

# SENATE BILL No. 725

December 12, 2013, Introduced by Senator JANSEN and referred to the Committee on Appropriations.

A bill to amend 1980 PA 300, entitled  
"The public school employees retirement act of 1979,"  
by amending sections 86 and 87 (MCL 38.1386 and 38.1387), as  
amended by 2010 PA 75.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 86. (1) A member **WHO FIRST BECAME A MEMBER BEFORE JULY 1,**  
2       **2014 AND** whom the retirement board finds ~~to have become~~ **IS** totally  
3       and permanently disabled for purposes of employment by his or her  
4       reporting unit by reason of personal injury or mental or physical  
5       illness before termination of reporting unit service and employment  
6       shall receive a disability allowance if all of the following  
7       requirements are met:

8       (a) The member has not met age and service requirements of  
9       section 81(1)(a) or (b) or, if the member first became a member on

1 or after July 1, 2010, the member has not met age and service  
2 requirements of section 81c(1).

3 (b) The member has at least 10 years of credited service in  
4 effect before termination of employment.

5 (c) The member or reporting unit makes written application to  
6 the retirement board not more than 12 months after the date the  
7 member terminated public school employment.

8 (d) The ~~person~~**MEMBER** undergoes an examination by 1 or more  
9 practicing physicians or medical officers designated by the  
10 retirement board who certify to the retirement board that the  
11 member is totally and permanently disabled for performing the  
12 duties for the member's position or similar position for which the  
13 member is qualified by reason of training, experience, or both.

14 (2) The retirement board may extend the application time limit  
15 ~~provided in~~**UNDER** subsection (1) not more than 24 months for a  
16 member or deferred member who satisfies the other requirements of  
17 subsection (1), if evidence of extenuating circumstances is  
18 presented to the satisfaction of the retirement board.

19 (3) The member's disability retirement allowance shall be  
20 computed ~~pursuant~~**UNDER** to section 84. The effective date of the  
21 disability retirant's allowance shall be determined ~~pursuant to~~  
22 **UNDER** section 83.

23 Sec. 87. (1) A member **WHO FIRST BECAME A MEMBER BEFORE JULY 1,**  
24 **2014 AND** whom the retirement board finds ~~to have become~~**IS** totally  
25 and permanently disabled from any gainful employment by reason of  
26 personal injury or mental or physical illness while serving as an  
27 employee of that reporting unit shall receive a duty disability

1 retirement allowance if all of the following requirements are met:

2 (a) The member has not met age and service requirements of  
3 section 81(1)(a) or (b) or, if the member first became a member on  
4 or after July 1, 2010, the member has not met age and service  
5 requirements of section 81c(1).

6 (b) The member ~~is in receipt of~~ **RECEIVES** weekly worker's  
7 disability compensation on account of employment by a reporting  
8 unit.

9 (c) The member or reporting unit makes written application to  
10 the retirement board not more than 12 months after the date the  
11 member terminated public school employment.

12 (d) The member undergoes an examination by 1 or more  
13 practicing physicians or medical officers designated by the  
14 retirement board who certify to the retirement board that the  
15 member is totally and permanently disabled for performing the  
16 duties for the member's position for which the member is qualified  
17 by reason of training, or experience, or both.

18 (2) The member's duty disability retirement allowance shall be  
19 computed ~~pursuant to~~ **UNDER** section 84. The effective date of the  
20 duty disability retirant's allowance ~~shall be~~ **IS** the first of the  
21 month following the month in which the member terminates employment  
22 and ~~is in receipt of~~ **RECEIVES** weekly worker's disability  
23 compensation. The years of service credit used in computing the  
24 retirant's duty disability retirement allowance shall not be less  
25 than 10 years. If the member has less than 5 consecutive years of  
26 credited service, the average of the member's annual compensation  
27 shall be used.

1           (3) Upon recovery and return to reporting unit service or upon  
2 termination of the statutory period for the payment of a disability  
3 retirant's worker's disability compensation, if any, arising on  
4 account of the retirant's reporting unit service, the retirant  
5 shall be given service credit for the period and the retirant's  
6 disability retirement allowance shall be adjusted to include the  
7 additional credit.