

STATE EMPLOYEES' RETIREMENT ACT (EXCERPT)
Act 240 of 1943

38.17g Parental leave; purchase of service credit.

Sec. 17g.

(1) A member who left or leaves service with the state or who left or leaves service for a reporting unit of the public school employees retirement system for purposes of parental leave, and returned or returns to service with the state without other intervening employment of more than 20 hours per week for each week for which service credit is claimed, may purchase service credit for the time period or periods during which the person was separated or on leave of absence from service with the state or separated or on leave of absence from a reporting unit of the public school employees retirement system because of parental leave, upon submitting an application described in subsection (5) and upon payment to the retirement system of an amount that is equal to the actuarial cost multiplied by the member's full-time or equated full-time fiscal year compensation for the fiscal year in which payment is made multiplied by each year and fraction of a year of service to be purchased, up to the maximum. For the purpose of computing payment under this subsection, the compensation amount used shall not be less than the highest full-time or equated full-time fiscal year compensation previously received by the member as a member of the system. The total service credited under this section shall not exceed 5 years. A member requesting purchase of service credit under this section shall certify to the retirement system the purpose for which the member took leave or was separated from service with the state.

(2) Service credit purchased under this section shall not be used to satisfy the minimum number of years of service credit required to receive a retirement allowance under this act.

(3) If a member who made payment under this section dies and a retirement allowance is not payable, or if the member leaves service with the state before his or her retirement allowance becomes effective, the payment made by the member shall be refunded upon request to the member, to the person designated by the member in writing to the retirement system, or if a person is not designated, then to the member's legal representative.

(4) A member who reduces hours of employment with the state for purposes of parental leave may purchase service credit for those hours by which employment was reduced if all other requirements of this section are met.

(5) A member requesting purchase of service credit under this section shall submit an application as prescribed by the retirement system in which the member shall certify the time period claimed for parental leave and the purpose of the parental leave. If a request for purchase of service credit under this section is a result of leave taken to care for the member's child by birth or adoption, then the member also shall submit a certified copy of a birth certificate or adoption document from the appropriate court.

(6) Parental leave is creditable under this act until the child, by birth or adoption, attains age 18 or is married, whichever occurs first.

(7) For purposes of this section, "parental leave" means either of the following:

(a) The presence of the member in the active participation or supervision in the day-to-day, ongoing care or maintenance of his or her child by birth or adoption, for which the member reduces or eliminates the number of hours worked for the state or the reporting unit in a normal work time period.

(b) A member's pregnancy, whether brought to full term or not, childbirth, and recuperation, for which the member reduces or eliminates the number of hours worked for the state or the reporting unit in a normal work time period.

History: Add. 1987, Act 57, Imd. Eff. June 23, 1987 ;-- Am. 1987, Act 241, Imd. Eff. Dec. 28, 1987 ;-- Am. 2004, Act 109, Imd. Eff. May 20, 2004