



# HOUSE BILL No. 5426

February 22, 2000, Introduced by Reps. Garcia, DeHart, Mans, Gosselin, Faunce, Vander Roest, Vear, DeWeese, Mortimer, Martinez, Mead, Scranton, Voorhees and Toy and referred to the Committee on Senior Health, Security and Retirement.

A bill to amend 1980 PA 300, entitled  
"The public school employees retirement act of 1979,"  
by amending section 74 (MCL 38.1374), as amended by 1989 PA 194.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 74. (1) A member of this retirement system after  
2 May 31, 1976, who does not meet the requirements of section 73,  
3 and who enters active duty with the armed forces, may elect to  
4 receive service credit for not more than 5 years of active duty  
5 upon request and payment to the retirement system of an amount  
6 equal to 5% of the member's full-time or equated full-time com-  
7 pensation earned in the school fiscal year immediately before the  
8 school fiscal year in which payment is made multiplied by the  
9 years of service that the member elects to purchase up to the  
10 maximum.

1           (2) A SURVIVING SPOUSE OF A DECEASED MEMBER OF THIS  
2 RETIREMENT SYSTEM AFTER MAY 31, 1976 WHO DID NOT MEET THE  
3 REQUIREMENTS OF SECTION 73 MAY PURCHASE SERVICE CREDIT FOR MILI-  
4 TARY SERVICE NOT PREVIOUSLY PURCHASED BY THE DECEASED MEMBER FOR  
5 NOT MORE THAN 5 YEARS OF ACTIVE DUTY UPON REQUEST AND PAYMENT TO  
6 THE RETIREMENT SYSTEM OF AN AMOUNT EQUAL TO 5% OF THE MEMBER'S  
7 FULL-TIME OR EQUATED FULL-TIME COMPENSATION EARNED IN THE LAST  
8 SCHOOL FISCAL YEAR IMMEDIATELY BEFORE THE MEMBER'S DEATH MULTI-  
9 PLIED BY THE YEARS OF SERVICE THAT THE SURVIVING SPOUSE ELECTS TO  
10 PURCHASE UP TO THE MAXIMUM.

11           (3) ~~-(2)-~~ For the purposes of computing payment under this  
12 section, the compensation amount used shall not be less than the  
13 highest school fiscal year compensation previously earned by a  
14 member. If the compensation amount used for computing payment  
15 under this section exceeds the member's final average compensa-  
16 tion determined at the time of retirement, the payment required  
17 under this section shall be recomputed using the member's final  
18 average compensation and a refund shall be made based upon the  
19 recomputation.

20           (4) ~~-(3)-~~ Service shall not be credited if it is or would be  
21 credited under any other federal, state, or local publicly sup-  
22 ported retirement system, but this restriction shall not apply to  
23 a person who has acquired or will acquire retirement eligibility  
24 under the federal government for service in the reserve.

25           (5) ~~-(4)-~~ Service shall not be credited under this section  
26 until the member has accumulated 10 years of full-time or equated

1 full-time service credit performed under this act or former  
2 acts.