

HOUSE BILL No. 5730

February 21, 2002, Introduced by Reps. Williams, Richardville, Birkholz, Meyer, Vander Veen, Vander Roest and Lemmons and referred to the Committee on Senior Health, Security and Retirement.

A bill to amend 1851 PA 156, entitled

"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,"

by amending section 12a (MCL 46.12a), as amended by 1998 PA 502.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

3 (a) Provide group life, health, accident and hospitaliza-
4 tion, and disability coverage for a county employee, retired
5 employee, or an employee of an office, board, or department of
6 the county, including the board of county road commissioners, and
7 a dependent of an employee, either with or without cost
8 participation by the employee, and appropriate the necessary
9 funds for the insurance. For a county with 100 employees or

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1 more, self-insure for health, accident and hospitalization, and
2 group disability coverage for a county employee, retired employ-
3 ee, or an employee of an office, board, or department of the
4 county, including the board of county road commissioners, and a
5 dependent of an employee, either with or without cost participa-
6 tion by the employee, and appropriate the necessary funds.

7 (b) Adopt and establish a plan by which the county purchases
8 or participates in the cost of an endowment policy or retirement
9 annuity for a county employee or an employee of an office, board,
10 or department of the county, including the board of county road
11 commissioners, to provide monthly pension or retirement benefits
12 for each employee 60 years of age or older in an amount not to
13 exceed \$150.00 per month or 2% of the average monthly earnings of
14 the employee for 5 years immediately before retirement times the
15 years of service of the employee, whichever is the lesser sum.
16 As an option, a county board of commissioners may adopt and
17 establish a plan by which the county pays pension or retirement
18 benefits to a county employee or an employee of an office, board,
19 or department of the county, including the board of county road
20 commissioners, who has been employed for not less than 25 years,
21 or who is 60 years of age or older and has been employed for not
22 less than 5 years, in monthly payments not to exceed 2.5% of the
23 employee's highest average monthly compensation or earnings
24 received from the county or county road fund for 5 years of serv-
25 ice times the total number of years of service of the employee,
26 including a fraction of a year, not to exceed 3/4 of the average
27 final compensation of the employee. A plan may also pay early

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1 retirement benefits at 55 years of age or older to the extent of
2 actuarially equivalent benefits not increasing the costs of the
3 plan. Except as provided in subsection ~~(28)~~ (27), endowment
4 policies, retirement benefits, pensions, or annuity retirement
5 benefits in excess of the amounts stipulated in this subdivision
6 may be provided for by a plan of employee participation to cover
7 the cost of the excess. If the employment or the pension or
8 retirement benefits of an employee who participated in the cost
9 of pension or retirement benefits are terminated before the
10 employee receives pension or retirement benefits equal to the
11 total amount of the employee's participation, the balance of the
12 total participation shall be refunded to the employee at the time
13 of termination, if living, or if deceased, to the employee's
14 heir, estate, legal representative, or designated beneficiary as
15 provided in the plan adopted and established by the county board
16 of commissioners. If a terminated employee is subsequently
17 rehired by the county, the employee may repay the amount of par-
18 ticipation refunded to the employee upon the employee's termina-
19 tion, together with compound interest from the date of refund to
20 the dates of repayment at the rates provided in the plan. As
21 conditions for repayment, the plan may require return to employ-
22 ment for a period not to exceed 3 years and may require that
23 repayment be completed within a period of not less than 1 year
24 following return to employment. A plan adopted for the payment
25 of retirement benefits or a pension shall grant benefits to an
26 employee eligible for pension or retirement benefits according to
27 a uniform scale for all persons in the same general class or

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1 classification. An employee shall not be denied benefits by
2 termination of his or her employment after the employee becomes
3 eligible for benefits under the plan and this section. An endow-
4 ment policy or annuity purchased pursuant to this section shall
5 be purchased from an insurer authorized to write endowment poli-
6 cies or annuities in this state.

7 (2) In a plan adopted under this section, at least 60% of
8 the total pension or retirement benefit granted to an employee
9 from county funds shall consist of a percentage not to exceed
10 2.5% of the employee's average final compensation times the
11 employee's years of service and shall be granted to each employee
12 eligible for retirement under the plan uniformly and without
13 restriction or limitation other than those prescribed in this
14 section. As used in this section:

15 (a) "Average final compensation" means the annual average of
16 the highest actual compensation received by a county employee,
17 other than a county employee who is a judge of a municipal court
18 of record subject to subsection ~~(21)~~ (20) or a judge subject to
19 subsection ~~(24)~~ (23), during a period of 5 consecutive years of
20 service contained within the employee's 10 years of service imme-
21 diately before the employee's retirement or a period of 5 years
22 of service as specified in the plan. In a county that adopts a
23 plan for granting longevity pay, the county board of commission-
24 ers may exclude this longevity pay from average final compensa-
25 tion for the purpose of computing the rate of employee contribu-
26 tion and the amount of benefits payable to an employee upon
27 retirement.

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

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

10 (4) If the employment of a county employee eligible to
11 receive a pension or retirement benefit under a plan established
12 pursuant to this section is terminated after the employee has
13 completed 8 or more years of service in county employment, the
14 employee shall receive the amount of pension or retirement bene-
15 fit to which the employee's service would have entitled the
16 employee under the plan established, if the employee waives the
17 employee's right to a refund of the employee's total participa-
18 tion upon the termination of employment. The payment of pension
19 or retirement benefits shall begin, as provided in the plan,
20 after the employee would have become eligible for retirement
21 under the plan had the employee's employment not been terminated,
22 but not later than 90 days after the employee becomes 65 years of
23 age. The payment of pension or retirement benefits shall not
24 begin until the employee has applied for pension or retirement
25 benefits in the manner prescribed in the plan established.

26 (5) A plan established under this section may provide for
27 pension or retirement benefits for a county employee who becomes

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

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1 (6) As used in this section, "county employee" includes a
2 bailiff of the district court in the thirty-sixth district who
3 serves pursuant to section 8322 of the revised judicature act of
4 1961, 1961 PA 236, MCL 600.8322, and a person who receives more
5 than 50% of all compensation for personal services, rendered to
6 governmental units, from a county fund or county road fund,
7 except a person, other than a bailiff of the district court in
8 the thirty-sixth district, engaged for special services on a con-
9 tract or fee basis. Until December 31, 1979, a plan adopted
10 under this section may include as a county employee a person on
11 leave of absence from county employment who is not a member of
12 another retirement system except as a retirant and who pays or
13 arranges payment of contributions equal to the contributions that
14 would have been required to be paid under the plan by both the
15 county and the employee, based upon the compensation the employee
16 would have received from the county, if the employee had not
17 taken a leave of absence or a person who complies with the
18 requirements of such a provision approved for inclusion in a plan
19 by the county board of commissioners before January 1, 1976, who
20 shall be considered to be a county employee during the period of
21 compliance. A plan adopted under this section may exclude a
22 person who is employed on a temporary basis and a person employed
23 in a position normally requiring less than 1,000 hours, or some
24 lesser specified number of hours, work per year. A bailiff serv-
25 ing in the district court in the thirty-sixth district is eligi-
26 ble to receive benefits under this section if a plan has been
27 established by law by which the cost of benefits is payable from

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1 sources including charges on all legal instruments in which the
2 service of process by a bailiff is required and earmarked by law
3 for benefits, and contributions made by the city of Detroit and
4 each bailiff pursuant to section 8322(6) of the revised judica-
5 ture act of 1961, 1961 PA 236, MCL 600.8322. The plan shall
6 include provisions by which a bailiff or former bailiff who
7 served as bailiff as of January 1, 1967, may retire after 25
8 years of service regardless of age, with maximum benefits to be
9 computed as follows: starting as of January 1, 1969, the average
10 of any 5 years of earnings of the previous 10 years served in
11 succession before retirement multiplied by 1.9% times the years
12 of service; starting as of June 1, 1975, the average of any 5
13 years of earnings multiplied by 2% times the years of service.
14 As used in this subsection, "earnings" means the salary and fees,
15 other than mileage, received by a bailiff pursuant to section
16 8322(5) of the revised judicature act of 1961, 1961 PA 236,
17 MCL 600.8322. The plan shall include provisions by which health,
18 accident, and hospitalization insurance premiums may be paid out
19 of the earnings of this fund. These payments shall be made at
20 the discretion of the pension board of trustees. A county that
21 has a retirement fund for bailiffs under this section shall annu-
22 ally review the retirement fund and shall ensure that the fund is
23 maintained in an actuarially sound condition. Copies of the
24 actuarial reports shall be provided to the employer designated
25 under section 8274(2) or (3) of the revised judicature act of
26 1961, 1961 PA 236, MCL 600.8274, and to the state court
27 administrator.

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1 (7) An employee while receiving a pension or retirement
2 benefit because of disability, pursuant to this section, may be
3 considered as employed in the county service for the purpose of
4 retirement under this section.

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

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

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

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

22 (c) 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

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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 (d) 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 would have made had the service
8 been acquired in the employ of the county, plus interest from the
9 dates the contributions would have been made to the date of
10 deposit, at rates determined by the county board of
11 commissioners. If records are insufficient or unavailable to
12 compute the exact amount of required deposit, the county board of
13 commissioners may estimate the amount.

14 (e) The county employee has 8 or more years of credited
15 service in county employment, has legal vesting in the county
16 plan, and deposits in the county employees' retirement system an
17 amount equal to the aggregate amount of contributions the
18 employer would have made had the government service being cred-
19 ited under this section been acquired in the employ of the
20 county.

21 (10) A plan adopted under this section may provide for
22 annual or less frequent postretirement redetermination of a
23 pension. The redetermined amount of pension shall be not greater
24 than the amount of pension otherwise payable multiplied by the
25 sum of 100% and the percentage the county board of commissioners
26 determines appropriate for each full year, excluding a fraction
27 of a year, in the period from the effective date of payments of

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1 the pension and the date as of which the redetermination is being
2 made. The redetermined amount shall not be less than the amount
3 of pension otherwise payable. A provision of this section that
4 limits the amount of a pension shall not apply to the operation
5 of this subsection redetermining the amount of a pension. As
6 used in this subsection, "the amount of pension otherwise
7 payable" means the amount of pension that would be payable with-
8 out regard to this subsection. The application of a provision
9 redetermining pension amounts may be restricted to pensions that
10 have an effective date of payment either before or after a speci-
11 fied date.

12 (11) The cost of pension or retirement benefits for a county
13 employee under this section may be paid from the same fund from
14 which the employee receives compensation, and the county board of
15 commissioners may appropriate the necessary funds to carry out
16 the purposes of this section. If a county establishes a plan by
17 which the county pays pension or retirement benefits to an
18 employee pursuant to this section, the county, pursuant to provi-
19 sions for pension or retirement benefits that are incorporated in
20 the plan, shall establish and maintain reserves on an actuarial
21 basis in the manner provided in this subsection sufficient to
22 finance the pension and retirement and death benefit liabilities
23 under the plan and sufficient to pay the pension and retirement
24 and death benefits as they become due. A county that adopts a
25 retirement plan under this section and establishes reserves on an
26 actuarial basis shall maintain the reserves as provided in this
27 subsection. The reserves shall be determined by an actuarial

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1 valuation and established and maintained by yearly appropriations
2 by the county and contributions by employees. The reserves shall
3 be established, maintained, and funded to cover the pension and
4 other benefits provided for in the plan in the same manner and
5 within the same limits as to time as is provided for Benefit
6 Program B in the municipal employees retirement system described
7 in former section 14 of the municipal employees retirement act of
8 1984, 1984 PA 427. These reserves are trust funds and shall not
9 be used for any other purpose than the payment of pension,
10 retirement, and other benefits and refunds of employee contribu-
11 tions pursuant to the plan established in a county. An
12 employee's contributions shall be kept and accumulated in a sepa-
13 rate fund and used only for the payment of annuities and refunds
14 to employees. This subsection does not apply to a county that
15 adopted a retirement plan under this section and did not estab-
16 lish reserves on an actuarial basis before October 11, 1947.

17 ~~(12) A plan established by a county for the payment of pen-~~
18 ~~sion and retirement benefits to an employee under this section~~
19 ~~shall be approved as complying with this section by a county pen-~~
20 ~~sion plan committee consisting of the attorney general, the state~~
21 ~~treasurer, and the executive secretary of the state employees'~~
22 ~~retirement system created by the state employees' retirement act,~~
23 ~~1943 PA 240, MCL 38.1 to 38.69, before the plan becomes effective~~
24 ~~or operative in the county. Each county retirement plan operat-~~
25 ~~ing under this section shall be approved by the committee as com-~~
26 ~~plying with this section biennially. A financial statement for~~
27 ~~each county retirement plan operating under this section shall be~~

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1 ~~submitted annually to the county pension plan committee by the~~
2 ~~county board, official, or employee designated by the county~~
3 ~~board of commissioners. The financial statement shall be in the~~
4 ~~form, contain the information, and be submitted as the county~~
5 ~~pension plan committee prescribes. The state treasurer shall~~
6 ~~audit the funds and accounts of county retirement plans estab-~~
7 ~~lished under this section in the same manner as the state trea-~~
8 ~~surer audits other county accounts and may audit and investigate~~
9 ~~county retirement plan funds and accounts to the extent necessary~~
10 ~~to effectuate the purposes of this section. This subsection does~~
11 ~~not apply to a county that adopted a retirement plan under this~~
12 ~~section and did not establish reserves on an actuarial basis~~
13 ~~before October 11, 1947.~~

14 (12) ~~(13)~~ If a county establishes a plan for the payment
15 of pension and retirement benefits to its employees pursuant to
16 this section, the county board of commissioners may provide for a
17 board of trustees to administer the plan and for the manner of
18 election or appointment of the members of the board of trustees.
19 The county board of commissioners may grant authority to the
20 board of trustees to fully administer and operate the plan and to
21 deposit, invest, and reinvest the funds and reserves of the plan
22 within the limitations prescribed by the county board of commis-
23 sioners in the plan. The county board of commissioners may
24 authorize the investment of funds of a county retirement plan
25 established under this section in anything in which the funds of
26 the state employees' retirement system or the funds of the
27 municipal employees retirement system may be invested, pursuant

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1 to the state employees' retirement act, 1943 PA 240, MCL 38.1 to
2 38.69, and the municipal employees retirement act of 1984, 1984
3 PA 427, MCL 38.1501 to 38.1555. A county retirement plan estab-
4 lished under this section may provide for financing, funding, and
5 the payment of benefits in the same manner and to the same extent
6 as is provided for in the state employees' retirement act, 1943
7 PA 240, MCL 38.1 to 38.69, and the municipal employees retirement
8 act of 1984, 1984 PA 427, MCL 38.1501 to 38.1555, may provide for
9 and require contributions by county employees, and may permit
10 additional employee contributions on a voluntary basis.

11 (13) ~~(14)~~ Upon the approval of the county board of commis-
12 sioners, a member who entered the armed service of the United
13 States before June 1, 1980 or who entered the armed service of
14 the United States on or after June 1, 1980 during a time of war
15 or emergency condition as described in section 1 of 1965 PA 190,
16 MCL 35.61, may elect to receive credited service for not more
17 than 5 years of active military service. Credit for military
18 service shall be given upon request and payment to the retirement
19 system of an amount equal to 5% of the member's full-time or
20 equated full-time annual compensation for the year in which pay-
21 ment is made multiplied by the number of years, and fraction of a
22 year, of credited service that the member elects to purchase up
23 to the maximum. Service shall not be credited if the service is
24 or would be credited under any other federal, state, or local
25 publicly supported retirement system, except for service that is
26 or would be credited under the federal government for services in
27 the reserve. Service shall not be credited under this subsection

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1 until the member has the number of years of credited service
2 needed to vest under the plan. Only completed years and months
3 of armed service shall be credited under this subsection.

4 (14) ~~(15)~~ A member who enters or entered any armed service
5 of the United States may purchase credited service for periods of
6 continuous active duty lasting 30 days or more, subject to the
7 following conditions:

8 (a) The county board of commissioners authorizes the pur-
9 chase of credited service under this subsection by an affirmative
10 vote of a majority of the members of the county board of
11 commissioners. The county board of commissioners shall establish
12 a written policy to implement the provisions of this subsection
13 in order to provide uniform application of this subsection to all
14 members of the plan.

15 (b) The member has at least the number of years of credited
16 service needed to vest under the plan, not including any credited
17 service purchased under this subsection and subsection ~~(14)~~
18 (13).

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

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

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1 (e) Armed service credited a member under subsection ~~-(14)~~
2 (13) shall not be the basis of credited service under this
3 section.

4 (f) Armed service credited a member under this subsection
5 shall not exceed either 5 years or the difference between 5 years
6 and the armed service credited the member under subsection ~~-(14)~~
7 (13).

8 (g) Credited service shall not be granted for periods of
9 armed service that are or could be used for obtaining or increas-
10 ing a benefit from another retirement system, except for service
11 that is or would be credited under the federal government for
12 services in the reserve.

13 (15) ~~-(16)~~ As used in this subsection, "transitional public
14 employment program" means a public service employment program in
15 the area of environmental quality, health care, education, public
16 safety, crime prevention and control, prison rehabilitation,
17 transportation, recreation, maintenance of parks, streets, and
18 other public facilities, solid waste removal, pollution control,
19 housing and neighborhood improvements, rural development, conser-
20 vation, beautification, veterans' outreach, or any other area of
21 human betterment and community improvement as part of a program
22 of comprehensive manpower services authorized, undertaken, and
23 financed pursuant to the former comprehensive employment and
24 training act of 1973, Public Law 93-203. A person participating
25 in a transitional public employment program shall not be eligible
26 for membership in a retirement system or pension plan established
27 under this section. If the person later becomes a member of a

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1 retirement system or pension plan established under this section
2 within 12 months after the date of termination as a participant
3 in a transitional public employment program, service credit shall
4 be given for employment in the transitional public employment
5 program for purposes of determining a retirement allowance upon
6 the payment by the person and the person's employer under the
7 transitional public employment program from funds provided under
8 the former comprehensive employment and training act of 1973,
9 Public Law 93-203, as funds permit, to the retirement system of
10 the contributions, plus regular interest, the person and the
11 employer would have paid had the employment been rendered in a
12 position covered by this section. During the person's employment
13 in the transitional public employment program, the person's
14 employer shall provide an opportunity by payroll deduction for
15 the person to make his or her employee contribution to the appli-
16 cable pension system. To provide for the eventual payment of the
17 employer's contribution, the person's employer shall during this
18 same period place in reserve a reasonable but not necessarily an
19 actuarially determined amount equal to the contributions that the
20 employer would have paid to the retirement system for those
21 employees in the transitional public employment program as if
22 they were members under this section, but only for that number of
23 employees that the employer determined would transfer from the
24 transitional public employment program into positions covered by
25 this section. If the funds provided under the former comprehen-
26 sive employment and training act of 1973, Public Law 93-203, are

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1 insufficient, the remainder of the employer contributions shall
2 be paid by the person's current employer.

3 (16) ~~(17)~~ Subsection ~~(16)~~ (15) does not exclude the par-
4 ticipant in a transitional public employment program from the
5 accident, disability, or other benefits available to members of
6 the retirement system covered by this section.

7 (17) ~~(18)~~ If a probate judge who is a member of a plan
8 established under this section contributes for 20 years or more,
9 the county board of commissioners may allow the probate judge to
10 cease further contributions.

11 (18) ~~(19)~~ An employee of the circuit court in the third
12 judicial circuit, the common pleas court of the city of Detroit,
13 or the recorder's court of the city of Detroit who became an
14 employee of the state judicial council on September 1, 1981, and
15 who was 44 years of age or older as of that date, and who will
16 have accumulated 25 or more years of service credit by
17 September 1, 1987, shall continue to be eligible for membership
18 in, and the benefits of, a pension or retirement benefit plan
19 established pursuant to this section in the same manner as the
20 employee was eligible before September 1, 1981. A person who was
21 an employee of the circuit court in the third judicial circuit,
22 the common pleas court of the city of Detroit, or the recorder's
23 court of the city of Detroit on August 31, 1981, who last entered
24 county employment before November 2, 1956, who became an employee
25 of the state judicial council on September 1, 1981, and who accu-
26 mulated not less than 24 years of service credit by August 31,
27 1981, shall continue to be eligible for membership in, and the

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1 benefits of, a pension or retirement benefit plan established
2 pursuant to this section in the same manner as the employee was
3 eligible before September 1, 1981. An election to continue to be
4 a member of a pension or retirement benefit plan established pur-
5 suant to this section as authorized by section 594(2) of the
6 revised judicature act of 1961, 1961 PA 236, MCL 600.594, as that
7 section read on February 8, 1985, or former section 36(2) of 1919
8 PA 369, is not effective unless the employee has made the elec-
9 tion in the manner prescribed by those sections and has made the
10 payments required by those sections.

11 (19) ~~(20)~~ A plan adopted under this section may provide
12 that an employee of the circuit court in the third judicial cir-
13 cuit, the common pleas court of the city of Detroit, or the
14 recorder's court of the city of Detroit who is a member of the
15 Wayne county employees' retirement system on August 31, 1981, who
16 becomes an employee of the state judicial council and a member of
17 the state employees' retirement system on September 1, 1981,
18 receive a benefit based on the annual average of the highest
19 actual compensation received by the employee during a period of 5
20 years of county or state service.

21 (20) ~~(21)~~ Beginning September 1, 1981, for determining the
22 retirement benefit for a county employee who is a judge of a
23 municipal court of record pursuant to subsection (2), "average
24 final compensation" means the annual average of the highest
25 actual compensation received by the judge as additional salary
26 pursuant to former section 13(2) of 1919 PA 369, or section
27 9932(3) of the revised judicature act of 1961, 1961 PA 236,

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1 MCL 600.9932, during a period of 5 years of service as specified
2 in the plan. This subsection shall not be construed to diminish
3 or impair an accrued financial benefit.

4 (21) ~~-(22)-~~ Beginning September 1, 1981, for each county
5 employee who is a judge of a municipal court of record, or of the
6 circuit or district court, the sum of the average final compensa-
7 tion determined for that county employee pursuant to this section
8 and the final salary determined for that county employee as a
9 member of the state of Michigan judges' retirement system created
10 by former 1951 PA 198, or as a member of the Michigan judges
11 retirement system created by the judges retirement act of 1992,
12 1992 PA 234, MCL 38.2101 to 38.2670, 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 (22) ~~-(23)-~~ Beginning September 1, 1981, for each county
17 employee who is a judge of the probate court, the sum of the
18 average final compensation calculated for that employee pursuant
19 to this section and the final salary calculated for that employee
20 as a member of the state of Michigan probate judges retirement
21 system created by former 1954 PA 165 or as a member of the
22 Michigan judges retirement system created by the judges retire-
23 ment act of 1992, 1992 PA 234, MCL 38.2101 to 38.2670, shall not
24 exceed the employee's total annual judicial salary payable from
25 all sources at the time of his or her retirement. This subsec-
26 tion shall not be construed to diminish or impair an accrued
27 financial benefit.

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1 (23) ~~-(24)-~~ Beginning September 1, 1981, for determining a
2 retirement benefit pursuant to subsection (2) for a county
3 employee who is a judge who receives an annuity pursuant to sec-
4 tion 14(5) of former 1951 PA 198 or pursuant to section 503(2)(c)
5 of the judges retirement act of 1992, 1992 PA 234, MCL 38.2503,
6 "average final compensation" means the difference between the
7 judge's total annual salary payable from all sources on August
8 31, 1981, and the judge's state base salary payable on August 31,
9 1981. This subsection shall not be construed to diminish or
10 impair an accrued financial benefit.

11 (24) ~~-(25)-~~ Beginning January 1, 1983, the sum of the final
12 salary determined for each county employee who is a judge of the
13 probate court used as the basis for determining the judge's
14 retirement allowance as a member of a retirement system estab-
15 lished pursuant to this section and the salary or compensation
16 figure used as the basis for determining the judge's retirement
17 allowance as a member of the state of Michigan judges' retirement
18 system created by former 1951 PA 198 or as a member of the
19 Michigan judges retirement system created by the judges retire-
20 ment act of 1992, 1992 PA 234, MCL 38.2101 to 38.2670, shall not
21 exceed the judge's total annual salary payable from all sources
22 at the time of his or her retirement. This subsection shall not
23 be construed to diminish or impair an accrued financial benefit.

24 (25) ~~-(26)-~~ The county board of commissioners, upon the
25 request of a county employee, by not less than a 3/5 vote may
26 credit that county employee with the amount of membership service
27 that the county employee was previously credited with by the

1 retirement system established under this section under the
2 following conditions:

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

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

15 (c) The county employee deposits in the plan established
16 under this section an amount equal to the aggregate amount of
17 contributions the county employee made at the time of the previ-
18 ous membership service plus interest from the date of withdrawal
19 of the accumulated contributions to the date of deposit, at rates
20 determined by the county board of commissioners. If records are
21 insufficient or unavailable to compute the exact amount of
22 required deposit, the county board of commissioners may estimate
23 the amount.

24 (d) The county employee deposits in the county employees'
25 retirement system an amount equal to the aggregate amount of con-
26 tributions the employer made at the time of the previous
27 membership service plus interest from the date of separation to

1 the date of deposit, at rates determined by the county board of
2 commissioners.

3 (26) ~~-(27)-~~ A person participating in a program described in
4 this subsection is not eligible for membership in a retirement
5 system or pension plan established under this section. In addi-
6 tion, that person shall not receive service credit for the
7 employment described in this subsection even though the person
8 subsequently becomes or has been a member of the retirement
9 system. This subsection applies to all of the following:

10 (a) 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 job training partnership act, Public Law
13 97-300, 96 Stat. 1322.

14 (b) A person, not regularly employed by the county, who is
15 employed by the county through participation in a program estab-
16 lished pursuant to the Michigan opportunity and skills training
17 program, first established under sections 12 to 23 of 1983
18 PA 259.

19 (c) A person, not regularly employed by the county, who is
20 employed by the county through participation in a program estab-
21 lished pursuant to the Michigan community service corps program,
22 first established under sections 25 to 35 of 1983 PA 259 and sec-
23 tions 148 to 160 of 1984 PA 246.

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

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1 (27) ~~-(28)-~~ If a county enters into a collective bargaining
2 agreement pursuant to 1947 PA 336, MCL 423.201 to 423.217, that
3 provides for retirement benefits that are in excess of the
4 retirement benefits otherwise authorized to be provided under
5 this section for employees of the county who are covered by a
6 plan under this section, then the county board of commissioners
7 may amend or adopt a plan under this section to provide those
8 benefits to employees who are members of the bargaining unit cov-
9 ered by the agreement, and may, after December 31, 1987, amend or
10 adopt a plan under this section to provide those benefits to
11 other employees of the county.

12 (28) ~~-(29)-~~ One of the following conditions applies to a
13 retirant who is receiving a pension or retirement benefit from a
14 plan under this section if the retirant becomes employed by a
15 county that has established a plan under this section:

16 (a) Payment of the pension or retirement benefit to the
17 retirant shall be suspended if the retirant is employed by the
18 county from which the retirant retired and the retirant does not
19 meet the requirements of subdivision (b) or (d). Suspension of
20 the payment of the pension or retirement benefit shall become
21 effective the first day of the calendar month that follows the
22 sixtieth day after the retirant is employed by the county.

23 Payment of the pension or retirement benefit shall resume on the
24 first day of the calendar month that follows termination of the
25 employment. Payment of the pension or retirement benefit shall
26 be resumed without change in amount or conditions by reason of

1 the employment. The retirant shall not be a member of the plan
2 during the period of employment.

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

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

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

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

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

19 (D) For a retirant who was an elected or appointed county
20 official at retirement, is elected or appointed as a county offi-
21 cial to the same office from which the retirant retired for a
22 term of office that begins 2 years or more after the retirant's
23 retirement allowance effective date.

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

1 (iii) The retirant is not a member of the plan during the
2 period of reemployment, does not receive additional retirement
3 credits during the period of reemployment, and does not receive
4 any increase in pension or retirement benefits because of the
5 employment under this subdivision.

6 (c) Payment of the pension or retirement benefit to the
7 retirant shall continue without change in amount or conditions by
8 reason of the employment if the retirant becomes employed by a
9 county other than the county from which the retirant retired.
10 For the purposes of membership and potential benefit entitlement
11 under the plan of the other county, the retirant shall be consid-
12 ered in the same manner as an individual with no previous record
13 of employment by that county.

14 (d) Payment of the pension or retirement benefit to the
15 retirant shall continue without change in amount or conditions by
16 reason of employment by the county from which the retirant
17 retired if the retirant was an employee of the state judicial
18 council on September 30, 1996, and becomes a county-paid employee
19 of the recorder's court of the city of Detroit or the third judi-
20 cial circuit of the circuit court on October 1, 1996.

21 (29) ~~(30)~~ A county may increase the percentage of the
22 highest average monthly compensation or earnings that was used to
23 calculate the pension or retirement benefit under
24 subsection (1)(b) of a person receiving a pension or retirement
25 benefit under this section on the date the county increases the
26 percentage of compensation or earnings. The county shall
27 recalculate the pension or retirement benefit using the increased

1 percentage of compensation or earnings. The person receiving the
2 pension or retirement benefit is eligible to receive an adjusted
3 pension or retirement benefit based upon the recalculation effec-
4 tive the first day of the month following the date the county
5 increases the percentage of compensation or earnings under this
6 subsection.

7 (30) ~~(31)~~ The payment of pension or retirement benefits
8 under a plan established pursuant to this section is subject to
9 an eligible domestic relations order under the eligible domestic
10 relations order act, 1991 PA 46, MCL 38.1701 to 38.1711.

11 (31) ~~(32)~~ If a county retirement plan established under
12 this section provides an optional form of payment of a retirement
13 allowance and if a retirant receiving a reduced retirement allow-
14 ance under that plan is divorced from the spouse who had been
15 named the retirant's survivor beneficiary, the election of a
16 reduced retirement allowance form of payment shall be considered
17 void by the retirement system if the judgment of divorce or award
18 or order of the court, or an amended judgment of divorce or award
19 or order of the court dated after July 18, 1991 provides that the
20 election of a reduced retirement allowance form of payment is to
21 be considered void by the retirement system and the retirant pro-
22 vides a certified copy of the judgment of divorce or award or
23 order of the court, or an amended judgment of divorce or award or
24 order of the court, to the retirement system. If the election of
25 a reduced retirement allowance form of payment is considered void
26 by the retirement system under this subsection, the retirant's
27 retirement allowance shall revert to a straight life retirement

1 allowance, including postretirement adjustments, if any, subject
2 to an award or order of the court. The retirement allowance
3 shall revert to a straight life retirement allowance under this
4 subsection effective the first of the month after the date the
5 retirement system receives a certified copy of the judgment of
6 divorce or award or order of the court. This subsection does not
7 supersede a judgment of divorce or award or order of the court in
8 effect on July 18, 1991. This subsection does not require the
9 retirement system to distribute or pay retirement assets on
10 behalf of a retirant in an amount that exceeds the actuarially
11 determined amount that would otherwise become payable if a judg-
12 ment of divorce had not been rendered.

13 (32) ~~(33)~~ A county board of commissioners of a county
14 having a population of more than 400,000 but less than 800,000,
15 which county has an employee credit union organized under 1925
16 PA 285, MCL 490.1 to 490.31, may include as a member of a plan
17 under this section a past or present employee of the credit
18 union, if that past or present employee has 5 or more years of
19 service credit with that credit union on or before June 30,
20 1990.

21 (33) ~~(34)~~ The county board of commissioners shall estab-
22 lish a written policy to implement the provisions of this section
23 in order to provide uniform application of this section to all
24 members of the plan.