



SENATE BILL No. 175

January 31, 1995, Introduced by Senator CARL and referred to the Committee on Financial Services.

A bill to amend section 12a of Act No. 156 of the Public Acts of 1851, entitled as amended

"An act to define the powers and duties of the county boards of commissioners of the several counties, and to confer upon them certain local, administrative and legislative powers; and to prescribe penalties for the violation of the provisions of this act,"

as amended by Act No. 195 of the Public Acts of 1991, being section 46.12a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 12a of Act No. 156 of the Public Acts of
2 1851, as amended by Act No. 195 of the Public Acts of 1991, being
3 section 46.12a of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 12a. (1) A county board of commissioners at a lawfully
6 held meeting may do 1 or more of the following:

1 (a) Provide group life, health, accident and
2 hospitalization, and disability coverage for a county employee,
3 retired employee, or an employee of an office, board, or depart-
4 ment of the county, including the board of county road commis-
5 sioners, and a dependent of an employee, either with or without
6 cost participation by the employee, and appropriate the necessary
7 funds for the insurance. For a county with 100 employees or
8 more, self-insure for health, accident and hospitalization, and
9 group disability coverage for a county employee, retired employ-
10 ee, or an employee of an office, board, or department of the
11 county, including the board of county road commissioners, and a
12 dependent of an employee, either with or without cost participa-
13 tion by the employee, and appropriate the necessary funds.

14 (b) Adopt and establish a plan by which the county purchases
15 or participates in the cost of an endowment policy or retirement
16 annuity for a county employee or an employee of an office, board,
17 or department of the county, including the board of county road
18 commissioners, to provide monthly pension or retirement benefits
19 for each employee 60 years of age or older in an amount not to
20 exceed \$150.00 per month or 2% of the average monthly earnings of
21 the employee for 5 years immediately before retirement times the
22 years of service of the employee, whichever is the lesser sum.
23 As an option, a county board of commissioners may adopt and
24 establish a plan by which the county pays pension or retirement
25 benefits to a county employee or an employee of an office, board,
26 or department of the county, including the board of county road
27 commissioners, who has been employed for not less than 25 years,

1 or who is 60 years of age or older and has been employed for not
2 less than 5 years, in monthly payments not to exceed 2.5% of the
3 employee's highest average monthly compensation or earnings
4 received from the county or county road fund for 5 years of serv-
5 ice times the total number of years of service of the employee,
6 including a fraction of a year, not to exceed 3/4 of the average
7 final compensation of the employee. A plan may also pay early
8 retirement benefits at 55 years of age or older to the extent of
9 actuarially equivalent benefits not increasing the costs of the
10 plan. Except as provided in subsection (28), endowment policies,
11 retirement benefits, pensions, or annuity retirement benefits in
12 excess of the amounts stipulated in this subdivision may be pro-
13 vided for by a plan of employee participation to cover the cost
14 of the excess. If the employment or the pension or retirement
15 benefits of an employee who participated in the cost of pension
16 or retirement benefits are terminated before the employee
17 receives pension or retirement benefits equal to the total amount
18 of the employee's participation, the balance of the total partic-
19 ipation shall be refunded to the employee at the time of termina-
20 tion, if living, or if deceased, to the employee's heir, estate,
21 legal representative, or designated beneficiary as provided in
22 the plan adopted and established by the county board of
23 commissioners. If a terminated employee is subsequently rehired
24 by the county, the employee may repay the amount of participation
25 refunded to the employee upon the employee's termination,
26 together with compound interest from the date of refund to the
27 dates of repayment at the rates provided in the plan. As

1 conditions for repayment, the plan may require return to
2 employment for a period not to exceed 3 years and may require
3 that repayment be completed within a period of not less than 1
4 year following return to employment. A plan adopted for the pay-
5 ment of retirement benefits or a pension shall grant benefits to
6 an employee eligible for pension or retirement benefits according
7 to a uniform scale for all persons in the same general class or
8 classification. An employee shall not be denied benefits by ter-
9 mination of his or her employment after the employee becomes eli-
10 gible for benefits under the plan and this section. An endowment
11 policy or annuity purchased pursuant to this section shall be
12 purchased from an insurer authorized to write endowment policies
13 or annuities in this state.

14 (2) In a plan adopted under this section, at least 60% of
15 the total pension or retirement benefit granted to an employee
16 from county funds shall consist of a percentage not to exceed
17 2.5% of the employee's average final compensation times the
18 employee's years of service and shall be granted to each employee
19 eligible for retirement under the plan uniformly and without
20 restriction or limitation other than those prescribed in this
21 section. As used in this section:

22 (a) "Average final compensation" means the annual average of
23 the highest actual compensation received by a county employee,
24 other than a county employee who is a judge of a municipal court
25 of record subject to subsection (21) or a judge subject to sub-
26 section (24), during a period of 5 consecutive years of service
27 contained within the employee's 10 years of service immediately

1 before the employee's retirement or a period of 5 years of
2 service as specified in the plan. In a county that adopts a plan
3 for granting longevity pay, the county board of commissioners may
4 exclude this longevity pay from average final compensation for
5 the purpose of computing the rate of employee contribution and
6 the amount of benefits payable to an employee upon retirement.

7 (b) "Longevity pay" means increments of compensation payable
8 at annual or semiannual intervals and based upon years of service
9 to the county, exclusive of compensation provided for a given
10 class of positions.

11 (3) A circuit court stenographer is eligible for membership
12 in, and the benefits of, a pension or retirement benefit under a
13 plan established pursuant to this section, or a social security
14 plan established by the county or 1 of the counties that pays a
15 portion of the compensation of a circuit court stenographer.

16 (4) If the employment of a county employee eligible to
17 receive a pension or retirement benefit under a plan established
18 pursuant to this section is terminated after the employee has
19 completed 8 or more years of service in county employment, the
20 employee shall receive the amount of pension or retirement bene-
21 fit to which the employee's service would have entitled the
22 employee under the plan established, if the employee waives the
23 employee's right to a refund of the employee's total participa-
24 tion upon the termination of employment. The payment of pension
25 or retirement benefits shall begin, as provided in the plan,
26 after the employee would have become eligible for retirement
27 under the plan had the employee's employment not been terminated,

1 but not later than 90 days after the employee becomes 65 years of
2 age. The payment of pension or retirement benefits shall not
3 begin until the employee has applied for pension or retirement
4 benefits in the manner prescribed in the plan established.

5 (5) A plan established under this section may provide for
6 pension or retirement benefits for a county employee who becomes
7 totally disabled for work in the county service from any cause,
8 after not less than 10 years of county employment, to the extent
9 of the limitations provided in this section. A plan may also
10 provide for pension or retirement benefits to the extent of the
11 limitations provided in this section or \$400.00 per month, which-
12 ever is the greater sum, for an employee who becomes totally dis-
13 abled for work in the county service from causes that are the
14 direct and proximate result of county employment, to continue for
15 the duration of the disability or until the employee becomes eli-
16 gible for retirement pursuant to other provisions of the plan
17 authorized by this section. A plan may also provide for pension
18 or retirement benefits, to the extent of the limitations provided
19 in this section, for the actual dependents of a county employee
20 who dies while still employed by the county after not less than
21 10 years of county employment, or who dies after leaving county
22 employment with not less than the number of years of service
23 required to vest in the plan but before becoming eligible to
24 receive a pension or retirement benefit. A plan may also provide
25 for pension or retirement benefits to the extent of the limita-
26 tions provided in this section or \$400.00 per month, whichever is
27 greater, for the actual dependents of a deceased county employee

1 whose death is the direct and proximate result of county
2 employment. The plan may provide that the period from the end of
3 the deceased or disabled employee's period of service to the date
4 that employee would have become eligible for retirement be used
5 as service for the sole purpose of computing the amount of dis-
6 ability or death pension.

7 (6) ~~"County"~~ AS USED IN THIS SECTION, "COUNTY employee"
8 includes a bailiff of the district court in the thirty-sixth dis-
9 trict who serves pursuant to section 8322 of the revised judica-
10 ture act of 1961, Act No. 236 of the Public Acts of 1961, as
11 amended, being section 600.8322 of the Michigan Compiled Laws,
12 and a person who receives more than 50% of all compensation for
13 personal services, rendered to governmental units, from a county
14 fund or county road fund, except a person, other than a bailiff
15 of the district court in the thirty-sixth district, engaged for
16 special services on a contract or fee basis. ~~The plan adopted~~
17 ~~under this section, until~~ UNTIL December 31, 1979, A PLAN
18 ADOPTED UNDER THIS SECTION may include as a county employee a
19 person on leave of absence from county employment who is not a
20 member of another retirement system except as a retirant and who
21 pays or arranges payment of contributions equal to the contribu-
22 tions that would have been required to be paid under the plan by
23 both the county and the employee, based upon the compensation the
24 employee would have received from the county, if the employee had
25 not taken a leave of absence or a person who complies with the
26 requirements of such a provision approved for inclusion in a plan
27 by the county board of commissioners before January 1, 1976, who

1 shall be considered to be a county employee during the period of
2 compliance. ~~Provision may be made to~~ A PLAN ADOPTED UNDER THIS
3 SECTION MAY exclude a person who is employed on a temporary basis
4 and a person employed in a position normally requiring less than
5 1,000 hours, or some lesser specified number of hours, work per
6 year. A bailiff serving in the district court in the
7 thirty-sixth district is eligible to receive benefits under this
8 section if a plan has been established by law by which the cost
9 of benefits is payable from sources including charges on all
10 legal instruments in which the service of process by a bailiff is
11 required and earmarked by law for benefits, and contributions
12 made by the state and each bailiff pursuant to section 8322(7) of
13 Act No. 236 of the Public Acts of 1961, as amended. The plan
14 shall include provisions by which a bailiff or former bailiff who
15 served as bailiff as of January 1, 1967, may retire after 25
16 years of service regardless of age, with maximum benefits to be
17 computed as follows: starting as of January 1, 1969, the average
18 of any 5 years of earnings of the previous 10 years served in
19 succession before retirement multiplied by 1.9% times the years
20 of service; starting as of June 1, 1975, the average of any 5
21 years of earnings multiplied by 2% times the years of service.
22 As used in this subsection, "earnings" means the salary and fees,
23 other than mileage, received by a bailiff pursuant to section
24 8322(6) of Act No. 236 of the Public Acts of 1961, as amended.
25 The plan shall include provisions by which health, accident, and
26 hospitalization insurance premiums may be paid out of the
27 earnings of this fund. These payments shall be made at the

1 discretion of the pension board of trustees. A county that has a
2 retirement fund for bailiffs under this section shall annually
3 review the retirement fund and shall ensure that the fund is
4 maintained in an actuarially sound condition. Copies of the
5 actuarial reports shall be provided to the state judicial council
6 created by chapter 91 of Act No. 236 of the Public Acts of 1961,
7 being sections 600.9101 to 600.9107 of the Michigan Compiled
8 Laws.

9 (7) An employee while receiving a pension or retirement ben-
10 efit because of disability, pursuant to this section, may be con-
11 sidered as employed in the county service for the purpose of
12 retirement under this section.

13 (8) A county employee who is included by law in another pen-
14 sion or retirement system by reason of the compensation the
15 employee receives from the county may be excluded from a plan
16 established under this section or included only to the extent of
17 the difference between benefits granted under this section and
18 the other pension or retirement system.

19 (9) The county board of commissioners, upon the request of a
20 county employee, by not less than a 3/5 vote may credit that
21 county employee with the amount of government service resulting
22 from employment with the United States government, except mili-
23 tary service, employment with a state, or employment with any of
24 their political subdivisions under the following conditions:

25 (a) Employment by the county occurred within 15 years fol-
26 lowing the county employee's separation from service of the last
27 unit of government by which the county employee was employed.

1 (b) Service rendered before the last break in service of
2 more than 15 years shall not be credited.

3 (c) Service that is recognized for the purpose of a deferred
4 retirement allowance under a retirement system or other
5 employer-funded retirement benefit plan, except for a retirement
6 benefit plan under the social security act, chapter 531, 49
7 Stat. 620, of the United States government, a state, or a politi-
8 cal subdivision of a state shall not be credited if the county
9 employee retired under a retirement system of the United States
10 government, a state, or any of their political subdivisions or
11 until the county employee irrevocably forfeits the right to the
12 deferred retirement allowance.

13 (d) The county employee deposits in the plan established
14 under this section an amount equal to the aggregate amount of
15 contributions the county employee would have made had the service
16 been acquired in the employ of the county, plus interest from the
17 dates the contributions would have been made to the date of
18 deposit, at rates determined by the county board of
19 commissioners. If records are insufficient or unavailable to
20 compute the exact amount of required deposit, the county board of
21 commissioners may estimate the amount.

22 (e) The county employee has 8 or more years of credited
23 service in county employment, has legal vesting in the county
24 plan, and deposits in the county employees' retirement system an
25 amount equal to the aggregate amount of contributions the
26 employer would have made had the government service being

1 credited under this section been acquired in the employ of the
2 county.

3 (10) A plan adopted under this section may provide for
4 annual or less frequent postretirement redetermination of a
5 pension. The redetermined amount of pension shall be not greater
6 than the amount of pension otherwise payable multiplied by the
7 sum of 100% and the percentage the county board of commissioners
8 determines appropriate for each full year, excluding a fraction
9 of a year, in the period from the effective date of payments of
10 the pension and the date as of which the redetermination is being
11 made. The redetermined amount shall not be less than the amount
12 of pension otherwise payable. A provision of this section that
13 limits the amount of a pension shall not apply to the operation
14 of this subsection redetermining the amount of a pension. As
15 used in this subsection, "the amount of pension otherwise
16 payable" means the amount of pension that would be payable with-
17 out regard to this subsection. The application of a provision
18 redetermining pension amounts may be restricted to pensions
19 having an effective date of payment either before or after a
20 specified date.

21 (11) The cost of pension or retirement benefits for a county
22 employee under this section may be paid from the same fund from
23 which the employee receives compensation, and the county board of
24 commissioners may appropriate the necessary funds to carry out
25 the purposes of this section. If a county establishes a plan by
26 which the county pays pension or retirement benefits to an
27 employee pursuant to this section, the county, pursuant to

1 provisions for pension or retirement benefits that are
2 incorporated in the plan, shall establish and maintain reserves
3 on an actuarial basis in the manner provided in this subsection
4 sufficient to finance the pension and retirement and death bene-
5 fit liabilities under the plan and sufficient to pay the pension
6 and retirement and death benefits as they become due. A county
7 that adopts a retirement plan under this section and establishes
8 reserves on an actuarial basis shall maintain the reserves as
9 provided in this subsection. The reserves shall be determined by
10 an actuarial valuation and established and maintained by yearly
11 appropriations by the county and contributions by employees. The
12 reserves shall be established, maintained, and funded to cover
13 the pension and other benefits provided for in the plan in the
14 same manner and within the same limits as to time as is provided
15 for Benefit Program B in the municipal employees retirement
16 system described in section 14 of the municipal employees retire-
17 ment act of 1984, Act No. 427 of the Public Acts of 1984, being
18 section 38.1514 of the Michigan Compiled Laws. These reserves
19 are trust funds and shall not be used for any other purpose than
20 the payment of pension, retirement, and other benefits and
21 refunds of employee contributions pursuant to the plan estab-
22 lished in a county. An employee's contributions shall be kept
23 and accumulated in a separate fund and used only for the payment
24 of annuities and refunds to employees. This subsection does not
25 apply to a county that adopted a retirement plan under this sec-
26 tion and did not establish reserves on an actuarial basis before
27 October 11, 1947.

1 (12) A plan established by a county for the payment of
2 pension and retirement benefits to an employee under this section
3 shall be approved as complying with this section by a county pen-
4 sion plan committee consisting of the attorney general, the state
5 treasurer, and the executive secretary of the state employees'
6 retirement system created by the state employees' retirement act,
7 Act No. 240 of the Public Acts of 1943, as amended, being sec-
8 tions 38.1 to 38.48 of the Michigan Compiled Laws, before the
9 plan becomes effective or operative in the county. Each county
10 retirement plan operating under this section shall be approved by
11 the committee as complying with this section biennially. A
12 financial statement for each county retirement plan operating
13 under this section shall be submitted annually to the county pen-
14 sion plan committee by the county board, official, or employee
15 designated by the county board of commissioners. The financial
16 statement shall be in the form, contain the information, and be
17 submitted as the county pension plan committee prescribes. The
18 state treasurer shall audit the funds and accounts of county
19 retirement plans established under this section in the same
20 manner as the state treasurer audits other county accounts and
21 may audit and investigate county retirement plan funds and
22 accounts to the extent necessary to effectuate the purposes of
23 this section. This subsection does not apply to a county that
24 adopted a retirement plan under this section and did not estab-
25 lish reserves on an actuarial basis before October 11, 1947.

26 (13) If a county establishes a plan for the payment of
27 pension and retirement benefits to its employees pursuant to this

1 section, the county board of commissioners may provide for a
2 board of trustees to administer the plan and for the manner of
3 election or appointment of the members of the board of trustees.
4 The county board of commissioners may grant authority to the
5 board of trustees to fully administer and operate the plan and to
6 deposit, invest, and reinvest the funds and reserves of the plan
7 within the limitations prescribed by the county board of commis-
8 sioners in the plan. The county board of commissioners may
9 authorize the investment of funds of a county retirement plan
10 established under this section in anything in which the funds of
11 the state employees' retirement system or the funds of the munic-
12 ipal employees retirement system may be invested, pursuant to Act
13 No. 240 of the Public Acts of 1943, as amended, and Act No. 427
14 of the Public Acts of 1984, being sections 38.1501 to ~~38.1556~~
15 38.1558 of the Michigan Compiled Laws. A county retirement plan
16 established under this section may provide for financing, fund-
17 ing, and the payment of benefits in the same manner and to the
18 same extent as is provided for in Act No. 240 of the Public Acts
19 of 1943, as amended, and Act No. 427 of the Public Acts of 1984,
20 may provide for and require contributions by county employees,
21 and may permit additional employee contributions on a voluntary
22 basis.

23 (14) Upon the approval of the county board of commissioners,
24 a member who entered the armed service of the United States
25 before June 1, 1980 or who entered the armed service of the
26 United States on or after June 1, 1980 during a time of war or
27 emergency condition as described in section 1 of Act No. 190 of

1 the Public Acts of 1965, as amended, being section 35.61 of the
2 Michigan Compiled Laws, may elect to receive credited service for
3 not more than 5 years of active military service. Credit for
4 military service shall be given upon request and payment to the
5 retirement system of an amount equal to 5% of the member's
6 full-time or equated full-time annual compensation for the year
7 in which payment is made multiplied by the number of years, and
8 fraction of a year, of credited service that the member elects to
9 purchase up to the maximum. Service shall not be credited if the
10 service is or would be credited under any other federal, state,
11 or local publicly supported retirement system. Service shall not
12 be credited under this subsection until the member has the number
13 of years of credited service needed to vest under the plan. Only
14 completed years and months of armed service shall be credited
15 under this subsection.

16 (15) A member who enters or entered any armed service of the
17 United States may purchase credited service for periods of con-
18 tinuous active duty lasting 30 days or more, subject to the fol-
19 lowing conditions:

20 (a) The county board of commissioners authorizes the pur-
21 chase of credited service under this subsection by an affirmative
22 vote of a majority of the members of the county board of
23 commissioners. The county board of commissioners shall establish
24 a written policy to implement the provisions of this subsection
25 in order to provide uniform application of this subsection to all
26 members of the plan.

1 (b) The member has at least the number of years of credited
2 service needed to vest under the plan, not including any credited
3 service purchased under this subsection and subsection (14).

4 (c) The member pays the plan 5% of the member's annual com-
5 pensation multiplied by the period of credited service being
6 purchased. As used in this subdivision, "annual compensation"
7 means the aggregate amount of compensation paid the member during
8 the 4 most recent calendar quarters for each of which the member
9 was credited 3/12 of a year of credited service.

10 (d) Fractional months of armed service shall not be recog-
11 nized for the purposes of this subsection.

12 (e) Armed service credited a member under subsection (14)
13 shall not be the basis of credited service under this section.

14 (f) Armed service credited a member under this subsection
15 shall not exceed either 5 years or the difference between 5 years
16 and the armed service credited the member under subsection (14).

17 (g) Credited service shall not be granted for periods of
18 armed service that are or could be used for obtaining or increas-
19 ing a benefit from another retirement system.

20 (16) As used in this subsection, "transitional public
21 employment program" means a public service employment program in
22 the area of environmental quality, health care, education, public
23 safety, crime prevention and control, prison rehabilitation,
24 transportation, recreation, maintenance of parks, streets, and
25 other public facilities, solid waste removal, pollution control,
26 housing and neighborhood improvements, rural development,
27 conservation, beautification, veterans' outreach, or any other

1 area of human betterment and community improvement as part of a
2 program of comprehensive manpower services authorized, under-
3 taken, and financed pursuant to the former comprehensive employ-
4 ment and training act of 1973, Public Law 93-203. A person par-
5 ticipating in a transitional public employment program shall not
6 be eligible for membership in a retirement system or pension plan
7 established under this section. If the person later becomes a
8 member of a retirement system or pension plan established under
9 this section within 12 months after the date of termination as a
10 participant in a transitional public employment program, service
11 credit shall be given for employment in the transitional public
12 employment program for purposes of determining a retirement
13 allowance upon the payment by the person and the person's
14 employer under the transitional public employment program from
15 funds provided under the former comprehensive employment and
16 training act of 1973, Public Law 93-203, as funds permit, to the
17 retirement system of the contributions, plus regular interest,
18 the person and the employer would have paid had the employment
19 been rendered in a position covered by this section. During the
20 person's employment in the transitional public employment pro-
21 gram, the person's employer shall provide an opportunity by pay-
22 roll deduction for the person to make his or her employee contri-
23 bution to the applicable pension system. To provide for the
24 eventual payment of the employer's contribution, the person's
25 employer shall during this same period place in reserve a reason-
26 able but not necessarily an actuarially determined amount equal
27 to the contributions that the employer would have paid to the

1 retirement system for those employees in the transitional public
2 employment program as if they were members under this section,
3 but only for that number of employees that the employer deter-
4 mined would transfer from the transitional public employment pro-
5 gram into positions covered by this section. If the funds pro-
6 vided under the former comprehensive employment and training act
7 of 1973, Public Law 93-203, are insufficient, the remainder of
8 the employer contributions shall be paid by the person's current
9 employer.

10 (17) Subsection (16) does not exclude the participant in a
11 transitional public employment program from the accident, dis-
12 ability, or other benefits available to members of the retirement
13 system covered by this section.

14 (18) If a probate judge who is a member of a plan estab-
15 lished under this section contributes for ~~not less than~~ 20
16 years OR MORE, the county board of commissioners may allow the
17 probate judge to cease further contributions.

18 (19) An employee of the circuit court in the third judicial
19 circuit, the common pleas court of the city of Detroit, or the
20 recorder's court of the city of Detroit who became an employee of
21 the state judicial council on September 1, 1981, and who was 44
22 years of age or older as of that date, and who will have accumu-
23 lated 25 or more years of service credit by September 1, 1987,
24 shall continue to be eligible for membership in, and the benefits
25 of, a pension or retirement benefit plan established pursuant to
26 this section in the same manner as the employee was eligible
27 before September 1, 1981. A person who was an employee of the

1 circuit court in the third judicial circuit, the common pleas
2 court of the city of Detroit, or the recorder's court of the city
3 of Detroit on August 31, 1981, who last entered county employment
4 before November 2, 1956, who became an employee of the state
5 judicial council on September 1, 1981, and who accumulated not
6 less than 24 years of service credit by August 31, 1981, shall
7 continue to be eligible for membership in, and the benefits of, a
8 pension or retirement benefit plan established pursuant to this
9 section in the same manner as the employee was eligible before
10 September 1, 1981. An election to continue to be a member of a
11 pension or retirement benefit plan established pursuant to this
12 section as authorized by section 594(2) of the revised judicature
13 act of 1961, Act No. 236 of the Public Acts of 1961, being sec-
14 tion 600.594 of the Michigan Compiled Laws, or section 36(2) of
15 Act No. 369 of the Public Acts of 1919, being section 725.36 of
16 the Michigan Compiled Laws, is not effective unless the employee
17 has made the election in the manner prescribed by those sections
18 and has made the payments required by those sections.

19 (20) A plan adopted under this section may provide that an
20 employee of the circuit court in the third judicial circuit, the
21 common pleas court of the city of Detroit, or the recorder's
22 court of the city of Detroit who is a member of the Wayne county
23 employees' retirement system on August 31, 1981, who becomes an
24 employee of the state judicial council and a member of the state
25 employees' retirement system on September 1, 1981, receive a ben-
26 efit based on the annual average of the highest actual

1 compensation received by the employee during a period of 5 years
2 of county or state service.

3 (21) Beginning September 1, 1981, for determining the
4 retirement benefit for a county employee who is a judge of a
5 municipal court of record pursuant to subsection (2), "average
6 final compensation" means the annual average of the highest
7 actual compensation received by the judge as additional salary
8 pursuant to section 13(2) of Act No. 359 of the Public Acts of
9 1919, as amended, being section 125-13 of the Michigan Compiled
10 Laws, during a period of 5 years of service as specified in the
11 plan. This subsection shall not be construed to diminish or
12 impair an accrued financial benefit.

13 (22) Beginning September 1, 1981, for each county employee
14 who is a judge of a municipal court of record, or of the circuit
15 or district court, the sum of the average final compensation
16 determined for that county employee pursuant to this section and
17 the final salary determined for that county employee as a member
18 of the state of Michigan judges' retirement system pursuant to
19 ~~the judges' retirement act,~~ CREATED BY POPPER Act No. 198 of the
20 Public Acts of 1951 ~~, as amended,~~ being sections 38.801 to
21 ~~38.831 of the Michigan Compiled Laws~~ ~~AS A MEMBER OF THE~~
22 MICHIGAN JUDGES RETIREMENT SYSTEM CREATED BY THE JUDGES RETIRE-
23 MENT ACT OF 1992, ACT NO. 234 OF THE PUBLIC ACTS OF 1992, BEING
24 SECTIONS 38.2101 TO 38.2608 OF THE MICHIGAN COMPILED LAWS, shall
25 not exceed the employee's total annual judicial salary payable
26 from all sources at the time of his or her retirement. This

1 subsection shall not be construed to diminish or impair an
2 accrued financial benefit.

3 (23) Beginning September 1, 1981, for each county employee
4 who is a judge of the probate court, the sum of the average final
5 compensation calculated for that employee pursuant to this sec-
6 tion and the final salary calculated for that employee as a
7 member of the state of Michigan probate judges retirement system
8 ~~pursuant to the probate judges retirement act,~~ CREATED BY
9 FORMER Act No. 165 of the Public Acts of 1954 ~~, as amended,~~
10 ~~being sections 38.981 to 38.985 of the Michigan Compiled Laws~~ OR
11 AS A MEMBER OF THE MICHIGAN JUDGES RETIREMENT SYSTEM CREATED BY
12 ACT NO. 234 OF THE PUBLIC ACTS OF 1992, shall not exceed the
13 employee's total annual judicial salary payable from all sources
14 at the time of his or her retirement. This subsection shall not
15 be construed to diminish or impair an accrued financial benefit.

16 (24) Beginning September 1, 1981, for determining a retire-
17 ment benefit pursuant to subsection (2) for a county employee who
18 is a judge who receives an annuity pursuant to section 14(5) of
19 FORMER Act No. 198 of the Public Acts of 1951 ~~, as amended,~~
20 ~~being section 38.814 of the Michigan Compiled Laws~~ OR PURSUANT
21 TO SECTION 503(2)(C) OF ACT NO. 234 OF THE PUBLIC ACTS OF 1992,
22 BEING SECTION 38.2563 OF THE MICHIGAN COMPILED LAWS, "average
23 final compensation" means the difference between the judge's
24 total annual salary payable from all sources on August 31, 1981,
25 and the judge's state base salary payable on August 31, 1981.
26 This subsection shall not be construed to diminish or impair an
27 accrued financial benefit.

1 (25) Beginning January 1, 1983, the sum of the final salary
2 determined for each county employee who is a judge of the probate
3 court used as the basis for determining the judge's retirement
4 allowance as a member of a retirement system established pursuant
5 to this section and the salary or compensation figure used as the
6 basis for determining the judge's retirement allowance as a
7 member of the state of Michigan judges' retirement system created
8 by FORMER Act No. 198 of the Public Acts of 1951 OR AS A MEMBER
9 OF THE MICHIGAN JUDGES RETIREMENT SYSTEM CREATED BY ACT NO. 234
10 OF THE PUBLIC ACTS OF 1992, shall not exceed the judge's total
11 annual salary payable from all sources at the time of his or her
12 retirement. This subsection shall not be construed to diminish
13 or impair an accrued financial benefit.

14 (26) The county board of commissioners, upon the request of
15 a county employee, by not less than a 3/5 vote may credit that
16 county employee with the amount of membership service that the
17 county employee was previously credited with by the retirement
18 system established under this section under the following
19 conditions:

20 (a) The membership service previously credited to the county
21 employee was service rendered for the same county.

22 (b) Service that is recognized for the purpose of a deferred
23 retirement allowance under a retirement system or other
24 employer-funded retirement benefit plan, except for a retirement
25 benefit plan under the social security act, chapter 531, 49
26 Stat. 620, of the United States government, a state, or a
27 political subdivision of a state shall not be credited if the

1 county employee retired under a retirement system of the United
2 States government, a state, or any of their political subdivi-
3 sions or until the county employee irrevocably forfeits the right
4 to the deferred retirement allowance.

5 (c) The county employee deposits in the plan established
6 under this section an amount equal to the aggregate amount of
7 contributions the county employee made at the time of the previ-
8 ous membership service plus interest from the date of withdrawal
9 of the accumulated contributions to the date of deposit, at rates
10 determined by the county board of commissioners. If records are
11 insufficient or unavailable to compute the exact amount of
12 required deposit, the county board of commissioners may estimate
13 the amount.

14 (d) The county employee deposits in the county employees'
15 retirement system an amount equal to the aggregate amount of con-
16 tributions the employer made at the time of the previous member-
17 ship service plus interest from the date of separation to the
18 date of deposit, at rates determined by the county board of
19 commissioners.

20 (27) A person participating in a program described in this
21 subsection is not eligible for membership in a retirement system
22 or pension plan established under this section. In addition,
23 that person shall not receive service credit for the employment
24 described in this subsection even though the person subsequently
25 becomes or has been a member of the retirement system. This sub-
26 section applies to all of the following:

1 (a) A person, not regularly employed by the county, who is
2 employed by the county through participation in a program
3 established pursuant to the job training partnership act, Public
4 Law 97-300, 96 Stat. 1322.

5 (b) A person, not regularly employed by the county, who is
6 employed by the county through participation in a program estab-
7 lished pursuant to the Michigan opportunity and skills training
8 program, first established under sections 12 to 23 of Act No. 259
9 of the Public Acts of 1983.

10 (c) A person, not regularly employed by the county, who is
11 employed by the county through participation in a program estab-
12 lished pursuant to the Michigan community service corps program,
13 first established under sections 25 to 35 of Act No. 259 of the
14 Public Acts of 1983 and sections 148 to 160 of Act No. 246 of the
15 Public Acts of 1984.

16 (d) A person, not regularly employed by the county, who is
17 hired by the county to administer a program described in subdivi-
18 sion (a), (b), or (c).

19 (28) ~~if~~ EXCEPT AS OTHERWISE PROVIDED PURSUANT TO SUBSEC-
20 TION (35), IF a county enters into a collective bargaining agree-
21 ment pursuant to Act No. 336 of the Public Acts of 1947, being
22 sections 423.201 to ~~423.216~~ 423.217 of the Michigan Compiled
23 Laws, which provides for retirement benefits that are in excess
24 of the retirement benefits otherwise authorized to be provided
25 under this section for employees of the county who are covered by
26 a plan under this section, then the county board of commissioners
27 may amend or adopt a plan under this section to provide those

1 benefits to employees who are members of the bargaining unit
2 covered by the agreement, and may, after December 31, 1987 AND
3 SUBJECT TO SUBSECTION (35), amend or adopt a plan under this sec-
4 tion to provide those benefits to other employees of the county.

5 (29) ~~Beginning on the effective date of the 1991 amendatory~~
6 ~~act that added subparagraphs (i) to (iii) in subdivision (b), 1~~
7 ONE of the following conditions applies to a retirant who is
8 receiving a pension or retirement benefit from a plan under this
9 section if the retirant becomes employed by a county that has
10 established a plan under this section:

11 (a) Payment of the pension or retirement benefit to the
12 retirant shall be suspended if the retirant is employed by the
13 county from which the retirant retired and the retirant does not
14 meet the requirements of subdivision (b). Suspension of the pay-
15 ment of the pension or retirement benefit shall become effective
16 the first day of the calendar month that follows the sixtieth day
17 after the retirant is employed by the county. Payment of the
18 pension or retirement benefit shall resume on the first day of
19 the calendar month that follows termination of the employment.
20 Payment of the pension or retirement benefit shall be resumed
21 without change in amount or conditions by reason of the
22 employment. The retirant shall not be a member of the plan
23 during the period of employment.

24 (b) Payment of the pension or retirement benefit to the
25 retirant shall continue without change in amount or conditions by
26 reason of employment by the county from which the retirant
27 retired if all of the following requirements are met:

1 (i) The retirant meets 1 of the following requirements:

2 (A) For any retirant, is employed by the county for not more
3 than 1,000 hours in any 12-month period.

4 (B) For a retirant who was not an elected or appointed
5 county official at retirement, is elected or appointed as a
6 county official for a term of office that begins after the
7 retirant's retirement allowance effective date.

8 (C) For a retirant who was an elected or appointed county
9 official at retirement, is elected or appointed as a county offi-
10 cial to a different office from which the retirant retired for a
11 term of office that begins after the retirant's retirement allow-
12 ance effective date.

13 (D) For a retirant who was an elected or appointed county
14 official at retirement, is elected or appointed as a county offi-
15 cial to the same office from which the retirant retired for a
16 term of office that begins not less than 2 years after the
17 retirant's retirement allowance effective date.

18 (ii) The retirant is not eligible for any benefits from the
19 county other than those required by law or otherwise provided to
20 the retirant by virtue of his or her being a retirant.

21 (iii) The retirant is not a member of the plan during the
22 period of reemployment, does not receive additional retirement
23 credits during the period of reemployment, and does not receive
24 any increase in pension or retirement benefits because of the
25 employment under this subdivision.

26 (c) Payment of the pension or retirement benefit to the
27 retirant shall continue without change in amount or conditions by

1 reason of the employment if the retirant becomes employed by a
2 county other than the county from which the retirant retired.
3 For the purposes of membership and potential benefit entitlement
4 under the plan of the other county, the retirant shall be consid-
5 ered in the same manner as an individual with no previous record
6 of employment by that county.

7 (30) A county may increase the percentage of the highest
8 average monthly compensation or earnings that was used to calcu-
9 late the pension or retirement benefit under subsection (1)(b) of
10 a person receiving a pension or retirement benefit under this
11 section on the date the county increases the percentage of com-
12 pensation or earnings. The county shall recalculate the pension
13 or retirement benefit using the increased percentage of compensa-
14 tion or earnings. The person receiving the pension or retirement
15 benefit is eligible to receive an adjusted pension or retirement
16 benefit based upon the recalculation effective the first day of
17 the month following the date the county increases the percentage
18 of compensation or earnings under this subsection.

19 ~~(31) If a county retirement plan established under this~~
20 ~~section provides an optional form of payment of a retirement~~
21 ~~allowance, a retirement allowance may be made payable under this~~
22 ~~subsection, by resolution of the county board of commissioners,~~
23 ~~to the surviving spouse of a deceased retirant if all of the~~
24 ~~requirements of this subsection are met. If a member of a county~~
25 ~~retirement plan established under this section retired after~~
26 ~~March 1, 1981 but before November 12, 1985 elected to receive his~~
27 ~~or her retirement allowance in life payments to the retirant, and~~

1 ~~died after November 1, 1989 but before December 31, 1989, the~~
2 ~~surviving spouse of that deceased retirant shall receive a~~
3 ~~retirement allowance pursuant to this subsection. The county~~
4 ~~board of commissioners shall compute the retirement allowance in~~
5 ~~the same manner as if, on the day before the retirant's death,~~
6 ~~the deceased retirant had elected to receive a reduced retirement~~
7 ~~allowance in life payments to the retirant with full continuation~~
8 ~~to the retirement allowance beneficiary and had nominated the~~
9 ~~surviving spouse as the retirement allowance beneficiary. The~~
10 ~~surviving spouse shall begin to receive the retirement allowance~~
11 ~~under this subsection effective the first day of the month fol-~~
12 ~~lowing the month in which application to the county retirement~~
13 ~~plan is made by the surviving spouse. A payment of a retirement~~
14 ~~allowance under this subsection shall not be paid for any month~~
15 ~~before the first month a retirement allowance is payable under~~
16 ~~this subsection. As used in this subsection, "spouse" means the~~
17 ~~person, if any, to whom the deceased retirant was married on the~~
18 ~~effective date of his or her retirement under the county retire-~~
19 ~~ment plan and on the date of his or her death.~~

20 (31) ~~(32)~~ The payment of pension or retirement benefits
21 under a plan established pursuant to this section is subject to
22 an eligible domestic relations order under the eligible domestic
23 relations order act, Act No. 46 of the Public Acts of 1991, being
24 sections 38.1701 to 38.1711 of the Michigan Compiled Laws.

25 (32) ~~(33)~~ If a county retirement plan established under
26 this section provides an optional form of payment of a retirement
27 allowance and if a retirant receiving a reduced retirement

1 allowance under that plan is divorced from the spouse who had
2 been named the retirant's survivor beneficiary, the election of a
3 reduced retirement allowance form of payment shall be considered
4 void by the retirement system if the judgment of divorce or award
5 or order of the court, or an amended judgment of divorce or award
6 or order of the court dated after July 18, 1991 provides that the
7 election of a reduced retirement allowance form of payment is to
8 be considered void by the retirement system and the retirant pro-
9 vides a certified copy of the judgment of divorce or award or
10 order of the court, or an amended judgment of divorce or award or
11 order of the court, to the retirement system. If the election of
12 a reduced retirement allowance form of payment is considered void
13 by the retirement system under this subsection, the retirant's
14 retirement allowance shall revert to a straight life retirement
15 allowance, including postretirement adjustments, if any, subject
16 to an award or order of the court. The retirement allowance
17 shall revert to a straight life retirement allowance under this
18 subsection effective the first of the month after the date the
19 retirement system receives a certified copy of the judgment of
20 divorce or award or order of the court. This subsection does not
21 supersede a judgment of divorce or award or order of the court in
22 effect on July 18, 1991. This subsection does not require the
23 retirement system to distribute or pay retirement assets on
24 behalf of a retirant in an amount that exceeds the actuarially
25 determined amount that would otherwise become payable if a judg-
26 ment of divorce had not been rendered.

1 (33) ~~(34)~~ A county board of commissioners of a county
2 having a population of more than 400,000 but less than 800,000,
3 which county has an employee credit union organized under Act
4 No. 285 of the Public Acts of 1925, being sections 490.1 to
5 490.31 of the Michigan Compiled Laws, may include as a member of
6 a plan under this section a past or present employee of the
7 credit union, if that past or present employee has 5 or more
8 years of service credit with that credit union on or before
9 June 30, 1990.

10 (34) ~~(35)~~ The county board of commissioners shall estab-
11 lish a written policy to implement the provisions of this section
12 in order to provide uniform application of this section to all
13 members of the plan.

14 (35) A COUNTY EMPLOYEE WHO IS NOT A MEMBER OF A RETIREMENT
15 PLAN ESTABLISHED UNDER THIS SECTION ON DECEMBER 31, 1995, UNLESS
16 THE PERSON IS A VESTED FORMER MEMBER, AND WHO OTHERWISE BECOMES
17 ELIGIBLE FOR MEMBERSHIP ON OR AFTER 12:01 A.M. JANUARY 1, 1996
18 SHALL NOT BECOME A MEMBER OF A RETIREMENT PLAN ESTABLISHED UNDER
19 THIS SECTION, UNLESS THE PERSON IS A VESTED FORMER MEMBER OF THE
20 PLAN. IF A COUNTY OFFERS ANY FORM OF PENSION OR RETIREMENT BENE-
21 FITS TO ANY CLASSIFICATIONS OF ITS EMPLOYEES UNDER THIS SECTION,
22 THE COUNTY SHALL COMPLY WITH THE POLITICAL SUBDIVISION PENSION
23 AND RETIREMENT PLAN CLOSURE ACT. THIS SUBSECTION DOES NOT APPLY
24 TO COUNTY EMPLOYEES WHO ARE POLICE OFFICERS OR FIRE FIGHTERS AND
25 WHO ARE SUBJECT TO COMPULSORY ARBITRATION OF LABOR DISPUTES PUR-
26 SUANT TO ACT NO. 312 OF THE PUBLIC ACTS OF 1969, BEING
27 SECTIONS 423.231 TO 423.247 OF THE MICHIGAN COMPILED LAWS.

1 Section 2. This amendatory act shall not take effect unless
2 Senate Bill No. _____ or House Bill No. _____ (request
3 no. 02271'95) of the 88th Legislature is enacted into law.