

# HOUSE BILL No. 4133

February 9, 1989, Introduced by Reps. Ciaramitaro and Barns and referred to the Committee on Senior Citizens and Retirement.

A bill to amend section 17j of Act No. 240 of the Public Acts of 1943, entitled as amended "State employees' retirement act," as added by Act No. 57 of the Public Acts of 1987, being section 38.17j of the Michigan Compiled Laws; and to add section 17k.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 17j of Act No. 240 of the Public Acts of  
2 1943, as added by Act No. 57 of the Public Acts of 1987, being  
3 section 38.17j of the Michigan Compiled Laws, is amended and sec-  
4 tion 17k is added to read as follows:

5 Sec. 17j. (1) On and after ~~the effective date of this~~  
6 ~~section~~ JUNE 23, 1987, a member who is otherwise entitled to  
7 purchase service credit under section 17g, 17h, ~~or~~ 17i, OR 17K  
8 shall not purchase a combined total of more than 10 years of  
9 service credit under those sections.

1       (2) On and after ~~the effective date of this section~~  
2 JUNE 23, 1987, a member who under section 17c, 17e, 17f, 17g,  
3 17h, 17i, 17K, or 18(2) is otherwise entitled to purchase service  
4 credit may purchase such service credit in separate increments  
5 equal to 1 or more full years, or a remaining fraction of a year,  
6 if any, or both. Partial purchase of service credit under this  
7 section shall not bar future ~~such~~ purchases otherwise in com-  
8 pliance with this section and the provisions of this act autho-  
9 rizing the purchase, but computation of the amount of payment due  
10 shall be made separately for each purchase.

11       (3) If a member who made payment under this section dies and  
12 a retirement allowance is not payable or if the member leaves  
13 service with the state before his or her retirement allowance  
14 becomes effective, the payment made by the member shall be  
15 refunded upon request to the member, to the person designated by  
16 the member in writing to the board, or if a person is not desig-  
17 nated, then to the member's legal representative OR ESTATE.

18       SEC. 17K. (1) A MEMBER WHO IS OR WAS ABSENT FROM SERVICE  
19 WITH THE STATE FOR PURPOSES OF APPROVED MEDICAL LEAVE, AND WHO  
20 RETURNED OR RETURNS TO SERVICE WITH THE STATE, MAY PURCHASE SERV-  
21 ICE CREDIT FOR THE TIME PERIOD OR PERIODS DURING WHICH THE PERSON  
22 WAS ABSENT FROM SERVICE WITH THE STATE BECAUSE OF APPROVED MEDI-  
23 CAL LEAVE, UPON PAYMENT TO THE BOARD OF AN AMOUNT THAT IS EQUAL  
24 TO THE ACTUARIAL COST MULTIPLIED BY THE MEMBER'S FULL-TIME OR  
25 EQUATED FULL-TIME FISCAL YEAR COMPENSATION FOR THE FISCAL YEAR IN  
26 WHICH PAYMENT IS MADE MULTIPLIED BY EACH YEAR AND FRACTION OF A  
27 YEAR OF SERVICE TO BE PURCHASED, UP TO THE MAXIMUM. FOR THE

1 PURPOSE OF COMPUTING PAYMENT UNDER THIS SUBSECTION, THE  
2 COMPENSATION AMOUNT USED SHALL NOT BE LESS THAN THE HIGHEST  
3 FULL-TIME OR EQUATED FULL-TIME FISCAL YEAR COMPENSATION PREVI-  
4 OUSLY RECEIVED BY THE MEMBER AS A MEMBER OF THE SYSTEM. THE  
5 TOTAL SERVICE CREDITED UNDER THIS SECTION SHALL NOT EXCEED 5  
6 YEARS. AS USED IN THIS SUBSECTION, "APPROVED MEDICAL LEAVE"  
7 MEANS THE PERIOD DURING WHICH A MEMBER IS ABSENT FROM SERVICE  
8 BECAUSE OF A TEMPORARY PERSONAL INJURY OR MENTAL OR PHYSICAL ILL-  
9 NESS AS AUTHORIZED AND CERTIFIED BY THE MEMBER'S EMPLOYER.

10 (2) SERVICE CREDIT PURCHASED UNDER THIS SECTION SHALL NOT BE  
11 USED TO SATISFY THE MINIMUM NUMBER OF YEARS OF SERVICE CREDIT  
12 REQUIRED TO RECEIVE A RETIREMENT ALLOWANCE UNDER THIS ACT.

13 (3) IF A MEMBER WHO MADE PAYMENT UNDER THIS SECTION DIES AND  
14 A RETIREMENT ALLOWANCE IS NOT PAYABLE, OR IF THE MEMBER LEAVES  
15 SERVICE WITH THE STATE BEFORE HIS OR HER RETIREMENT ALLOWANCE  
16 BECOMES EFFECTIVE, THE PAYMENT MADE BY THE MEMBER SHALL BE  
17 REFUNDED UPON REQUEST TO THE MEMBER, TO THE PERSON DESIGNATED BY  
18 THE MEMBER IN WRITING TO THE BOARD, OR IF A PERSON IS NOT DESIG-  
19 NATED, THEN TO THE MEMBER'S LEGAL REPRESENTATIVE OR ESTATE.

20 Section 2. This amendatory act shall take effect July 1,  
21 1989.