

SENATE BILL No. 795

January 30, 2018, Introduced by Senators KNOLLENBERG, PAVLOV, PROOS, HANSEN, SHIRKEY, EMMONS, HUNE, JONES, MARLEAU, HILDENBRAND, BOOHER, ROBERTSON and SCHUITMAKER 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 71 (MCL 38.1371), as amended by 1996 PA 268.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 71. (1) The retirement board shall grant service credit
2 for the time a member is on a sabbatical leave authorized by a
3 reporting unit, if the member returns to regular employment with
4 the same reporting unit and acquires 1 year or more of subsequent
5 service credit with that same reporting unit and if the member
6 acquired 5 or more years of credited service with the reporting
7 unit immediately before the sabbatical leave.

8 (2) If the sabbatical leave described in subsection (1) is
9 granted before July 1, 1981, the reporting unit, if the reporting
10 unit had a noncontributory plan at the time the sabbatical leave is
11 granted, or the member, if the reporting unit has a contributory

1 plan at the time the sabbatical leave is granted, shall pay to the
2 system for each year of sabbatical leave credit an amount equal to
3 5% of the member's compensation earned in the school fiscal year
4 immediately before the school fiscal year in which the sabbatical
5 leave is granted, together with regular interest from the end of
6 the school fiscal year in which the sabbatical leave was or is
7 granted to the earlier of the following dates following the date of
8 payment, the first day of the school fiscal year beginning after
9 the date of payment or the first day of the seventh month of the
10 school fiscal year in which the payment is made. If the reporting
11 unit makes the payment required by this subsection, the reporting
12 unit also shall pay the required interest. If the member makes the
13 payment required by this subsection, the member also shall pay the
14 required interest.

15 (3) If the sabbatical leave described in subsection (1) is
16 granted after June 30, 1981, the member shall pay an amount equal
17 to 5% of the member's full-time or equated full-time compensation
18 earned in the school fiscal year immediately before the school
19 fiscal year in which payment is made for each year of service
20 credit the member elects to purchase. In computing payment under
21 this subsection, the compensation amount used, except as otherwise
22 provided in this subsection, ~~shall~~**MUST** not be less than the
23 highest school fiscal year compensation the member earned from the
24 reporting unit that granted the sabbatical leave. If the
25 compensation amount used for computing payment under this
26 subsection exceeds the member's final average compensation
27 determined at the time of retirement, the payment required under

1 this subsection ~~shall~~**MUST** be recomputed using the member's final
2 average compensation and a refund ~~shall~~**MUST** be made based ~~upon~~**ON**
3 the recomputation.

4 (4) If, before October 31, 1980, either the reporting unit or
5 the member has contributed 5% of the member's compensation for the
6 school fiscal year in which the sabbatical leave was granted ~~in~~
7 ~~order~~ to purchase service credit for ~~that~~**THE** sabbatical leave, a
8 further payment for the purchase of service credit for that
9 sabbatical leave ~~shall~~**IS** not ~~be~~ required. If a member has paid the
10 amount required under subsection (2) for the purchase of service
11 credit for sabbatical leave, but later receives a refund of that
12 amount, the member, not the reporting unit, shall repay the amount
13 with regular interest as required by subsection (2) if the member
14 elects to purchase service credit for the sabbatical leave.

15 (5) Effective October 1, 1981, **EXCEPT AS OTHERWISE PROVIDED IN**
16 **SUBSECTION (7)**, the retirement board shall grant service credit for
17 the time a member is on either an employee organization
18 professional services leave or employee organization professional
19 services released time authorized by a reporting unit if all of the
20 following conditions are satisfied, as applicable:

21 (a) For a member who is on either a professional services
22 leave or professional services released time that first began
23 before October 1, 1996, which leave or released time is renewed
24 annually by the reporting unit, the member is included on the
25 reporting unit's reports required by section 42(6) and
26 compensation, service, contribution, and other requirements are
27 reported on the same basis as for those members of the reporting

1 unit who were not granted an employee organization professional
2 services leave or employee organization professional services
3 released time.

4 (b) For a member who is on either a professional services
5 leave or professional services released time, which leave or
6 released time does not meet the ~~requirements~~**CONDITIONS** of
7 subdivision (a), the member is included on the reporting unit's
8 reports in the manner required by subdivision (a), except that
9 compensation is reported at the rate of compensation paid to the
10 member by the reporting unit immediately preceding the date the
11 member commenced the professional services leave or professional
12 services released time along with the normal and customary
13 compensation increases that would have been paid to the member by
14 the reporting unit had the member remained in the same position
15 held at the reporting unit immediately preceding the date the
16 member commenced the leave or released time. However, if the member
17 was not working a full 12-month period for the reporting unit
18 immediately preceding the date the member commenced the
19 professional services leave or professional services released time
20 and is working a full 12-month period for the public school
21 employee organization, the rate of compensation paid to the member
22 by the reporting unit immediately preceding the date the member
23 commenced the leave or released time may be increased
24 proportionately to reflect the additional time worked for the
25 public school employee organization. That adjusted compensation,
26 along with the normal and customary compensation increases
27 otherwise allowed in this subdivision, ~~shall~~**MUST** then be reported

1 as required in this subdivision.

2 (c) For a member who is on either a professional services
3 leave or professional services released time that first began
4 before October 1, 1996, which leave or released time is renewed
5 annually by the reporting unit, the reporting unit remits the
6 amount required by section 42 and the percentage of aggregate
7 annual compensation provided from the state school aid fund for
8 current service, if any, the percentage determined for unfunded
9 accrued service as required by section 41, and the employer's share
10 of social security contributions if the reporting unit is
11 responsible for remitting the employee's share of social security
12 contributions.

13 (d) For a member who is on either a professional services
14 leave or professional services released time, which professional
15 services leave or professional services released time does not meet
16 the ~~requirements~~ **CONDITIONS** of subdivision (c), the reporting unit
17 remits the amounts required by subdivision (c) based ~~upon~~ **ON** the
18 rate of compensation paid to the member by the reporting unit
19 immediately preceding the date the member commenced the
20 professional services leave or professional services released time
21 along with the normal and customary compensation increases that
22 would have been paid to the member by the reporting unit had the
23 member remained in the same position held at the reporting unit
24 immediately preceding the date the member commenced the leave or
25 released time. However, if the member was not working a full 12-
26 month period for the reporting unit immediately preceding the date
27 the member commenced the professional services leave or

1 professional services released time and is working a full 12-month
2 period for the public school employee organization, the rate of
3 compensation paid to the member by the reporting unit immediately
4 preceding the date the member commenced the leave or released time
5 may be increased proportionately to reflect the additional time
6 worked for the public school employee organization. That adjusted
7 compensation, along with the normal and customary compensation
8 increases otherwise allowed in this subdivision, ~~shall~~**MUST** then be
9 reported as required in this subdivision.

10 (6) ~~The reporting unit shall be reimbursed those sums paid to~~
11 ~~the retirement board pursuant to subsection (5) by the member or~~
12 the public school employee organization **SHALL**, on a current basis,
13 **REIMBURSE THE REPORTING UNIT THE AMOUNTS PAID TO THE RETIREMENT**
14 **BOARD UNDER SUBSECTION (5)**. A member who has credited service as an
15 employee of a school district of the first class, as described in
16 part 6 of the revised school code, ~~Act No. 451 of the Public Acts~~
17 ~~of 1976, being sections 380.401 to 380.485 of the Michigan Compiled~~
18 **Laws, 1976 PA 451, MCL 380.401 TO 380.483A**, for a leave of absence
19 effective before October 1, 1981, ~~shall continue~~**CONTINUES** to
20 receive credit based ~~upon the provisions of the law~~**ON THE LAWS** of
21 this state in effect at the time the leave of absence was initially
22 effective.

23 (7) **NOTWITHSTANDING SECTION 4(10) AND (11), THE RETIREMENT**
24 **BOARD SHALL NOT GRANT SERVICE CREDIT UNDER SUBSECTION (5) FOR ANY**
25 **TIME, AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED**
26 **THIS SUBSECTION, THAT A MEMBER IS ON EITHER AN EMPLOYEE**
27 **ORGANIZATION PROFESSIONAL SERVICES LEAVE, PROFESSIONAL SERVICES**

1 LEAVE, EMPLOYEE ORGANIZATION PROFESSIONAL SERVICES RELEASED TIME,
2 OR PROFESSIONAL SERVICES RELEASED TIME.

3 Enacting section 1. This amendatory act takes effect 90 days
4 after the date it is enacted into law.