

THE PUBLIC SCHOOL EMPLOYEES RETIREMENT ACT OF 1979 (EXCERPT)
Act 300 of 1980

38.1369 Out of system public education service; condition for granting membership or prior service credit; eligibility for retirement allowance; computation of payment; limitation; refund; noncreditable service; election to purchase certain service credit.

Sec. 69. (1) As a condition for granting membership or prior service credit under this act for out of system public education service, a member shall pay to the retirement system an amount equal to the amount the member would have contributed pursuant to the schedule governing member contributions in effect at the time of that service had the service been performed under this act or former Act No. 136 of the Public Acts of 1945, together with regular interest from the end of the school fiscal year in which service was performed to the semiannual anniversary of the date following the payment, and shall have 5 years of reporting unit service credit under this act or former Act No. 136 of the Public Acts of 1945, following the out of system public education service.

(2) A member shall not be entitled to a retirement allowance based on out of system public education service that was performed after July 1, 1974, until the member pays into the retirement system for that service an amount equal to 5% of the member's full-time or equated full-time compensation earned in the school fiscal year before the school fiscal year in which the application to purchase and payment for the service credit is made, multiplied by the years of that service the member elects to purchase and unless that service is followed by 5 years of reporting unit service credit under this act.

(3) For the purposes of computing payment under this section, the compensation amount used shall not be less than the highest school fiscal year compensation previously earned by the member. If the compensation amount used for computing payment under this section exceeds the member's final average compensation determined at the time of retirement, the payment required under this section shall be recomputed using the member's final average compensation and a refund shall be made based upon the recomputation. Credit provided by this section shall not be used in satisfying the minimum of 10 years of service credit required under this act for a retirement allowance. A person who had employment with a community mental health service program as described in section 6(2) shall not be subject to the minimum of 10 years of service credit, if the other requirements of this section are met.

(4) A member shall not receive more than 15 years of out of system public education service. A member shall not receive more out of system public education service than service performed under this act or former Act No. 136 of the Public Acts of 1945, unless, before July 1, 1974, the member applied for out of system public education service credit based upon payment of contributions for that service credit as required under former Act No. 136 of the Public Acts of 1945. The total out of system public education service credited shall be used to compute the member's retirement allowance if the minimum service requirements performed under this act or former Act No. 136 of the Public Acts of 1945 are met.

(5) If a member who made payment for out of system public education service dies and a retirement allowance beneficiary has not been designated, or if the member withdraws from service before his or her retirement becomes effective, the payment made by the member shall be refunded to the member or to the member's refund beneficiary upon request.

(6) Out of system public education service shall not be creditable toward retirement under this act if the member is or will be receiving a retirement allowance for the same service from another retirement system.

(7) Out of system public education service shall not be creditable under this act unless similar service performed in a reporting unit would be creditable.

(8) Before January 31, 1991, a member may elect to purchase service credit as an elementary or secondary teacher at a United States armed forces military base in the United States or a foreign country upon payment to the retirement board of the actuarial cost.

History: 1980, Act 300, Imd. Eff. Oct. 31, 1980;—Am. 1984, Act 428, Imd. Eff. Jan. 2, 1985;—Am. 1987, Act 242, Imd. Eff. Dec. 28, 1987;—Am. 1989, Act 194, Imd. Eff. Aug. 25, 1989.

Popular name: Act 300