

HOUSE BILL No. 4095

February 7, 1989, Introduced by Reps. DeLange, Fitzgerald, Barns, Allen, Runco, Gnodtke, Stacey, Bandstra, London, Middaugh, Krause, Crandall, Hillegonds and Dolan and referred to the Committee on Senior Citizens and Retirement.

A bill to amend section 76 of Act No. 300 of the Public Acts of 1980, entitled

"The public school employees retirement act of 1979,"

as added by Act No. 91 of the Public Acts of 1985, being section 38.1376 of the Michigan Compiled Laws; and to add section 75a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 76 of Act No. 300 of the Public Acts of
2 1980, as added by Act No. 91 of the Public Acts of 1985, being
3 section 38.1376 of the Michigan Compiled Laws, is amended and
4 section 75a is added to read as follows:

5 SEC. 75A. (1) A MEMBER WHO IS OR WAS ABSENT FROM REPORTING
6 UNIT SERVICE BECAUSE OF PERSONAL INJURY OR MENTAL OR PHYSICAL
7 ILLNESS THAT OCCURRED WHILE SERVING AS AN EMPLOYEE OF A REPORTING
8 UNIT, AND RETURNS OR RETURNED TO SERVICE AS A PUBLIC SCHOOL
9 EMPLOYEE, MAY PURCHASE SERVICE CREDIT FOR THE TIME PERIOD OR

1 PERIODS THE MEMBER WAS ABSENT FROM SERVICE IF THE MEMBER RECEIVED
2 WEEKLY WORKERS' DISABILITY COMPENSATION FOR THE ABSENCE FROM
3 SERVICE ON ACCOUNT OF EMPLOYMENT BY THE REPORTING UNIT AND THE
4 MEMBER PAYS TO THE RETIREMENT SYSTEM THE ACTUARIAL COST AS DETER-
5 MINED BY THE RETIREMENT BOARD.

6 (2) THE TOTAL SERVICE CREDITED UNDER THIS SECTION SHALL NOT
7 EXCEED 5 YEARS. THE NUMBER OF HOURS OF SERVICE CREDIT A MEMBER
8 MAY PURCHASE UNDER THIS SECTION SHALL BE BASED UPON THE MEMBER'S
9 NUMBER OF HOURS OF SERVICE DURING THE 12-MONTH PERIOD IMMEDIATELY
10 BEFORE THE INJURY OR ILLNESS RESULTING IN THE RECEIPT OF WORKERS'
11 DISABILITY COMPENSATION PAYMENTS. SERVICE CREDIT PURCHASED UNDER
12 THIS SECTION MAY NOT BE USED TO SATISFY THE MINIMUM OF 10 YEARS
13 OF SERVICE CREDIT REQUIRED TO RECEIVE A RETIREMENT ALLOWANCE
14 UNDER THIS ACT.

15 (3) IF A MEMBER WHO MADE PAYMENT UNDER THIS SECTION DIES OR
16 LEAVES REPORTING UNIT SERVICE BEFORE HIS OR HER RETIREMENT
17 BECOMES EFFECTIVE, THE PAYMENT MADE BY THE MEMBER UNDER THIS SEC-
18 TION SHALL BE REFUNDED UPON REQUEST TO THE MEMBER OR THE MEMBER'S
19 REFUND BENEFICIARY, IF ANY, OR TO THE MEMBER'S LEGAL REPRESENTA-
20 TIVE OR ESTATE.

21 (4) A MEMBER WHO REDUCES HOURS OF EMPLOYMENT WITH A REPORT-
22 ING UNIT FOR PURPOSES OF A PERSONAL INJURY OR MENTAL OR PHYSICAL
23 ILLNESS THAT OCCURRED WHILE SERVING AS AN EMPLOYEE OF A REPORTING
24 UNIT MAY PURCHASE SERVICE CREDIT FOR THOSE HOURS BY WHICH EMPLOY-
25 MENT WAS REDUCED IF ALL OTHER REQUIREMENTS OF THIS SECTION ARE
26 MET.

1 Sec. 76. On and after ~~the effective date of this section~~
2 JULY 10, 1985, a member who is otherwise entitled to purchase
3 service credit for active duty in the armed forces under section
4 73 or 74, ~~or~~ for maternity or paternity or child rearing under
5 section 75, OR FOR PERSONAL INJURY OR MENTAL OR PHYSICAL ILLNESS
6 UNDER SECTION 75A may purchase ~~such~~ THE service credit in sepa-
7 rate increments equal to 1 or more full years, or a remaining
8 fraction of a year, if any, or both. Partial purchase of service
9 credit under this section ~~shall~~ DOES not bar future ~~such~~ pur-
10 chases otherwise in compliance with this section and sections 73,
11 74, ~~and~~ 75, ~~but~~ AND 75A. HOWEVER, computation of the amount
12 of payment due shall be made separately for each purchase.