

SENATE BILL No. 1450

July 24, 2008, Introduced by Senators KUIPERS and JANSEN and referred to the Committee on Education.

A bill to amend 1980 PA 300, entitled
"The public school employees retirement act of 1979,"
by amending sections 6 and 7 (MCL 38.1306 and 38.1307), as amended
by 1995 PA 272.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) "Original member" means a member employed in
2 Michigan public schools before July 1, 1945.

3 (2) "Out of system public education service" means service
4 performed in public education meeting 1 or more of the following
5 requirements:

6 (a) Performed in other states in the United States or its
7 territorial possessions.

1 (b) Performed at the university of Michigan, Michigan state
2 university, Wayne state university, Grand Valley state university,
3 Oakland university, or Saginaw Valley university.

4 (c) Service purchased before January 31, 1991 and performed in
5 a juvenile training school operated by a county in this state.

6 (d) Service purchased before January 31, 1991 and performed in
7 a community mental health service program operated under former Act
8 ~~No. 54 of the Public Acts of 1963~~ **1963 PA 54** for the severely
9 mentally retarded in day care programs, day training programs, or
10 day care training programs that were transferred to an intermediate
11 school district by direction of the department of education.

12 (e) Service purchased before January 31, 1991 and performed as
13 an elementary or secondary teacher at a United States armed forces
14 military base in the United States or a foreign country.

15 (f) Service purchased before January 31, 1991 and performed as
16 a teacher or administrator of American nationals in overseas public
17 elementary or secondary schools operated by the United States
18 department of defense.

19 (g) Performed by a person who first becomes employed by an
20 institution of higher education described in section 4, 5, or 6 of
21 article VIII of the state constitution of 1963 on or after January
22 1, 1996.

23 **(H) PERFORMED BY A PERSON WHO FIRST BECOMES EMPLOYED BY A**
24 **QUALIFIED TAX SUPPORTED COMMUNITY OR JUNIOR COLLEGE ON OR AFTER**
25 **JANUARY 1, 2009.**

26 (3) "Prior service" means service performed before July 1,
27 1945.

(4) Except as otherwise provided in this subsection, "public school academy" means a public school academy established under part 6a ~~or 6b~~ of the **REVISED** school code, ~~of 1976, Act No. 451 of the Public Acts of 1976, being sections 380.501 to 380.507 and 380.511 to 380.518 of the Michigan Compiled Laws 1976 PA 451, MCL 380.501 TO 380.507.~~ Public school academy does not include any of the following:

(a) A public school academy operated by a state public university that is not subject to the optional retirement act of 1967, ~~Act No. 156 of the Public Acts of 1967, being sections 38.381 to 38.388 of the Michigan Compiled Laws 1967 PA 156, MCL 38.381 TO 38.388.~~

(b) A public school academy corporation formed by a state public university that is not subject to ~~Act No. 156 of the Public Acts of 1967~~ **THE OPTIONAL RETIREMENT ACT OF 1967, 1967 PA 156, MCL 38.381 TO 38.388.**

(5) Except as otherwise provided in this subsection, "public school employee" means an employee of a public local school district, intermediate school district, public school academy, tax supported community or junior college, eastern Michigan university, central Michigan university, northern Michigan university, western Michigan university, Ferris state university, Michigan technological university, Lake Superior state university, or district library as defined in section 69g if the conditions in section 69g(1) are met for that employee. Service at Michigan technological university shall be creditable only if the amount of the accumulated contributions in the state employees' retirement

1 system created by the state employees' retirement act, ~~Act No. 240~~
2 ~~of the Public Acts of 1943, being sections 38.1 to 38.48 of the~~
3 ~~Michigan Compiled Laws 1943 PA 240, MCL 38.1 TO 38.69,~~ for service
4 is paid to the retirement system. Service at Ferris state
5 university shall be creditable as prior service or membership
6 service only if the employee was employed at Ferris state
7 university on a full-time basis for 2 or more years after May 17,
8 1949. Until January 1, 1988, public school employee also includes a
9 person holding a Michigan teacher certificate and serving as an
10 employee of the Michigan high school athletic association, other
11 than a person whose effective date of employment with the Michigan
12 high school athletic association is on or after December 31, 1986.
13 Public school employee includes a public school employee on an
14 approved leave of absence. Public school employee does not include
15 a person who first becomes employed by a university described in
16 this subsection on or after January 1, 1996. **PUBLIC SCHOOL EMPLOYEE**
17 **DOES NOT INCLUDE A PERSON WHO FIRST BECOMES EMPLOYED BY A QUALIFIED**
18 **TAX SUPPORTED COMMUNITY OR JUNIOR COLLEGE ON OR AFTER JANUARY 1,**
19 **2009.**

20 (6) **"QUALIFIED TAX SUPPORTED COMMUNITY OR JUNIOR COLLEGE"**
21 **MEANS A TAX SUPPORTED COMMUNITY OR JUNIOR COLLEGE THAT HAS**
22 **SUBMITTED AN APPROPRIATE RESOLUTION TO WITHDRAW FROM THE RETIREMENT**
23 **SYSTEM TO THE RETIREMENT BOARD NO LATER THAN DECEMBER 1, 2008.**

24 Sec. 7. (1) "Refund beneficiary" means 1 or more persons whom
25 the member or former member nominates in writing and files with the
26 retirement system for the purpose of being paid accumulated
27 contributions in the event of the death of the member or former

1 member. If a valid nomination is not on file, the retirement board
2 shall pay the accumulated contributions to the legal representative
3 of the deceased member or deceased former member, if any, or to the
4 estate of the deceased member or deceased former member.

5 (2) "Regular interest" means interest at 1 or more rates per
6 annum determined by the retirement board and compounded annually.

7 (3) Except as otherwise provided in this subsection,
8 "reporting unit" means a public school district, intermediate
9 school district, public school academy, tax supported community or
10 junior college, or university, or an agency having employees on its
11 payroll who are members of this retirement system. The reporting
12 unit shall be the employer for purposes of this act. On and after
13 January 1, 1996, reporting unit does not include a university,
14 except to the extent that university has employees on its payroll
15 who are members of this retirement system. **ON AND AFTER JANUARY 1,**
16 **2009, REPORTING UNIT DOES NOT INCLUDE A QUALIFIED TAX SUPPORTED**
17 **COMMUNITY OR JUNIOR COLLEGE EXCEPT TO THE EXTENT THAT THE COMMUNITY**
18 **OR JUNIOR COLLEGE HAS EMPLOYEES ON ITS PAYROLL WHO ARE MEMBERS OF**
19 **THE SYSTEM.**

20 (4) "Retirant" means a member who retires with a retirement
21 allowance payable from reserves of the retirement system.

22 (5) "Retirement allowance" means a payment for life or a
23 temporary period provided for in this act to which a retirant,
24 retirement allowance beneficiary, or refund beneficiary is
25 entitled.

26 (6) "Retirement allowance beneficiary" means a person who is
27 being paid or has entitlement to the payment of a retirement

1 allowance in the event of the death of a member, deferred member,
2 or retirant.

3 (7) "Retirement board" means the board provided to administer
4 this retirement system.

5 (8) "Retirement system" means the Michigan public school
6 employees' retirement system provided for in this act.