

HOUSE BILL No. 4243

February 18, 2003, Introduced by Reps. Hunter, McConico, Cheeks, Vagnozzi, Smith, Clack, Condino, Waters, Murphy, Minore, Gleason, Stallworth and Phillips and referred to the Committee on Senior Health, Security and Retirement.

A bill to amend 1980 PA 300, entitled "The public school employees retirement act of 1979," by amending section 75 (MCL 38.1375), as amended by 1989 PA 194.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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1 Sec. 75. (1) ~~A member who left or leaves service as a~~
2 ~~public school employee for purposes of maternity or paternity or~~
3 ~~child rearing, and returns to service as a public school~~
4 ~~employee, or a person performing out of system public education~~
5 ~~service who leaves that service for purposes of maternity,~~
6 ~~paternity, or child rearing and who subsequently becomes a member~~
7 ~~of this retirement system, without other intervening employment~~
8 ~~of more than 20 hours per week for each week for which service~~
9 ~~credit is claimed, may purchase service credit for the time~~
10 ~~period or periods during which the person was separated from~~
11 ~~service as a public school employee or during which the person~~

~~1 was separated from performing out of system public education~~
~~2 service because of maternity or paternity or child rearing, upon~~
~~3 request and payment to the retirement system of the actuarial~~
~~4 cost. The total service credited under this section shall not~~
~~5 exceed 5 years. A member requesting purchase of service credit~~
~~6 under this section shall certify to the board the purpose for~~
~~7 which the member took leave and was separated from service as a~~
~~8 public school employee. A member who leaves service as a public~~
~~9 school employee for maternity, paternity, or child rearing and~~
10 who returns to service as a public school employee may purchase
11 service credit for the time that the member was separated from
12 service as a public school employee because of maternity,
13 paternity, or child rearing. A person who leaves out-of-system
14 public education service for maternity, paternity, or child
15 rearing and who subsequently becomes a member may purchase
16 service credit for the time that the person was separated from
17 performing out-of-system public education service because of
18 maternity, paternity, or child rearing. A person who becomes a
19 member of this retirement system may purchase service credit for
20 maternity, paternity, or child rearing that the member was
21 engaged in before becoming a member. A member shall not purchase
22 service credit under this section if there has been other
23 intervening employment of more than 20 hours a week for each week
24 that service credit is claimed. The total service credited under
25 this section shall not exceed 5 years. A member shall make the
26 request to purchase service credit under this section and pay the
27 actuarial cost as determined under subsection (5) before the

1 service is credited. A member who requests to purchase service
2 credit under this section shall certify to the board that the
3 member was engaged in maternity, paternity, or child rearing for
4 the period that the member is requesting to purchase the service
5 credit.

6 (2) Service credit purchased under this section ~~may~~ shall
7 not be used to satisfy the minimum of 10 years of service credit
8 required to receive a retirement allowance under this act.

9 (3) If a member who made payment under this section dies and
10 a retirement allowance beneficiary has not been designated, or if
11 the member leaves reporting unit service before his or her
12 retirement becomes effective, the payment made by the member
13 shall be refunded upon request to the member or to the member's
14 refund beneficiary.

15 (4) A member who reduces hours of employment with a reporting
16 unit for purposes of maternity, paternity, or child rearing or a
17 person who reduces hours of out of system public education
18 service for purposes of maternity, paternity, or child rearing
19 and who subsequently becomes a member of this retirement system
20 may purchase service credit for those hours by which employment
21 was reduced if all other requirements of this section are met.

22 (5) Notwithstanding section 79, for 1 year after the
23 effective date of the amendatory act that added this subsection,
24 actuarial cost for service credit purchased under this section
25 shall be calculated by using the age of the member at the time
26 the member first became a public school employee. Actuarial cost
27 for service credit purchased under this section shall be

1 calculated under section 79 for all years after the first year
2 after the effective date of the amendatory act that added this
3 subsection.