



HOUSE BILL No. 4327

February 23, 1993, Introduced by Reps. Jondahl, DeMars, Rivers, Brown, Gustafson, Hollister and Pitoniak and referred to the Committee on Public Retirement.

A bill to amend sections 17h and 17i of Act No. 240 of the Public Acts of 1943, entitled as amended

"State employees' retirement act,"

as amended by Act No. 241 of the Public Acts of 1987, being sections 38.17h and 38.17i of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 17h and 17i of Act No. 240 of the
2 Public Acts of 1943, as amended by Act No. 241 of the Public Acts
3 of 1987, being sections 38.17h and 38.17i of the Michigan
4 Compiled Laws, are amended to read as follows:

5 Sec. 17h. (1) A member may elect to purchase service credit
6 for ~~not more than 5 years of full-time~~ service as an employee
7 with a city, county, township, or village of this state, upon
8 request and presentation of documentation of the employment
9 rendered ~~which~~ THAT is verifiable from official employment

1 records, which may be substantiated by federal wage statements,
2 or other acceptable documentation as determined by the retirement
3 board. ~~, and upon payment to the board of~~ THE MEMBER SHALL PAY
4 TO THE RETIREMENT SYSTEM an amount ~~which~~ THAT is equal to the
5 actuarial cost multiplied by the member's full-time or equated
6 full-time fiscal year compensation for the fiscal year in which
7 payment is made multiplied by each year and fraction of a year of
8 service to be purchased, up to ~~the maximum~~ 5 YEARS OF SERVICE
9 CREDIT. For the purpose of computing payment under this subsec-
10 tion, the compensation amount used shall not be less than the
11 highest full-time or equated full-time fiscal year compensation
12 previously received by the member as a member of the RETIREMENT
13 system. THE RETIREMENT SYSTEM SHALL PRORATE SERVICE AS AN
14 EMPLOYEE WITH A CITY, COUNTY, TOWNSHIP, OR VILLAGE OF THIS STATE
15 THAT IS OTHER THAN FULL-TIME SERVICE FOR THE PURPOSE OF PURCHAS-
16 ING SERVICE CREDIT UNDER THIS SECTION.

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

20 (3) Service credit purchased under this section ~~shall~~ IS
21 not ~~be~~ creditable toward retirement under this act if the
22 member is or was eligible to receive a pension or annuity for the
23 same service from another retirement system.

24 (4) If a member who made payment under this section dies and
25 a retirement allowance is not payable or if the member leaves
26 service with ~~the~~ THIS state before his or her retirement
27 allowance becomes effective, the payment made by the member shall

1 be refunded upon request to the member, to the person designated
2 by the member in writing to the ~~board~~ RETIREMENT SYSTEM, or if
3 a person is not designated, then to the member's legal represen-
4 tative OR ESTATE.

5 Sec. 17i. (1) A member may elect to purchase service credit
6 for ~~not more than 5 years of full-time~~ service with the federal
7 government, or as a state employee with another state, upon
8 request and presentation of documentation of the employment
9 rendered ~~which~~ THAT is verifiable from official federal or
10 state government retirement system records or other acceptable
11 documentation as determined by the retirement board. ~~and upon~~
12 ~~payment to the board of~~ THE MEMBER SHALL PAY TO THE RETIREMENT
13 SYSTEM an amount ~~which~~ THAT is equal to the actuarial cost
14 multiplied by the member's full-time or equated full-time fiscal
15 year compensation for the fiscal year in which payment is made
16 multiplied by each year and fraction of a year of service to be
17 purchased, up to ~~the maximum~~ 5 YEARS OF SERVICE CREDIT. For
18 the purpose of computing payment under this subsection, the com-
19 pensation amount used shall not be less than the highest fiscal
20 year compensation previously received by the member as a member
21 of the system. A member may not purchase service credit under
22 this section for service with the federal government that may be
23 purchased under section 18. THE RETIREMENT SYSTEM SHALL PRORATE
24 SERVICE WITH THE FEDERAL GOVERNMENT OR AS A STATE EMPLOYEE WITH
25 ANOTHER STATE THAT IS OTHER THAN FULL-TIME SERVICE FOR THE PUR-
26 POSE OF PURCHASING SERVICE CREDIT UNDER THIS SECTION.

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

4 (3) Service credit purchased under this section ~~shall~~ IS
5 not ~~be~~ creditable toward retirement under this act if the
6 member is eligible to receive a pension or annuity for the same
7 service from another retirement system.

8 (4) If a member who made payment under this section dies and
9 a retirement allowance is not payable or if the member leaves
10 service with ~~the~~ THIS state before his or her retirement allow-
11 ance becomes effective, the payment made by the member shall be
12 refunded upon request to the member, to the person designated by
13 the member in writing to the ~~board~~ RETIREMENT SYSTEM, or if a
14 person is not designated, then to the member's legal representa-
15 tive OR ESTATE.