

SENATE BILL No. 578

October 30, 1991, Introduced by Senator N. SMITH and referred to the Committee on Finance.

A bill to amend section 46 of Act No. 300 of the Public Acts of 1980, entitled

"The public school employees retirement act of 1979,"

as amended by Act No. 47 of the Public Acts of 1991, being section 38.1346 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 46 of Act No. 300 of the Public Acts of
2 1980, as amended by Act No. 47 of the Public Acts of 1991, being
3 section 38.1346 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 46. (1) Except as otherwise provided in this section,
6 a retirement allowance, an optional benefit, or any other benefit
7 accrued or accruing to a person under this act, the reserves
8 created by this act, and the money, investments, or income of
9 those reserves are exempt from ~~state,~~ county, municipal, or

1 other local tax and are not subject to execution, garnishment,
2 attachment, the operation of bankruptcy or insolvency laws, or
3 other process of law. The right to a retirement allowance, an
4 optional benefit, or any other benefit accrued or accruing to a
5 person under this act is unassignable, except as specifically
6 provided in this act.

7 (2) The retirement system may offset retirement benefits or
8 refunds payable under this act against amounts owed to the
9 retirement system by a member, retirant, retirement allowance
10 beneficiary, or refund beneficiary.

11 (3) If the retirement system is required by the federal gov-
12 ernment pursuant to a court order to transmit a part of a
13 member's contributions standing to the member's credit in the
14 reserve for employee contributions to a federal agency, the serv-
15 ice credit that is covered by the payment shall be forfeited in
16 the same manner as if the employee had requested and been paid a
17 refund of the member's most recent contributions.

18 (4) A retirement allowance, an optional benefit, accumulated
19 contributions, or any other benefit to a member, a deferred
20 member, a retirement allowance beneficiary, or a retirant under
21 this act is subject to award by a court pursuant to section ~~88-~~
22 18 of chapter 84 of the Revised Statutes of 1846, being section
23 552.18 of the Michigan Compiled Laws, and to any other order of a
24 court pertaining to alimony or child support. However, this sub-
25 section does not permit or require a benefit to be paid or to be
26 provided that is not otherwise available under this act.

1 (5) If an award or order described in subsection (4)
2 requires the retirement system to withhold payment of a
3 retirement allowance, deferred retirement allowance, accumulated
4 contributions, or other benefit from the person to whom it is due
5 or requires the retirement system to pay or requires the person
6 to request that the retirement system pay a retirement allowance,
7 deferred retirement allowance, accumulated contributions, or
8 other benefit, for the purpose of meeting the person's obliga-
9 tions to a spouse, former spouse, or child, as provided in
10 subsection (4), the withholding or payment provisions of the
11 award or order are effective only against such amounts as they
12 become payable to the person otherwise entitled to receive the
13 retirement allowance unless otherwise provided in an eligible
14 domestic relations order under the eligible domestic relations
15 order act. The limitation contained in this subsection does not
16 apply to the accumulated contributions of a person who has termi-
17 nated employment before acquiring a vested member status.

18 (6) A retirement allowance or an optional benefit payable to
19 a member, deferred member, or retirant under this act is subject
20 to an eligible domestic relations order under the eligible domes-
21 tic relations order act.

22 Section 2. This amendatory act shall not take effect unless
23 all of the following bills of the 86th Legislature are enacted
24 into law:

25 (a) Senate Bill No. 131.

26 (b) Senate Bill No. 577.

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1 (c) Senate Bill No. 579.

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