

HOUSE BILL No. 5341

October 20, 2005, Introduced by Rep. Hunter 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 section 75 (MCL 38.1375), as amended by 1989 PA 194.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 75. (1) ~~A member who left or leaves service as a public~~
2 ~~school employee for purposes of maternity or paternity or child~~
3 ~~rearing, and returns to service as a public school employee, or a~~
4 ~~person performing out of system public education service who leaves~~
5 ~~that service for purposes of maternity, paternity, or child rearing~~
6 ~~and who subsequently becomes a member of this retirement system,~~
7 ~~without other intervening employment of more than 20 hours per week~~
8 ~~for each week for which service credit is claimed, may purchase~~
9 ~~service credit for the time period or periods during which the~~

~~1 person was separated from service as a public school employee or~~
~~2 during which the person was separated from performing out of system~~
~~3 public education service because of maternity or paternity or child~~
~~4 rearing, upon request and payment to the retirement system of the~~
~~5 actuarial cost. The total service credited under this section shall~~
~~6 not exceed 5 years. A member requesting purchase of service credit~~
~~7 under this section shall certify to the board the purpose for which~~
~~8 the member took leave and was separated from service as a public~~
~~9 school employee.~~ A MEMBER WHO LEAVES SERVICE AS A PUBLIC SCHOOL
10 EMPLOYEE FOR MATERNITY, PATERNITY, OR CHILD REARING AND WHO RETURNS
11 TO SERVICE AS A PUBLIC SCHOOL EMPLOYEE MAY PURCHASE SERVICE CREDIT
12 FOR THE TIME THAT THE MEMBER WAS SEPARATED FROM SERVICE AS A PUBLIC
13 SCHOOL EMPLOYEE BECAUSE OF MATERNITY, PATERNITY, OR CHILD REARING.
14 A PERSON WHO LEAVES OUT-OF-SYSTEM PUBLIC EDUCATION SERVICE FOR
15 MATERNITY, PATERNITY, OR CHILD REARING AND WHO SUBSEQUENTLY BECOMES
16 A MEMBER MAY PURCHASE SERVICE CREDIT FOR THE TIME THAT THE PERSON
17 WAS SEPARATED FROM PERFORMING OUT-OF-SYSTEM PUBLIC EDUCATION
18 SERVICE BECAUSE OF MATERNITY, PATERNITY, OR CHILD REARING. A PERSON
19 WHO BECOMES A MEMBER OF THIS RETIREMENT SYSTEM MAY PURCHASE SERVICE
20 CREDIT FOR MATERNITY, PATERNITY, OR CHILD REARING THAT THE MEMBER
21 WAS ENGAGED IN BEFORE BECOMING A MEMBER. A MEMBER SHALL NOT
22 PURCHASE SERVICE CREDIT UNDER THIS SECTION IF THERE HAS BEEN OTHER
23 INTERVENING EMPLOYMENT OF MORE THAN 20 HOURS A WEEK FOR EACH WEEK
24 THAT SERVICE CREDIT IS CLAIMED. THE TOTAL SERVICE CREDITED UNDER
25 THIS SECTION SHALL NOT EXCEED 5 YEARS. A MEMBER SHALL MAKE THE
26 REQUEST TO PURCHASE SERVICE CREDIT UNDER THIS SECTION AND PAY THE
27 ACTUARIAL COST AS DETERMINED UNDER SUBSECTION (5) BEFORE THE

1 SERVICE IS CREDITED. A MEMBER WHO REQUESTS TO PURCHASE SERVICE
2 CREDIT UNDER THIS SECTION SHALL CERTIFY TO THE BOARD THAT THE
3 MEMBER WAS ENGAGED IN MATERNITY, PATERNITY, OR CHILD REARING FOR
4 THE PERIOD THAT THE MEMBER IS REQUESTING TO PURCHASE THE SERVICE
5 CREDIT.

6 (2) Service credit purchased under this section ~~may~~ SHALL
7 not be used to satisfy the minimum of 10 years of service credit
8 required to receive a retirement allowance under this act.

9 (3) If a member who made payment under this section dies and a
10 retirement allowance beneficiary has not been designated, or if the
11 member leaves reporting unit service before his or her retirement
12 becomes effective, the payment made by the member shall be refunded
13 upon request to the member or to the member's refund beneficiary.

14 (4) A member who reduces hours of employment with a reporting
15 unit for purposes of maternity, paternity, or child rearing or a
16 person who reduces hours of out of system public education service
17 for purposes of maternity, paternity, or child rearing and who
18 subsequently becomes a member of this retirement system may
19 purchase service credit for those hours by which employment was
20 reduced if all other requirements of this section are met.

21 (5) NOTWITHSTANDING SECTION 79, FOR 1 YEAR AFTER THE EFFECTIVE
22 DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, ACTUARIAL
23 COST FOR SERVICE CREDIT PURCHASED UNDER THIS SECTION SHALL BE
24 CALCULATED BY USING THE AGE OF THE MEMBER AT THE TIME THE MEMBER
25 FIRST BECAME A PUBLIC SCHOOL EMPLOYEE. ACTUARIAL COST FOR SERVICE
26 CREDIT PURCHASED UNDER THIS SECTION SHALL BE CALCULATED UNDER
27 SECTION 79 FOR ALL YEARS AFTER THE FIRST YEAR AFTER THE EFFECTIVE

1 DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.