) The membership service previously credited to the county
8 employee was service rendered for the same county.

9 (b) Service that is recognized for the purpose of a deferred
10 retirement allowance under a retirement system or other
11 employer-funded retirement benefit plan, except for a retirement
12 benefit plan under the social security act, chapter 531, 49
13 Stat. 620, of the United States government, a state, or a politi-
14 cal subdivision of a state shall not be credited if the county
15 employee retired under a retirement system of the United States
16 government, a state, or any of their political subdivisions or
17 until the county employee irrevocably forfeits the right to the
18 deferred retirement allowance.

19 (c) The county employee deposits in the plan established
20 under this section an amount equal to the aggregate amount of
21 contributions the county employee made at the time of the previ-
22 ous membership service plus interest from the date of withdrawal
23 of the accumulated contributions to the date of deposit, at rates
24 determined by the board. If records are insufficient or unavail-
25 able to compute the exact amount of required deposit, the board
26 may estimate the amount.

1 (d) The county employee deposits in the county employees'
2 retirement system an amount equal to the aggregate amount of
3 contributions the employer made at the time of the previous mem-
4 bership service plus interest from the date of separation to the
5 date of deposit, at rates determined by the board.

6 (27) A person participating in a program described in this
7 subsection is not eligible for membership in a retirement system
8 or pension plan established under this section. In addition,
9 that person shall not receive service credit for the employment
10 described in this subsection even though the person subsequently
11 becomes or has been a member of the retirement system. This sub-
12 section applies to all of the following:

13 (a) A person, not regularly employed by the county, who is
14 employed by the county through participation in a program estab-
15 lished pursuant to the job training partnership act, Public Law
16 97-300, 96 Stat. 1322.

17 (b) A person, not regularly employed by the county, who is
18 employed by the county through participation in a program estab-
19 lished pursuant to the Michigan opportunity and skills training
20 program, first established under sections 12 to 23 of Act No. 259
21 of the Public Acts of 1983.

22 (c) A person, not regularly employed by the county, who is
23 employed by the county through participation in a program estab-
24 lished pursuant to the Michigan community service corps program,
25 first established under sections 25 to 35 of Act No. 259 of the
26 Public Acts of 1983 and sections 148 to 160 of Act No. 246 of the
27 Public Acts of 1984.

1 (d) A person, not regularly employed by the county, who is
2 hired by the county to administer a program described in subdivi-
3 sion (a), (b), or (c).

4 (28) If a county enters into a collective bargaining agree-
5 ment pursuant to Act No. 336 of the Public Acts of 1947, being
6 sections 423.201 to 423.216 of the Michigan Compiled Laws, which
7 provides for retirement benefits that are in excess of the
8 retirement benefits otherwise authorized to be provided under
9 this section for employees of the county who are covered by a
10 plan under this section, then the county board of commissioners
11 may amend or adopt a plan under this section to provide those
12 benefits to employees who are members of the bargaining unit cov-
13 ered by the agreement, and may, after December 31, 1987, amend or
14 adopt a plan under this section to provide those benefits to
15 other employees of the county.

16 (29) Beginning on April 30, 1990, 1 of the following condi-
17 tions ~~shall apply~~ APPLIES to a retirant who is receiving a pen-
18 sion or retirement benefit from a plan under this section if the
19 retirant becomes employed by a county that has established a plan
20 under this section:

21 (a) Payment of the pension or retirement benefit to the
22 retirant shall be suspended if the retirant is employed by the
23 county from which the retirant retired. Suspension of the pay-
24 ment of the pension or retirement benefit shall become effective
25 the first day of the calendar month that follows the sixtieth day
26 after the retirant is employed by the county. Payment of the
27 pension or retirement benefit shall resume on the first day of

1 the calendar month that follows termination of the employment.
2 Payment of the pension or retirement benefit shall be resumed
3 without change in amount or conditions by reason of the
4 employment. The retirant shall not be a member of the plan
5 during the period of employment.

6 (b) Payment of the pension or retirement benefit to the
7 retirant shall continue without change in amount or conditions by
8 reason of the employment if the retirant becomes employed by a
9 county other than the county from which the retirant retired.
10 For the purposes of membership and potential benefit entitlement
11 under the plan of the other county, the retirant shall be consid-
12 ered in the same manner as an individual with no previous record
13 of employment by that county.

14 (30) A county may increase the percentage of the highest
15 average monthly compensation or earnings that was used to calcu-
16 late the pension or retirement benefit under subsection (1)(b) of
17 a person receiving a pension or retirement benefit under this
18 section on the date the county increases the percentage of com-
19 pensation or earnings. The county shall recalculate the pension
20 or retirement benefit using the increased percentage of compensa-
21 tion or earnings. The person receiving the pension or retirement
22 benefit is eligible to receive an adjusted pension or retirement
23 benefit based upon the recalculation effective the first day of
24 the month following the date the county increases the percentage
25 of compensation or earnings under this subsection.

26 (31) If a county retirement plan established under this
27 section provides an optional form of payment of a retirement

1 allowance, a retirement allowance may be made payable under this
2 subsection, by resolution of the county board of commissioners,
3 to the surviving spouse of a deceased retirant if all of the
4 requirements of this subsection are met. If a member of a county
5 retirement plan established under this section retired after May
6 1, 1981 but before November 12, 1985, elected to receive his or
7 her retirement allowance in life payments to the retirant, and
8 died after November 1, 1989 but before December 31, 1989, the
9 surviving spouse of that deceased retirant shall receive a
10 retirement allowance pursuant to this subsection. The county
11 board of commissioners shall compute the retirement allowance in
12 the same manner as if, on the day before the retirant's death,
13 the deceased retirant had elected to receive a reduced retirement
14 allowance in life payments to the retirant with full continuation
15 to the retirement allowance beneficiary and had nominated the
16 surviving spouse as the retirement allowance beneficiary. The
17 surviving spouse shall begin to receive the retirement allowance
18 under this subsection effective the first day of the month fol-
19 lowing the month in which application to the county retirement
20 plan is made by the surviving spouse. A payment of a retirement
21 allowance under this subsection shall not be paid for any month
22 before the first month a retirement allowance is payable under
23 this subsection. As used in this subsection, "spouse" means the
24 person, if any, to whom the deceased retirant was married on the
25 effective date of his or her retirement under the county retire-
26 ment plan and on the date of his or her death.