

HOUSE BILL No. 5671

June 12, 2014, Introduced by Rep. Cavanagh and referred to the Committee on Financial Liability Reform.

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 2003 PA 219.

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 hospitalization,
4 and disability coverage for a county employee, retired employee, or
5 an employee of an office, board, or department of the county,
6 including the board of county road commissioners, and a dependent
7 of an employee, either with or without cost participation by the
8 employee, and appropriate the necessary funds for the insurance.

1 For a county with 100 employees or more, self-insure for health,
2 accident and hospitalization, and group disability coverage for a
3 county employee, retired employee, or an employee of an office,
4 board, or department of the county, including the board of county
5 road commissioners, and a dependent of an employee, either with or
6 without cost participation by the employee, and appropriate the
7 necessary funds.

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

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

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

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

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

26 (b) "Longevity pay" means increments of compensation payable
27 at annual or semiannual intervals and based upon years of service

1 to the county, exclusive of compensation provided for a given class
2 of positions.

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

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

24 (5) A plan established under this section may provide for
25 pension or retirement benefits for a county employee who becomes
26 totally disabled for work in the county service from any cause,
27 after not less than 10 years of county employment, to the extent of

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

25 (6) As used in this section, "county employee" includes a
26 bailiff of the district court in the thirty-sixth district who
27 serves ~~pursuant to~~ **UNDER** section 8322 of the revised judicature act

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

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

23 (7) An employee while receiving a pension or retirement
24 benefit because of disability, ~~pursuant to~~ **UNDER** this section, may
25 be considered as employed in the county service for the purpose of
26 retirement under this section.

27 (8) ~~A~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A**

1 county employee who is included by law in another pension or
2 retirement system by reason of the compensation the employee
3 receives from the county may be excluded from a plan established
4 under this section or included only to the extent of the difference
5 between benefits granted under this section and the other pension
6 or retirement system. **A COUNTY BOARD OF COMMISSIONERS SHALL NOT
7 CREDIT A COUNTY EMPLOYEE FOR SERVICE DURING A PERIOD IN WHICH THE
8 COUNTY EMPLOYEE EARNS SERVICE CREDIT IN THE OTHER PENSION OR
9 RETIREMENT SYSTEM.**

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

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

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

21 (c) Service that is recognized for the purpose of a deferred
22 retirement allowance under a retirement system or other employer-
23 funded retirement benefit plan, except for a retirement benefit
24 plan under the social security act, chapter 531, 49 Stat. 620, of
25 the United States government, a state, or a political subdivision
26 of a state shall not be credited if the county employee retired
27 under a retirement system of the United States government, a state,

1 or any of their political subdivisions or until the county employee
2 irrevocably forfeits the right to the deferred retirement
3 allowance.

4 (d) The county employee deposits in the plan established under
5 this section an amount equal to the aggregate amount of
6 contributions the county employee would have made had the service
7 been acquired in the employ of the county, plus interest from the
8 dates the contributions would have been made to the date of
9 deposit, at rates determined by the county board of commissioners.
10 If records are insufficient or unavailable to compute the exact
11 amount of required deposit, the county board of commissioners may
12 estimate the amount.

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

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

1 provision of this section that limits the amount of a pension shall
2 not apply to the operation of this subsection redetermining the
3 amount of a pension. As used in this subsection, "the amount of
4 pension otherwise payable" means the amount of pension that would
5 be payable without regard to this subsection. The application of a
6 provision redetermining pension amounts may be restricted to
7 pensions that have an effective date of payment either before or
8 after a specified date.

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

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

14 (12) If a county establishes a plan for the payment of pension
15 and retirement benefits to its employees ~~pursuant to~~ **UNDER** this
16 section, the county board of commissioners ~~may~~ **SHALL** 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 board
20 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
23 commissioners 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 to~~

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

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

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

4 (14) ~~A~~**SUBJECT TO SECTION 33, A** member who enters or entered
5 any armed service of the United States may purchase credited
6 service for periods of continuous active duty lasting 30 days or
7 more, subject to the following conditions:

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

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

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

23 (d) Fractional months of armed service shall not be recognized
24 for the purposes of this subsection.

25 (e) Armed service credited a member under subsection (13)
26 shall not be the basis of credited service under this section.

27 (f) Armed service credited a member under this subsection

1 shall not exceed either 5 years or the difference between 5 years
2 and the armed service credited the member under subsection (13).

3 (g) Credited service shall not be granted for periods of armed
4 service that are or could be used for obtaining or increasing a
5 benefit from another retirement system, except for service that is
6 or would be credited under the federal government for services in
7 the reserve.

8 (15) As used in this subsection, "transitional public
9 employment program" means a public service employment program in
10 the area of environmental quality, health care, education, public
11 safety, crime prevention and control, prison rehabilitation,
12 transportation, recreation, maintenance of parks, streets, and
13 other public facilities, solid waste removal, pollution control,
14 housing and neighborhood improvements, rural development,
15 conservation, beautification, veterans' outreach, or any other area
16 of human betterment and community improvement as part of a program
17 of comprehensive manpower services authorized, undertaken, and
18 financed ~~pursuant to~~ **UNDER** the former comprehensive employment and
19 training act of 1973, Public Law 93-203. A person participating in
20 a transitional public employment program shall not be eligible for
21 membership in a retirement system or pension plan established under
22 this section. If the person later becomes a member of a retirement
23 system or pension plan established under this section within 12
24 months after the date of termination as a participant in a
25 transitional public employment program, service credit shall be
26 given for employment in the transitional public employment program
27 for purposes of determining a retirement allowance upon the payment

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

24 (16) Subsection (15) does not exclude the participant in a
25 transitional public employment program from the accident,
26 disability, or other benefits available to members of the
27 retirement system covered by this section.

1 (17) If a probate judge who is a member of a plan established
2 under this section contributes for 20 years or more, the county
3 board of commissioners may allow the probate judge to cease further
4 contributions.

5 (18) An employee of the circuit court in the third judicial
6 circuit, the common pleas court of the city of Detroit, or the
7 recorder's court of the city of Detroit who became an employee of
8 the state judicial council on September 1, 1981, and who was 44
9 years of age or older as of that date, and who will have
10 accumulated 25 or more years of service credit by September 1,
11 1987, shall continue to be eligible for membership in, and the
12 benefits of, a pension or retirement benefit plan established
13 ~~pursuant to~~ **UNDER** this section in the same manner as the employee
14 was eligible before September 1, 1981. A person who was an employee
15 of the circuit court in the third judicial circuit, the common
16 pleas court of the city of Detroit, or the recorder's court of the
17 city of Detroit on August 31, 1981, who last entered county
18 employment before November 2, 1956, who became an employee of the
19 state judicial council on September 1, 1981, and who accumulated
20 not less than 24 years of service credit by August 31, 1981, shall
21 continue to be eligible for membership in, and the benefits of, a
22 pension or retirement benefit plan established ~~pursuant to~~ **UNDER**
23 this section in the same manner as the employee was eligible before
24 September 1, 1981. An election to continue to be a member of a
25 pension or retirement benefit plan established ~~pursuant to~~ **UNDER**
26 this section as authorized by section 594(2) of the revised
27 judicature act of 1961, 1961 PA 236, MCL 600.594, as that section

1 read on February 8, 1985, or former section 36(2) of 1919 PA 369,
2 is not effective unless the employee has made the election in the
3 manner prescribed by those sections and has made the payments
4 required by those sections.

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

15 (20) Beginning September 1, 1981, for determining the
16 retirement benefit for a county employee who is a judge of a
17 municipal court of record ~~pursuant to~~ **UNDER** subsection (2),
18 "average final compensation" means the annual average of the
19 highest actual compensation received by the judge as additional
20 salary pursuant to former section 13(2) of 1919 PA 369, or section
21 9932(3) of the revised judicature act of 1961, 1961 PA 236, MCL
22 600.9932, during a period of 5 years of service as specified in the
23 plan. This subsection shall not be construed to diminish or impair
24 an accrued financial benefit.

25 (21) Beginning September 1, 1981, for each county employee who
26 is a judge of a municipal court of record, or of the circuit or
27 district court, the sum of the average final compensation

1 determined for that county employee ~~pursuant to~~ **UNDER** this section
2 and the final salary determined for that county employee as a
3 member of the state of Michigan judges' retirement system created
4 by former 1951 PA 198, or as a member of the Michigan judges
5 retirement system created by the judges retirement act of 1992,
6 1992 PA 234, MCL 38.2101 to 38.2670, shall not exceed the
7 employee's total annual judicial salary payable from all sources at
8 the time of his or her retirement. This subsection shall not be
9 construed to diminish or impair an accrued financial benefit.

10 (22) Beginning September 1, 1981, for each county employee who
11 is a judge of the probate court, the sum of the average final
12 compensation calculated for that employee ~~pursuant to~~ **UNDER** this
13 section and the final salary calculated for that employee as a
14 member of the state of Michigan probate judges retirement system
15 created by former 1954 PA 165 or as a member of the Michigan judges
16 retirement system created by the judges retirement act of 1992,
17 1992 PA 234, MCL 38.2101 to 38.2670, shall not exceed the
18 employee's total annual judicial salary payable from all sources at
19 the time of his or her retirement. This subsection shall not be
20 construed to diminish or impair an accrued financial benefit.

21 (23) Beginning September 1, 1981, for determining a retirement
22 benefit ~~pursuant to~~ **UNDER** subsection (2) for a county employee who
23 is a judge who receives an annuity ~~pursuant to~~ **UNDER** section 14(5)
24 of former 1951 PA 198 or ~~pursuant to~~ **UNDER** section 503(2)(c) of the
25 judges retirement act of 1992, 1992 PA 234, MCL 38.2503, "average
26 final compensation" means the difference between the judge's total
27 annual salary payable from all sources on August 31, 1981, and the

1 judge's state base salary payable on August 31, 1981. This
2 subsection shall not be construed to diminish or impair an accrued
3 financial benefit.

4 (24) Beginning January 1, 1983, the sum of the final salary
5 determined for each county employee who is a judge of the probate
6 court used as the basis for determining the judge's retirement
7 allowance as a member of a retirement system established ~~pursuant~~
8 ~~to~~ **UNDER** this section and the salary or compensation figure used as
9 the basis for determining the judge's retirement allowance as a
10 member of the state of Michigan judges' retirement system created
11 by former 1951 PA 198 or as a member of the Michigan judges
12 retirement system created by the judges retirement act of 1992,
13 1992 PA 234, MCL 38.2101 to 38.2670, shall not exceed the judge's
14 total annual salary payable from all sources at the time of his or
15 her retirement. This subsection shall not be construed to diminish
16 or impair an accrued financial benefit.

17 (25) The county board of commissioners, upon the request of a
18 county employee, by not less than a 3/5 vote may credit that county
19 employee with the amount of membership service that the county
20 employee was previously credited with by the retirement system
21 established under this section under the following conditions:

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

24 (b) Service that is recognized for the purpose of a deferred
25 retirement allowance under a retirement system or other employer-
26 funded retirement benefit plan, except for a retirement benefit
27 plan under the social security act, chapter 531, 49 Stat. 620, of

1 the United States government, a state, or a political subdivision
2 of a state shall not be credited if the county employee retired
3 under a retirement system of the United States government, a state,
4 or any of their political subdivisions or until the county employee
5 irrevocably forfeits the right to the deferred retirement
6 allowance.

7 (c) The county employee deposits in the plan established under
8 this section an amount equal to the aggregate amount of
9 contributions the county employee made at the time of the previous
10 membership service plus interest from the date of withdrawal of the
11 accumulated contributions to the date of deposit, at rates
12 determined by the county board of commissioners. If records are
13 insufficient or unavailable to compute the exact amount of required
14 deposit, the county board of commissioners may estimate the amount.

15 (d) The county employee deposits in the county employees'
16 retirement system an amount equal to the aggregate amount of
17 contributions the employer made at the time of the previous
18 membership service plus interest from the date of separation to the
19 date of deposit, at rates determined by the county board of
20 commissioners.

21 (26) A person participating in a program described in this
22 subsection is not eligible for membership in a retirement system or
23 pension plan established under this section. In addition, that
24 person shall not receive service credit for the employment
25 described in this subsection even though the person subsequently
26 becomes or has been a member of the retirement system. This
27 subsection applies to all of the following:

1 (a) A person, not regularly employed by the county, who is
2 employed by the county through participation in a program
3 established ~~pursuant to~~ **UNDER** the job training partnership act,
4 Public Law 97-300, 96 Stat. 1322.

5 (b) A person, not regularly employed by the county, who is
6 employed by the county through participation in a program
7 established ~~pursuant to~~ **UNDER** the Michigan opportunity and skills
8 training program, first established under sections 12 to 23 of 1983
9 PA 259.

10 (c) A person, not regularly employed by the county, who is
11 employed by the county through participation in a program
12 established ~~pursuant to~~ **UNDER** the Michigan community service corps
13 program, first established under sections 25 to 35 of 1983 PA 259
14 and sections 148 to 160 of 1984 PA 246.

15 (d) A person, not regularly employed by the county, who is
16 hired by the county to administer a program described in
17 subdivision (a), (b), or (c).

18 (27) If a county enters into a collective bargaining agreement
19 ~~pursuant to~~ **UNDER** 1947 PA 336, MCL 423.201 to 423.217, that
20 provides for retirement benefits that are in excess of the
21 retirement benefits otherwise authorized to be provided under this
22 section for employees of the county who are covered by a plan under
23 this section, then the county board of commissioners may amend or
24 adopt a plan under this section to provide those benefits to
25 employees who are members of the bargaining unit covered by the
26 agreement, and may, after December 31, 1987, amend or adopt a plan
27 under this section to provide those benefits to other employees of

1 the county.

2 (28) One of the following conditions applies to a retirant who
3 is receiving a pension or retirement benefit from a plan under this
4 section if the retirant becomes employed by a county that has
5 established a plan under this section:

6 (a) Payment of the pension or retirement benefit to the
7 retirant shall be suspended if the retirant is employed by the
8 county from which the retirant retired and the retirant does not
9 meet the requirements of subdivision (b) or (d). Suspension of the
10 payment of the pension or retirement benefit shall become effective
11 the first day of the calendar month that follows the sixtieth day
12 after the retirant is employed by the county. Payment of the
13 pension or retirement benefit shall resume on the first day of the
14 calendar month that follows termination of the employment. Payment
15 of the pension or retirement benefit shall be resumed without
16 change in amount or conditions by reason of the employment. The
17 retirant shall not be a member of the plan during the period of
18 employment.

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

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

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

26 (B) For a retirant who was not an elected or appointed county
27 official at retirement, is elected or appointed as a county

1 official for a term of office that begins after the retirant's
2 retirement allowance effective date.

3 (C) For a retirant who was an elected or appointed county
4 official at retirement, is elected or appointed as a county
5 official to a different office from which the retirant retired for
6 a term of office that begins after the retirant's retirement
7 allowance effective date.

8 (D) For a retirant who was an elected or appointed county
9 official at retirement, is elected or appointed as a county
10 official to the same office from which the retirant retired for a
11 term of office that begins 2 years or more after the retirant's
12 retirement allowance effective date.

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

16 (iii) The retirant is not a member of the plan during the period
17 of reemployment, does not receive additional retirement credits
18 during the period of reemployment, and does not receive any
19 increase in pension or retirement benefits because of the
20 employment under this subdivision.

21 (c) Payment of the pension or retirement benefit to the
22 retirant shall continue without change in amount or conditions by
23 reason of the employment if the retirant becomes employed by a
24 county other than the county from which the retirant retired. For
25 the purposes of membership and potential benefit entitlement under
26 the plan of the other county, the retirant shall be considered in
27 the same manner as an individual with no previous record of

1 employment by that county.

2 (d) Payment of the pension or retirement benefit to the
3 retirant shall continue without change in amount or conditions by
4 reason of employment by the county from which the retirant retired
5 if the retirant was an employee of the state judicial council on
6 September 30, 1996, and becomes a county-paid employee of the
7 recorder's court of the city of Detroit or the third judicial
8 circuit of the circuit court on October 1, 1996.

9 (29) A county may increase the percentage of the highest
10 average monthly compensation or earnings that was used to calculate
11 the pension or retirement benefit under subsection (1)(b) of a
12 person receiving a pension or retirement benefit under this section
13 on the date the county increases the percentage of compensation or
14 earnings. The county shall recalculate the pension or retirement
15 benefit using the increased percentage of compensation or earnings.
16 The person receiving the pension or retirement benefit is eligible
17 to receive an adjusted pension or retirement benefit based upon the
18 recalculation effective the first day of the month following the
19 date the county increases the percentage of compensation or
20 earnings under this subsection.

21 (30) The payment of pension or retirement benefits under a
22 plan established ~~pursuant to~~ **UNDER** this section is subject to an
23 eligible domestic relations order under the eligible domestic
24 relations order act, 1991 PA 46, MCL 38.1701 to 38.1711.

25 (31) If a county retirement plan established under this
26 section provides an optional form of payment of a retirement
27 allowance and if a retirant receiving a reduced retirement

1 allowance under that plan is divorced from the spouse who had been
2 named the retirant's survivor beneficiary, the election of a
3 reduced retirement allowance form of payment shall be considered
4 void by the retirement system if the judgment of divorce or award
5 or order of the court, or an amended judgment of divorce or award
6 or order of the court dated after July 18, 1991 provides that the
7 election of a reduced retirement allowance form of payment is to be
8 considered void by the retirement system and the retirant provides
9 a certified copy of the judgment of divorce or award or order of
10 the court, or an amended judgment of divorce or award or order of
11 the court, to the retirement system. If the election of a reduced
12 retirement allowance form of payment is considered void by the
13 retirement system under this subsection, the retirant's retirement
14 allowance shall revert to a straight life retirement allowance,
15 including postretirement adjustments, if any, subject to an award
16 or order of the court. The retirement allowance shall revert to a
17 straight life retirement allowance under this subsection effective
18 the first of the month after the date the retirement system
19 receives a certified copy of the judgment of divorce or award or
20 order of the court. This subsection does not supersede a judgment
21 of divorce or award or order of the court in effect on July 18,
22 1991. This subsection does not require the retirement system to
23 distribute or pay retirement assets on behalf of a retirant in an
24 amount that exceeds the actuarially determined amount that would
25 otherwise become payable if a judgment of divorce had not been
26 rendered.

27 (32) If a county board of commissioners of a county that has a

1 population of more than 400,000 but less than 800,000 has an
2 employee credit union organized under the credit union act or
3 former 1925 PA 285, the county board of commissioners may include
4 as a member of a plan under this section a past or present employee
5 of the credit union, if that past or present employee has 5 or more
6 years of service credit with that credit union on or before June
7 30, 1990.

8 (33) THE COUNTY BOARD OF COMMISSIONERS SHALL NOT CREDIT A
9 COUNTY EMPLOYEE FOR SERVICE PURCHASED UNDER A PLAN ADOPTED UNDER
10 THIS SECTION UNLESS THE SERVICE BEING PURCHASED IS FOLLOWED BY 5
11 YEARS OF SERVICE FOR THAT COUNTY.

12 (34) A COUNTY BOARD OF COMMISSIONERS THAT HAS ESTABLISHED A
13 PLAN UNDER THIS SECTION SHALL NOT ADD A NEW BENEFIT TO THE PLAN
14 UNLESS ALL OF THE FOLLOWING ARE MET:

15 (A) THE BOARD OF TRUSTEES THAT ADMINISTERS THE PLAN APPROVES
16 THE PROPOSED NEW BENEFIT.

17 (B) THE COUNTY IS CURRENT IN THE PAYMENT OF ALL EMPLOYER AND
18 MEMBER CONTRIBUTIONS.

19 (C) THE PLAN IS 100% FUNDED ACCORDING TO THE MOST RECENT
20 ACTUARIAL VALUATION UNDER SUBSECTION (11).

21 (35) ~~(33)~~—The county board of commissioners shall establish a
22 written policy to implement the provisions of this section in order
23 to provide uniform application of this section to all members of
24 the plan.