



**House
Legislative
Analysis
Section**

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CO.RETIREEES/MILITARY SERVICE CREDIT

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House Bill 5575

Sponsor: Rep. Kay Hart

Committee: Senior Citizens
and Retirement

APR 18 1990

Mich. State Law Library

Complete to 3-13-90

A SUMMARY OF HOUSE BILL 5575 AS INTRODUCED 3-8-90

At present, under Public Act 156 of 1851, a county employee may purchase service credit for up to five years of active military service served before June 1, 1980, or during a time of war or emergency after June 1, 1980. The purchase must be approved by the county board of commissioners, and the employee must have ten years of credited service. House Bill 5575 would amend the act to delete this ten year requirement. The bill would also permit a member who entered any armed service of the United States to purchase service credit for periods of continuous active duty lasting 30 days or more, provided that the following conditions were met:

-- The purchase received the approval of the county board of commissioners by an affirmative vote of a majority of its members.

-- The member had at least the number of years of credited service needed to vest under the plan, not including any military service purchased.

-- The member paid the retirement system five percent of his or her annual compensation, multiplied by the period of service credit being purchased.

Under the bill, fractional months of armed service and military service that had previously been used to purchase service credit could not be used to calculate the amount of service credit to be purchased. In addition, armed service credit purchased by a member could not exceed either five years, or the difference between five years and previous armed service credit received by the member. Service credit would not be granted for periods of armed service that were, or could be, used to obtain or increase a benefit from another retirement system.

MCL 46.12a

House Bill 5575 (3-13-90)