

STATE POLICE RETIREMENT ACT OF 1986 (EXCERPT)
Act 182 of 1986

38.1624 Eligibility for retirement; application for retirement; mandatory retirement; amount of retirement allowance; death of retirant; appeal to retirement board; retirement allowance payment options; retirement allowance beneficiary; exception; written request.

Sec. 24.

(1) Except as provided in section 24b and subject to subsection (14), a member who first became a member before June 10, 2012 and who has 25 years or more of credited service under this act or former 1935 PA 251, or both, may retire on his or her written application to the retirement board, stating a date, not less than 30 nor more than 90 days after the execution and filing of the application, he or she desires to retire. However, a member described in this subsection who becomes 56 years of age shall retire. A member retiring under this subsection is entitled to receive a retirement allowance equal to 60% of his or her final average compensation.

(2) Subject to subsection (4), if a retirant receiving a retirement allowance under subsection (1) dies, the retirement allowance must continue to be paid to the surviving spouse of the retirant for the rest of the spouse's life. If there is not a surviving spouse or on the spouse's death, the retirement allowance must be paid to the children under the age of 18 of the retirant, share and share alike. If the surviving spouse dies and there are not eligible children, the retirement system shall pay to the retirant's estate or his or her legal representative any residual accumulated contributions and interest made by the retirant into the fund.

(3) If the director of the department of state police orders the retirement of any member eligible to retire for reason or reasons other than having become 56 years of age, and that member is aggrieved by the order, the member affected by an order described in this subsection is entitled to appeal to the retirement board. An appeal must be in writing and filed with the retirement board within 30 days after receipt of the order of retirement. The retirement board shall set the appeal for hearing within 30 days after the filing of the appeal and shall review the facts as presented and determine whether the order of retirement will continue or be revoked.

(4) A member who first becomes a member on or after July 1, 2006 as a new bargaining unit employee shall elect to receive his or her retirement allowance under 1 of the payment options provided in this subsection. The election must be in writing and filed with the retirement board at least 15 days before the effective date of the retirement allowance except as provided for a disability retirant under sections 26, 27, and 28. The amount of retirement allowance under subdivision (b), (c), or (d) is the actuarial equivalent of the amount of retirement allowance under subdivision (a). The options are as follows:

(a) The retirant will be paid a straight retirement allowance for life computed under section 24. An additional retirement allowance payment will not be made on the retirant's death.

(b) The retirant will be paid a reduced retirement allowance for life with a provision that on the retirant's death, payment of the reduced retirement allowance will be continued throughout the lifetime of the retirement allowance beneficiary whom the member or deferred member designated in a writing filed with the retirement board at the time of election of this option. A member or deferred member may elect this option and designate a retirement allowance beneficiary under the conditions set forth in subsection (5).

(c) A retirant must be paid a reduced retirement allowance for life with the provision that on the retirant's death, payment of 1/2 of the reduced retirement allowance is continued throughout the lifetime of the retirement allowance beneficiary whom the member designated in a writing filed with the retirement board at the time of election of the option.

(d) A retirant must be paid a reduced retirement allowance for life with the provision that on the retirant's death, payment of 75% of the reduced retirement allowance is continued throughout the lifetime of the retirement allowance beneficiary whom the member designated in a writing filed with the retirement board at the time of election of the option.

(5) Except as otherwise provided in this section, the retirement allowance beneficiary selected under subsection (4)(b), (c), or (d) must not be changed on or after the effective date of the retirement allowance and must be either a spouse, brother, sister, parent, or child, including an adopted child, of the member, deferred member, retiring member, or retiring deferred member entitled to make the election under this act. Another retirement allowance beneficiary must not be selected. If a member, deferred member, retiring member, or retiring deferred member is married at the retirement allowance effective date, an election under subsection (4), other than an election under subsection (4)(b), naming the spouse as retirement allowance beneficiary, is not effective unless the election is signed by the spouse, except that this requirement may be waived by the board if the signature of a spouse cannot be obtained because of extenuating circumstances. For purposes of this subsection, "spouse" means the individual to whom the member, deferred member, retiring member, or retiring deferred member is married at the retirement allowance effective date. Payment to a retirement allowance beneficiary must start the first day of the month following the retirant's death.

(6) Except as otherwise provided in subsection (9), if the retirement allowance beneficiary selected under subsection (4)(b), (c), or (d) predeceases the retirant, the retirant's benefit must revert to a straight retirement allowance including postretirement adjustments, if any; is effective the first of the month following the death; and must be paid during the remainder of the retirant's life.

(7) If a retirant receiving a reduced retirement allowance under subsection (4)(b), (c), or (d) is divorced from the spouse who had been designated as the retirant's retirement allowance beneficiary under subsection (4)(b), (c), or (d), the election of a reduced retirement allowance payment option is considered void by the retirement system if the judgment of divorce or award or order of the court, or an amended judgment of divorce or award or order of the court, described in the public employee retirement benefit protection act, 2002 PA 100, MCL 38.1681 to 38.1689, and dated after June 27, 1991 provides that the election of a reduced retirement allowance payment option under subsection (4)(b), (c), or (d) is to be considered void by the retirement system and the retirant provides a certified copy of the judgment of divorce or award or order of the court, or an amended judgment of divorce or award or order of the court, to the retirement system. If the election of a reduced retirement allowance payment option under subsection (4)(b), (c), or (d) is considered void by the retirement system under this subsection, the retirant's retirement allowance must revert to a straight retirement allowance, including postretirement adjustments, if any, subject to an award or order of the court as described in the public employee retirement benefit protection act, 2002 PA 100, MCL 38.1681 to 38.1689. The retirement allowance must revert to a straight retirement allowance under this subsection effective the first of the month after the date the retirement system receives a certified copy of the judgment of divorce or award or order of the court. This subsection does not supersede a judgment of divorce or award or order of the court in effect on June 27, 1991. This subsection does not require the retirement system to distribute or pay retirement assets on behalf of a retirant in an amount that exceeds the actuarially determined amount that would otherwise become payable if a judgment of divorce had not been rendered.

(8) A retirant, who is divorced after payment of his or her retirement allowance begins and whose former spouse is his or her retirement allowance beneficiary, may change his or her survivor option to the straight life option only if an order of the court states that the election of a survivor option under subsection (4) is considered void by the retirement system. A retirant who subsequently remarries may elect a survivor retirement allowance option for his or her spouse of 100%, 75%, or 50% of his or her actuarially reduced monthly payments, unless otherwise precluded by court order.

(9) If the retirement allowance payments terminate before an aggregate amount equal to the retirant's accumulated contributions has been paid, the difference between the retirant's accumulated contributions and the aggregate amount of retirement allowance payments made must be paid to the person designated in a writing filed with the retirement board on a form provided by the retirement board. If the designated person does not survive the retirant or retirement allowance beneficiary, the difference must be paid to the deceased recipient's estate or to the legal representative of the deceased recipient.

(10) A retirant who selected a retirement allowance beneficiary under subsection (4)(b), (c), or (d) may change his or her retirement allowance beneficiary if all of the following apply:

(a) The first retirement allowance beneficiary is a spouse.

(b) The first retirement allowance beneficiary predeceases the retirant after the retirement allowance effective date.

(c) The retirant marries another spouse after the retirement allowance effective date.

(d) Except as otherwise provided in an applicable collective bargaining agreement, the retirant files a written request with the retirement system to name his or her current spouse as a retirement allowance beneficiary not earlier than 180 days and not later than 1 year after the marriage of the retirant and the current spouse, except that a retirant whose first retirement allowance beneficiary predeceases the retirant after the retirement allowance effective date and before the effective date of the amendatory act that added this subsection has 180 days from the effective date of the amendatory act that added this subsection to file a written request with the retirement system.

(11) A retirant who was not married on his or her retirement allowance effective date and who did not select a payment option provided in this section may select an optional form of benefit payment under subsection (4)(b), (c), or (d) and designate a retirement allowance beneficiary subject to all of the following:

(a) The retirant marries after his or her retirement allowance effective date.

(b) The retirement allowance beneficiary is the retirant's spouse.

(c) The retirement allowance beneficiary is only designated as the retirement allowance beneficiary for that portion of the retirant's retirement allowance that is not subject to an eligible domestic relations order assigning a previous spouse a reduced benefit under section 4(b) of the eligible domestic relations order act, 1991 PA 46, MCL 38.1704.

(d) Except as otherwise provided in an applicable collective bargaining agreement, the retirant files a written request with the retirement system to select the optional form of benefit payment under subsection (4)(b), (c), or (d) and to designate his or her spouse as the retirement allowance beneficiary, not earlier than 180 days and not later than 1 year after the retirant's marriage except that a retirant who marries after the retirement allowance effective date and before the effective date of the amendatory act that added this subsection has 180 days from the

effective date of the amendatory act that added this subsection to file a written request with the retirement system.

(e) A spouse who is added as a survivor under this subsection is not eligible for the payment of insurance premiums under section 42.

(12) The retirement allowance of the retirant who makes an election under subsection (10) or (11) must not be greater than the actuarial equivalent of the retirement allowance as determined by the retirement board that the retirant would otherwise be entitled to under subsection (4)(a) and must become effective the first day of the month following the filing of the written request with the retirement system.

(13) For purposes of determining actuarial equivalent retirement allowances under this section, the actuarially assumed interest rate is determined by the director of the department and the retirement board in consultation with the actuary with utilization of the mortality tables adopted by the department and the retirement board.

(14) If the retirant dies no later than 12 months after the effective date of his or her election under subsection (8), (10), or (11), the retirement allowance for the surviving spouse established under subsection (8), (10), or (11) must terminate 12 months after the death of the retirant.

(15) Unless otherwise provided in an applicable collective bargaining agreement, or by order of the director of the department of state police, a retirement allowance must not be paid under this section if at the time the member submits his retirement application the member is on suspension without pay for conduct involving the breach of the public trust.

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