



HOUSE BILL No. 4366

February 24, 1993, Introduced by Reps. Bryant, Bullard and Kaza and referred to the Committee on Education.

A bill to amend sections 6 and 7 of Act No. 300 of the Public Acts of 1980, entitled "The public school employees retirement act of 1979," as amended by Act No. 194 of the Public Acts of 1989, being sections 38.1306 and 38.1307 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 6 and 7 of Act No. 300 of the Public
2 Acts of 1980, as amended by Act No. 194 of the Public Acts of
3 1989, being sections 38.1306 and 38.1307 of the Michigan Compiled
4 Laws, are amended to read as follows:

5 Sec. 6. (1) "Original member" means a member employed in
6 Michigan public schools before July 1, 1945.

7 (2) "Out of system public education service" means service
8 performed in public education meeting 1 or more of the following
9 requirements:

1 (a) Performed in other states in the United States or its
2 territorial possessions.

3 (b) Performed at the university of Michigan, Michigan state
4 university, Wayne state university, Grand Valley state universi-
5 ty, Oakland university, or Saginaw Valley university.

6 (c) Service purchased before January 31, 1991 and performed
7 in a juvenile training school operated by a county in this
8 state.

9 (d) Service purchased before January 31, 1991 and performed
10 in a community mental health service program operated under
11 former Act No. 54 of the Public Acts of 1963 for the severely
12 mentally retarded in day care programs, day training programs, or
13 day care training programs that were transferred to an intermedi-
14 ate school district by direction of the department of education.

15 (e) Service purchased before January 31, 1991 and performed
16 as an elementary or secondary teacher at a United States armed
17 forces military base in the United States or a foreign country.

18 (f) Service purchased before January 31, 1991 and performed
19 as a teacher or administrator of American nationals in overseas
20 public elementary or secondary schools operated by the United
21 States department of defense.

22 (3) "Prior service" means service performed before July 1,
23 1945.

24 (4) "Public school employee" means an employee of a public
25 local school district, intermediate school district, CHARTER
26 SCHOOL, tax supported community or junior college, eastern
27 Michigan university, central Michigan university, northern

1 Michigan university, western Michigan university, Ferris state
2 university, Michigan technological university, Lake Superior
3 state university, or district library as defined in section 69g
4 if the conditions in section 69g(1) are met for that employee.
5 Service at Michigan technological university shall be creditable
6 only if the amount of the accumulated contributions in the state
7 employees' retirement system for service is paid to the retire-
8 ment system. Service at Ferris state university shall be credit-
9 able as prior service or membership service only if the employee
10 was employed at Ferris state university on a full-time basis for
11 2 or more years after May 17, 1949. Until January 1, 1988,
12 public school employee also includes a person holding a Michigan
13 teacher certificate and serving as an employee of the Michigan
14 high school athletic association, other than a person whose
15 effective date of employment with the Michigan high school ath-
16 letic association is on or after December 31, 1986. A public
17 school employee on an approved leave of absence is included
18 within this definition.

19 Sec. 7. (1) "Refund beneficiary" means 1 or more persons
20 whom the member or former member nominates in writing and files
21 with the retirement system for the purpose of being paid accumu-
22 lated contributions in the event of the death of the member or
23 former member. If a valid nomination is not on file, the retire-
24 ment board shall pay the accumulated contributions to the legal
25 representative of the deceased member or deceased former member,
26 if any, or to the estate of the deceased member or deceased
27 former member.

1 (2) "Regular interest" means interest at 1 or more rates per
2 annum determined by the retirement board and compounded
3 annually.

4 (3) "Reporting unit" means a public school district, inter-
5 mediate school district, CHARTER SCHOOL, tax supported community
6 or junior college, college, or university, or an agency having
7 employees on its payroll who are members of this retirement
8 system. The reporting unit shall be the employer for purposes of
9 this act.

10 (4) "Retirant" means a member who retires with a retirement
11 allowance payable from reserves of the retirement system.

12 (5) "Retirement allowance" means a payment for life or a
13 temporary period provided for in this act to which a retirant,
14 retirement allowance beneficiary, or refund beneficiary is
15 entitled.

16 (6) "Retirement allowance beneficiary" means a person who is
17 being paid or has entitlement to the payment of a retirement
18 allowance in the event of the death of a member, deferred member,
19 or retirant.

20 (7) "Retirement board" means the board provided to adminis-
21 ter this retirement system.

22 (8) "Retirement system" means the Michigan public school
23 employees' retirement system provided for in this act.

24 Section 2. This amendatory act shall not take effect unless
25 Senate Bill No. _____ or House Bill No. 4365 (request
26 no. 02999'93) of the 87th Legislature is enacted into law.