

HOUSE BILL No. 4005

January 22, 2007, Introduced by Rep. Rick Jones and referred to the Committee on Government Operations.

A bill to amend 1943 PA 240, entitled "State employees' retirement act," (MCL 38.1 to 38.69) by adding section 19k.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 19K. (1) NOTWITHSTANDING SECTION 19, A MEMBER MAY RETIRE
2 AND RECEIVE A RETIREMENT ALLOWANCE COMPUTED UNDER THIS SECTION IF
3 THE MEMBER MEETS ALL OF THE FOLLOWING REQUIREMENTS:

4 (A) ON OR BEFORE SEPTEMBER 1, 2007, OR ON THE EFFECTIVE DATE
5 OF HIS OR HER RETIREMENT, WHICHEVER IS EARLIER, THE MEMBER'S
6 COMBINED AGE AND LENGTH OF CREDITED SERVICE IS EQUAL TO OR GREATER
7 THAN 80 YEARS.

8 (B) THE MEMBER IS WITHIN THE CLASSIFIED STATE CIVIL SERVICE,
9 IS AN EMPLOYEE OF THE JUDICIAL BRANCH, OR IS AN INDIVIDUAL NOT
10 DESCRIBED IN SUBSECTION (2) (B).

1 (C) EXCEPT AS PROVIDED IN SECTION 13(8), THE MEMBER WAS
2 EMPLOYED BY THIS STATE FOR THE 6-MONTH PERIOD ENDING ON THE
3 EFFECTIVE DATE OF HIS OR HER RETIREMENT OR WAS AN EMPLOYEE OF THE
4 STATE JUDICIAL COUNCIL ON SEPTEMBER 30, 1996 AS DESCRIBED IN
5 SECTION 44A. A MEMBER WHO IS ON LAYOFF STATUS FROM STATE EMPLOYMENT
6 IS CONSIDERED TO HAVE MET THE EMPLOYMENT REQUIREMENT OF THIS
7 SUBDIVISION.

8 (D) EXCEPT AS MAY BE PROVIDED OTHERWISE IN SUBSECTION (5), THE
9 MEMBER EXECUTES AND FILES A WRITTEN APPLICATION WITH THE RETIREMENT
10 BOARD, ON OR AFTER APRIL 1, 2007, BUT NOT LATER THAN SEPTEMBER 1,
11 2007, STATING A DATE ON OR AFTER APRIL 1, 2007, BUT NOT LATER THAN
12 SEPTEMBER 1, 2007, ON WHICH HE OR SHE DESIRES TO RETIRE. A MEMBER
13 MAY WITHDRAW A WRITTEN APPLICATION ON OR BEFORE AUGUST 15, 2007 OR
14 7 DAYS AFTER THE REJECTION OF AN EXTENSION REQUESTED UNDER
15 SUBSECTION (4), WHICHEVER IS LATER. A WRITTEN APPLICATION SUBMITTED
16 BY A MEMBER AND NOT WITHDRAWN ON OR BEFORE AUGUST 15, 2007 OR 7
17 DAYS AFTER THE REJECTION OF AN EXTENSION REQUESTED UNDER SUBSECTION
18 (4), WHICHEVER IS LATER, IS IRREVOCABLE.

19 (E) THE MEMBER IS NOT A CONSERVATION OFFICER AS DESCRIBED IN
20 SECTION 48.

21 (2) NOTWITHSTANDING SECTION 19, A MEMBER MAY RETIRE AND
22 RECEIVE A RETIREMENT ALLOWANCE COMPUTED UNDER THIS SECTION IF THE
23 MEMBER MEETS ALL OF THE FOLLOWING REQUIREMENTS:

24 (A) ON OR BEFORE SEPTEMBER 1, 2007, OR ON THE EFFECTIVE DATE
25 OF HIS OR HER RETIREMENT, WHICHEVER IS EARLIER, THE MEMBER'S
26 COMBINED AGE AND LENGTH OF CREDITED SERVICE IS EQUAL TO OR GREATER
27 THAN 80 YEARS.

1 (B) THE MEMBER IS AN EMPLOYEE OF THE LEGISLATURE, IS AN
2 EMPLOYEE OF THE OFFICE OF GOVERNOR, OR IS AN UNCLASSIFIED EMPLOYEE
3 WITHIN THE EXECUTIVE BRANCH.

4 (C) EXCEPT AS PROVIDED IN SECTION 13(8), THE MEMBER WAS
5 EMPLOYED BY THIS STATE OR THE LEGISLATURE FOR THE 6-MONTH PERIOD
6 ENDING ON THE EFFECTIVE DATE OF HIS OR HER RETIREMENT. A MEMBER WHO
7 IS ON LAYOFF STATUS FROM STATE EMPLOYMENT IS CONSIDERED TO HAVE MET
8 THE EMPLOYMENT REQUIREMENT OF THIS SUBDIVISION.

9 (D) THE MEMBER EXECUTES AND FILES A WRITTEN APPLICATION WITH
10 THE RETIREMENT BOARD, ON OR AFTER APRIL 1, 2007, BUT NOT LATER THAN
11 SEPTEMBER 1, 2007, STATING A DATE ON OR AFTER APRIL 1, 2007, BUT
12 NOT LATER THAN SEPTEMBER 1, 2007, ON WHICH HE OR SHE DESIRES TO
13 RETIRE. A MEMBER MAY WITHDRAW A WRITTEN APPLICATION ON OR BEFORE
14 AUGUST 15, 2007. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4), A
15 WRITTEN APPLICATION SUBMITTED BY A MEMBER AND NOT WITHDRAWN ON OR
16 BEFORE AUGUST 15, 2007 IS IRREVOCABLE.

17 (E) THE MEMBER IS NOT A CONSERVATION OFFICER AS DESCRIBED IN
18 SECTION 48.

19 (3) ANY AMOUNT THAT A MEMBER RETIRING UNDER THIS SECTION WOULD
20 OTHERWISE BE ENTITLED TO RECEIVE IN A LUMP SUM AT RETIREMENT ON
21 ACCOUNT OF ACCUMULATED SICK LEAVE OR ACCUMULATED ANNUAL LEAVE SHALL
22 BE PAID IN 60 CONSECUTIVE EQUAL MONTHLY INSTALLMENTS BEGINNING ON
23 OR AFTER AUGUST 1, 2007. PAYMENTS RECEIVED UNDER THIS SUBSECTION
24 SHALL NOT BE USED TO PURCHASE SERVICE CREDIT UNDER THIS ACT. THESE
25 PAYMENTS FOR ACCUMULATED SICK LEAVE AND ACCUMULATED ANNUAL LEAVE
26 ARE TO BE PAID FROM FUNDS APPROPRIATED TO THE APPOINTING AUTHORITY
27 AND NOT FROM FUNDS OF THE RETIREMENT SYSTEM. THESE PAYMENTS ARE NOT

1 PENSIONS, ANNUITIES, RETIREMENT ALLOWANCES, OPTIONAL BENEFITS, OR
2 ANY OTHER RIGHTS DESCRIBED IN SECTION 40(1), ARE NOT EXEMPT FROM
3 TAXATION, ARE SUBJECT TO EXECUTION, GARNISHMENT, ATTACHMENT, THE
4 OPERATION OF BANKRUPTCY OR INSOLVENCY LAWS, OR OTHER PROCESS OF
5 LAW, AND MAY BE ASSIGNABLE AS PROVIDED IN THIS ACT.

6 (4) THE DIRECTOR OF A PRINCIPAL DEPARTMENT MAY REQUEST THAT
7 THE EFFECTIVE DATE OF RETIREMENT UNDER SUBSECTION (1) OF A MEMBER
8 EMPLOYED BY THAT DEPARTMENT BE EXTENDED TO A DATE NOT LATER THAN
9 SEPTEMBER 1, 2010. TO MAKE A REQUEST UNDER THIS SUBSECTION, THE
10 DIRECTOR SHALL SUBMIT A WRITTEN REQUEST AND THE WRITTEN CONCURRENCE
11 OF THE MEMBER TO THE OFFICE OF THE STATE EMPLOYER AND THE STATE
12 BUDGET OFFICE ON OR BEFORE AUGUST 31, 2007. UPON RECEIPT OF THE
13 WRITTEN REQUEST AND CONCURRENCE, THE OFFICE OF THE STATE EMPLOYER
14 AND THE STATE BUDGET OFFICE MAY EXTEND THE EFFECTIVE DATE OF
15 RETIREMENT OF A MEMBER OTHERWISE ELIGIBLE TO RETIRE UNDER
16 SUBSECTION (1) TO A DATE NOT LATER THAN SEPTEMBER 1, 2010. UPON
17 WRITTEN APPROVAL OF THE SENATE MAJORITY LEADER FOR A MEMBER WHO IS
18 AN EMPLOYEE OF THE SENATE, THE SPEAKER OF THE HOUSE OF
19 REPRESENTATIVES FOR A MEMBER WHO IS AN EMPLOYEE OF THE HOUSE OF
20 REPRESENTATIVES, THE SENATE MAJORITY LEADER AND THE SPEAKER OF THE
21 HOUSE OF REPRESENTATIVES FOR A MEMBER WHO IS AN EMPLOYEE OF THE
22 OFFICE OF THE AUDITOR GENERAL, DIRECTOR OR CHAIR OF THE LEGISLATIVE
23 RETIREMENT SYSTEM FOR A MEMBER WHO IS AN EMPLOYEE OF THE
24 LEGISLATIVE RETIREMENT SYSTEM, OR THE CHAIR AND ALTERNATE CHAIR OF
25 THE LEGISLATIVE COUNCIL FOR A MEMBER WHO IS AN EMPLOYEE OF AN
26 AGENCY UNDER THE JURISDICTION OF THE LEGISLATIVE COUNCIL, AND UPON
27 WRITTEN CONCURRENCE OF THE MEMBER, THE EFFECTIVE DATE OF RETIREMENT

1 FOR THAT MEMBER UNDER SUBSECTION (2) MAY BE EXTENDED TO A DATE NOT
2 LATER THAN SEPTEMBER 1, 2010. UPON WRITTEN APPROVAL OF THE CHIEF
3 JUSTICE FOR A MEMBER WHO IS AN EMPLOYEE OF THE JUDICIAL BRANCH,
4 INCLUDING, BUT NOT LIMITED TO, MEMBERS DESCRIBED IN SECTION 44A,
5 AND UPON WRITTEN CONCURRENCE OF THE MEMBER, THE EFFECTIVE DATE OF
6 RETIREMENT FOR THAT MEMBER UNDER SUBSECTION (1) MAY BE EXTENDED TO
7 A DATE NOT LATER THAN SEPTEMBER 1, 2010. THE INDIVIDUAL OR
8 INDIVIDUALS WHO APPROVE THE EXTENSION OF AN EFFECTIVE DATE OF
9 RETIREMENT FOR A MEMBER WHO IS AN EMPLOYEE OF THE LEGISLATURE,
10 SUPREME COURT, OR COURT OF APPEALS SHALL SUBMIT WRITTEN
11 NOTIFICATION TO THE OFFICE OF RETIREMENT SERVICES OF ALL EXTENSIONS
12 APPROVED ON OR BEFORE AUGUST 31, 2009.

13 (5) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4), UPON HIS
14 OR HER RETIREMENT AS PROVIDED IN THIS SECTION, A MEMBER WHO DID NOT
15 MAKE AN ELECTION UNDER SECTION 50 TO TERMINATE MEMBERSHIP IN TIER 1
16 AND BECOME A QUALIFIED PARTICIPANT IN TIER 2 SHALL RECEIVE A
17 RETIREMENT ALLOWANCE EQUAL TO THE MEMBER'S NUMBER OF YEARS AND
18 FRACTION OF A YEAR OF CREDITED SERVICE MULTIPLIED BY 1-3/4% OF HIS
19 OR HER FINAL AVERAGE COMPENSATION. EXCEPT FOR THE CALCULATION
20 PROVIDED IN THIS SUBSECTION, THE MEMBER'S RETIREMENT ALLOWANCE IS
21 SUBJECT TO SECTION 20. THE MEMBER'S RETIREMENT ALLOWANCE IS NOT
22 SUBJECT TO REDUCTION PURSUANT TO SECTION 19(2).

23 (6) UPON HIS OR HER RETIREMENT AS PROVIDED IN THIS SECTION, A
24 FORMER MEMBER WHO MADE AN ELECTION UNDER SECTION 50 TO TERMINATE
25 MEMBERSHIP IN TIER 1 AND BECOME A QUALIFIED PARTICIPANT IN TIER 2
26 SHALL RECEIVE A RETIREMENT ALLOWANCE EQUAL TO THE MEMBER'S NUMBER
27 OF YEARS AND FRACTION OF A YEAR OF CREDITED SERVICE MULTIPLIED BY

1 1/4% OF HIS OR HER FINAL AVERAGE COMPENSATION. EXCEPT FOR THE
2 CALCULATION PROVIDED IN THIS SUBSECTION, THE FORMER MEMBER'S
3 RETIREMENT ALLOWANCE IS SUBJECT TO SECTION 20. THE FORMER MEMBER'S
4 RETIREMENT ALLOWANCE IS NOT SUBJECT TO REDUCTION PURSUANT TO
5 SECTION 19(2).

6 (7) FOR PURPOSES OF THIS SECTION, AN INDIVIDUAL WHO ELECTED TO
7 TERMINATE MEMBERSHIP UNDER SECTION 50 AND WHO, BUT FOR THAT
8 ELECTION, WOULD OTHERWISE BE ELIGIBLE FOR MEMBERSHIP IN TIER 1
9 UNDER SECTION 13, SHALL BE CONSIDERED A MEMBER OF TIER 1 FOR THE
10 LIMITED PURPOSE OF RECEIVING A RETIREMENT ALLOWANCE CALCULATED
11 UNDER THIS SECTION AND PAID BY THE RETIREMENT SYSTEM.