

HOUSE BILL No. 5197

July 14, 2009, Introduced by Reps. McDowell, Lindberg, Lahti, Sheltroun, Neumann, Calley and Nerat and referred to the Committee on Labor.

A bill to amend 1943 PA 240, entitled
"State employees' retirement act,"
(MCL 38.1 to 38.69) by adding section 46a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 46A. (1) BEGINNING AUGUST 1, 2009 AND CONTINUING THROUGH
2 NOVEMBER 30, 2009, A SUPPLEMENTAL MEMBER MAY RETIRE WITH A
3 SUPPLEMENTAL EARLY RETIREMENT ALLOWANCE AS PROVIDED IN THIS SECTION
4 IF THE SUPPLEMENTAL MEMBER MEETS BOTH OF THE FOLLOWING CONDITIONS:

5 (A) HE OR SHE HAS A COMBINATION OF AGE AND YEARS OF SERVICE
6 EQUAL TO OR GREATER THAN 70.

7 (B) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4), ON OR
8 BEFORE NOVEMBER 30, 2009 OR THE EFFECTIVE DATE OF HIS OR HER
9 RETIREMENT, WHICHEVER IS EARLIER, THE SUPPLEMENTAL MEMBER FILES A
10 WRITTEN REQUEST FOR RETIREMENT WITH THE RETIREMENT BOARD STATING A

1 DATE NOT LATER THAN NOVEMBER 30, 2009 ON WHICH HE OR SHE WISHES TO
2 RETIRE.

3 (2) THE STATE PERSONNEL DIRECTOR SHALL DETERMINE ALL QUESTIONS
4 ON ELIGIBILITY FOR EARLY RETIREMENT BENEFITS UNDER THIS SECTION.

5 (3) UPON HIS OR HER RETIREMENT AS PROVIDED IN THIS SECTION, A
6 MEMBER WHO DID NOT MAKE AN ELECTION UNDER SECTION 50 TO TERMINATE
7 MEMBERSHIP IN TIER 1 AND BECAME A QUALIFIED PARTICIPANT IN TIER 2
8 AND WHO IS ENTITLED TO A RETIREMENT ALLOWANCE UNDER THIS SECTION
9 SHALL RECEIVE A RETIREMENT ALLOWANCE EQUAL TO THE MEMBER'S NUMBER
10 OF YEARS AND FRACTION OF A YEAR OF CREDITED SERVICE MULTIPLIED BY
11 2.0% OF HIS OR HER FINAL AVERAGE COMPENSATION UNTIL THE MEMBER
12 REACHES 62 YEARS OF AGE. BEGINNING ON THE DAY THE MEMBER REACHES 62
13 YEARS OF AGE AND CONTINUING AFTER THAT DAY, A MEMBER WHO IS
14 ENTITLED TO A RETIREMENT ALLOWANCE UNDER THIS SECTION SHALL RECEIVE
15 A RETIREMENT ALLOWANCE EQUAL TO THE MEMBER'S NUMBER OF YEARS AND
16 FRACTION OF A YEAR OF CREDITED SERVICE MULTIPLIED BY 1.75% OF HIS
17 OR HER FINAL AVERAGE COMPENSATION. EXCEPT FOR THE CALCULATION
18 PROVIDED IN THIS SUBSECTION, THE MEMBER'S RETIREMENT ALLOWANCE IS
19 SUBJECT TO SECTION 20. THE MEMBER'S RETIREMENT ALLOWANCE IS NOT
20 SUBJECT TO REDUCTION PURSUANT TO SECTION 19(2).

21 (4) THE DIRECTOR OF A PRINCIPAL DEPARTMENT MAY REQUEST THAT
22 THE EFFECTIVE DATE OF RETIREMENT UNDER THIS SECTION OF A MEMBER
23 EMPLOYED BY THAT DEPARTMENT BE EXTENDED TO A DATE NOT LATER THAN
24 DECEMBER 31, 2009. TO MAKE A REQUEST UNDER THIS SUBSECTION, THE
25 DIRECTOR SHALL SUBMIT A WRITTEN REQUEST AND THE WRITTEN CONCURRENCE
26 OF THE MEMBER TO THE OFFICE OF THE STATE EMPLOYER AND THE STATE
27 BUDGET OFFICE ON OR BEFORE DECEMBER 1, 2009. UPON RECEIPT OF THE

1 WRITTEN REQUEST AND CONCURRENCE, THE OFFICE OF THE STATE EMPLOYER
2 AND THE STATE BUDGET OFFICE MAY EXTEND THE EFFECTIVE DATE OF
3 RETIREMENT OF A MEMBER OTHERWISE ELIGIBLE TO RETIRE UNDER THIS
4 SECTION TO A DATE NOT LATER THAN DECEMBER 31, 2009.