



**House
Legislative
Analysis
Section**

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SERS: PURCHASE MEDICAL LEAVE CREDIT

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APR 17 1989

House Bill 4133

Sponsor: Rep. Nick Ciaramitaro

Committee: Senior Citizens and Retirement

Mich. State Law Library

Complete to 2-17-89

A SUMMARY OF HOUSE BILL 4133 AS INTRODUCED 2-9-89

The bill would amend the State Employees' Retirement Act to allow members who are absent from service with the state for purposes of approved medical leave and who return to service with the state to purchase service credit for that time under certain conditions. An "approved medical leave" would mean a period of time that a member was absent from service because of a temporary personal injury or mental or physical illness as authorized and certified by the employer. Payment would be of an amount equal to the actuarial cost, multiplied by a member's full-time or equated full-time fiscal year compensation for the fiscal year in which payment was made, multiplied by each year and fraction of a year of service to be purchased, up to the maximum. Under the bill, the compensation amount used could not be less than the highest full-time or equated full-time fiscal year compensation previously received by the member, and the total service credited could not exceed five years.

Service credit purchased under the bill could not be used to satisfy the minimum number of years of service credit required to receive a retirement allowance under the act. If a member who had made payment died, and a retirement allowance was not payable, or if the member left service with the state before his or her allowance became effective, the payment made would be refunded upon request to the member, to the person designated by the member, or to the member's legal representative or estate.

The provisions of the bill would be effective July 1, 1989.

MCL 38.17

House Bill 4133 (2-17-89)