

HOUSE BILL No. 4179

February 15, 1989, Introduced by Reps. Brown, Barns, DeMars and Gubow and referred to the Committee on Senior Citizens and Retirement.

A bill to amend the title and sections 3, 6, 8, and 10 of Act No. 345 of the Public Acts of 1937, entitled as amended

"An act to provide for the establishment, maintenance and administration of a system of pensions and retirements for the benefit of the personnel of fire and/or police departments, employed by cities, villages or municipalities having full paid members in such departments, and for the widows and children of such members, and to provide for the creation of a board of trustees to manage and operate same; to authorize appropriations and deductions from salaries; and to repeal all acts and parts of acts inconsistent therewith,"

being sections 38.553, 38.556, 38.558, and 38.560 of the Michigan Compiled Laws; and to add section 1a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 3, 6, 8, and 10 of Act
2 No. 345 of the Public Acts of 1937, being sections 38.553,
3 38.556, 38.558, and 38.560 of the Michigan Compiled Laws, are
4 amended and section 1a is added to read as follows:

TITLE

1
2 An act to provide for the establishment, maintenance, and
3 administration of a system of pensions and retirements for the
4 benefit of the personnel of fire and ~~/or~~ police departments ~~/~~
5 employed by cities, villages, or municipalities having full paid
6 members in ~~such~~ THE departments, and for the ~~widows~~ SPOUSES
7 and children of ~~such~~ THE members; ~~, and~~ to provide for the
8 creation of a board of trustees to manage and operate ~~same~~ THE
9 SYSTEM; to authorize appropriations and deductions from salaries;
10 and to repeal all acts and parts of acts inconsistent therewith.

11 SEC. 1A. THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE
12 "FIRE FIGHTERS AND POLICE OFFICERS RETIREMENT ACT".

13 Sec. 3. The treasurer of the city, village, or municipality
14 shall be the custodian of all funds of the retirement system and
15 shall be required to give a good and sufficient bond to ~~said~~
16 THE RETIREMENT board for the faithful performance of his OR HER
17 duties and the ~~safe keeping~~ SAFEKEEPING of all ~~moneys~~ MONEY
18 collected ~~hereunder, the~~ UNDER THIS ACT. THE bond ~~to~~ SHALL
19 be paid by ~~said~~ THE city, village, or municipality. ~~, and to~~
20 THE TREASURER SHALL issue warrants for the ~~disbursements~~
21 DISBURSEMENT of ~~such fund on~~ THE FUNDS OF THE RETIREMENT SYSTEM
22 UPON the receipt of a voucher signed by at least 2 members of the
23 RETIREMENT board other than the ~~said~~ treasurer. ~~No~~ THE TREA-
24 SURER SHALL NOT EXECUTE A voucher or warrant ~~shall be executed~~
25 unless ~~it shall have~~ THE VOUCHER OR WARRANT HAS been previously
26 authorized by resolution adopted by the board.

1 Sec. 6. Pensions and benefits payable under this act shall
2 be as follows:

3 (1) Age and service retirement:

4 (a) A member ~~aged~~ WHO IS 55 years OF AGE or older AND who
5 has 25 or more years of service as a ~~police~~ POLICE OFFICER
6 or ~~fireman~~ FIRE FIGHTER in the employ of the city, village, or
7 municipality affected by this act ~~—~~ may retire from service
8 upon written application to the board ~~setting forth at what~~
9 ~~time~~ STATING A DATE, not less than 30 days nor more than 90 days
10 ~~subsequent to~~ AFTER the execution and filing ~~thereof~~ OF THE
11 APPLICATION, ON WHICH the member desires to be retired. ~~—, and~~
12 ~~the~~ THE board shall grant the benefits to which the member may
13 be entitled under this act, unless the member continues
14 employment. ~~—, in which event his~~ IF THE MEMBER CONTINUES
15 EMPLOYMENT, THE MEMBER'S pension shall be deferred with service
16 years of credit until actual retirement. Upon the approval of
17 the legislative body or of the electors of a city, village, or
18 municipality under this act, a member under ~~age~~ 50 YEARS OF AGE
19 who has 25 OR MORE YEARS OF SERVICE, or without the necessity for
20 approval, a member ~~age~~ 50 YEARS OF AGE or more who has 25 or
21 more years of service, may leave ~~the~~ service and receive the
22 full retirement benefits payable throughout ~~his~~ THE MEMBER'S
23 life as provided in subparagraph (e). ~~A member now retired with~~
24 ~~25 or more years of service, but not as yet eligible for retire~~
25 ~~ment benefits, shall be eligible for retirement benefits on the~~
26 ~~effective date of this amendatory act.~~

1 (b) A member ~~aged~~ WHO IS 60 years OF AGE or older shall be
2 retired by the retirement board upon the written application of
3 the legislative body, or board or official provided in the
4 charter of the city, village, or municipality as head of the
5 department in which the member is employed. Upon retirement, the
6 retirement board shall grant the benefits to which the member may
7 be entitled under this act, unless the member continues
8 employment. ~~, in which event his~~ IF THE MEMBER CONTINUES
9 EMPLOYMENT, THE MEMBER'S pension shall be deferred with service
10 years of credit until actual retirement.

11 (c) A member who ~~has attained age~~ IS 65 years OF AGE shall
12 be retired by the board on the first day of the month following
13 attainment of ~~age~~ 65 years OF AGE.

14 (d) A member who has 10 or more years of service shall have
15 vested retirement benefits, not subject to forfeiture on account
16 of disciplinary action, charges, or complaints. If the member
17 leaves employment before the date the member would have first
18 become eligible to retire as provided in subparagraph (a), for
19 any reason except the member's retirement or death, the member
20 shall be entitled to a pension which shall begin the first day of
21 the calendar month next following the month in which the member's
22 written application for the pension is filed with the board, on
23 or after the date the member would have been eligible to retire
24 had the member continued in employment. The board shall grant
25 the member the benefits to which the member is entitled under
26 this act, unless the member resumes service. ~~, in which event~~
27 ~~the~~ IF THE MEMBER RESUMES SERVICE, THE MEMBER'S pension shall be

1 further deferred with service years of credit until the member
2 actually retires.

3 (e) Upon retirement from service as provided in this subdi-
4 vision, a member shall receive a regular retirement pension pay-
5 able throughout the member's life of 2% of the member's average
6 final compensation multiplied by the first 25 years of service
7 credited to the member, plus 1% of the member's average final
8 compensation multiplied by the number of years, and fraction of a
9 year, of service rendered by the member in excess of 25 years. A
10 city, village, or municipality under this act, may, upon approval
11 of the legislative body or the electors ~~thereof~~ OF THE CITY,
12 VILLAGE, OR MUNICIPALITY, increase the percentage of the payment
13 from 2% up to a maximum of 2.5%. If an increase is approved,
14 ~~it~~ THE INCREASE shall not be reduced for members under the
15 system at the time of the increase. The legislative body may
16 also increase the percentage of employee contributions. If a
17 retired member dies before the total of regular pension payments
18 received by the member equals the total of the member's contribu-
19 tions made to the retirement system, the difference between the
20 member's total contributions and the total of the member's regu-
21 lar retirement pension payments received shall be paid in a
22 single sum to the person or persons the member nominates by writ-
23 ten designation duly executed and filed with the board. If there
24 is not a person or persons surviving the retired member, the dif-
25 ference, if any, shall be paid to the retired member's estate.

26 (f) "Average final compensation" ~~shall mean~~ MEANS the
27 average of the highest annual compensation received by a member

1 during a period of 5 consecutive years of service contained
2 within ~~his~~ THE MEMBER'S 10 years of service immediately preced-
3 ing ~~his~~ THE MEMBER'S retirement ~~,~~ or leaving service.
4 ~~, or,~~ HOWEVER, if so provided in a collective bargaining agree-
5 ment entered into between a municipality under this act and the
6 appropriate recognized bargaining agent, AVERAGE FINAL
7 COMPENSATION may mean the average of the 3 years of highest
8 annual compensation received by a member during ~~his~~ THE
9 MEMBER'S 10 years of service immediately preceding ~~his~~ THE
10 MEMBER'S retirement or leaving service. If ~~he~~ THE MEMBER has
11 less than 5 years of service, ~~then~~ average final compensation
12 ~~shall mean~~ MEANS the annual average compensation received by
13 ~~him~~ THE MEMBER during his OR HER total years of service.

14 (g) ~~When computing a member's service credit the~~ A member
15 shall be given SERVICE credit for time spent in the military,
16 naval, marine, or other armed service of the United States gov-
17 ernment during time of war, or other national emergency recog-
18 nized by the board, if the member was employed by the city, vil-
19 lage, or municipality at the time of entry into the armed serv-
20 ice, and is or was reemployed by the city, village, or municipal-
21 ity as a ~~police~~ POLICE OFFICER or ~~fireman~~ FIRE FIGHTER
22 within 6 months after the date of termination of his OR HER
23 required enlistment or assignment in the armed service. A city,
24 village, or municipality by a 3/5 vote of its governing body or
25 by a majority vote of the qualified electors may provide ~~to a~~
26 ~~member~~ service credit for not more than 6 years OF active
27 military service to the United States government TO A MEMBER who

1 is employed subsequent to this military service upon payment to
2 the retirement system of 5% of ~~his~~ THE MEMBER'S full-time or
3 equated full-time compensation for the fiscal year in which pay-
4 ment is made multiplied by the years of service that the member
5 elects to purchase up to the maximum. Service shall not be cred-
6 itable if it is or would be creditable under any other federal,
7 state, or local publicly supported retirement system. ~~, but~~
8 HOWEVER, this restriction shall not apply to those persons who
9 have or will have acquired retirement eligibility under the fed-
10 eral government for service in the reserve. A member shall be
11 given service credit for the time ~~he~~ THE MEMBER is absent from
12 active service without full pay on account of sickness or
13 injury. If the absence from active service is due to nonservice
14 connected sickness or injury, not more than 60 days of the
15 absence shall be credited as service in any 1 calendar year, as
16 determined by the board.

17 (h) Before the effective date of ~~his~~ THE MEMBER'S retire-
18 ment as provided in this subdivision, but not ~~thereafter~~ AFTER
19 THE EFFECTIVE DATE OF THE MEMBER'S RETIREMENT, a member may elect
20 to receive his OR HER benefit in a pension payable throughout
21 ~~his~~ THE MEMBER'S life, called a regular retirement pension, or
22 the member may elect to receive the actuarial equivalent, com-
23 puted as of the effective date of retirement, of ~~his~~ THE
24 MEMBER'S regular retirement pension in a reduced retirement pen-
25 sion payable throughout ~~his~~ THE MEMBER'S life, and nominate a
26 survivor beneficiary, in accordance with option I or II as
27 ~~hereinafter set forth~~ PROVIDED IN THIS SUBPARAGRAPH. Upon the

1 death of a retirant who retires on or after July 1, 1975, and who
2 is receiving a regular retirement pension, his or her spouse, if
3 living, shall receive a pension equal to 60% of the straight life
4 pension the deceased retirant was receiving. Benefits shall not
5 be paid under this ~~subdivision~~ SUBPARAGRAPH on account of the
6 death of a retirant if the member elected to receive his OR-HER
7 pension under either option I or II provided for in this
8 ~~subdivision~~ SUBPARAGRAPH. As used in this subdivision,
9 "spouse" means the person to whom the retirant was legally mar-
10 ried on both the effective date of retirement and the date of
11 death. Except as otherwise provided in this act, if a member
12 fails to elect an option before the effective date of retirement,
13 then the pension shall be paid as a regular retirement pension.

14 Option I. Upon the death of a retired member, his OR HER
15 reduced retirement pension shall be continued throughout the life
16 of and paid to the person, having an insurable interest in ~~his~~
17 THE RETIRED MEMBER'S life, the member nominated by written desig-
18 nation duly executed and filed with the board before the effec-
19 tive date of ~~his~~ THE MEMBER'S retirement. ~~or~~

20 Option II. Upon the death of a retired member, 1/2 of his
21 OR HER reduced retirement pension shall be continued throughout
22 the life of and paid to the person, having an insurable interest
23 in ~~his~~ THE RETIRED MEMBER'S life, the member nominated by writ-
24 ten designation duly executed and filed with the board before the
25 effective date of ~~his~~ THE MEMBER'S retirement.

26 (i) ~~A~~ IF A member ~~who~~ continues in service on or after
27 the date of acquiring 20 years of service credit, ~~and who~~ does

1 not have an option I election ~~—~~ provided for in subparagraph
2 (j) ~~—~~ in force, and dies while in service of the city or vil-
3 lage before the effective date of ~~his~~ THE MEMBER'S retirement,
4 ~~and leaves~~ LEAVING a surviving spouse, the spouse shall receive
5 a pension computed in the same manner as if the member had ~~(1)~~
6 retired effective the day preceding the date of ~~his~~ THE
7 MEMBER'S death, ~~(2)~~ elected option I provided for in subpara-
8 graph (h), and ~~(3)~~ nominated the spouse as survivor
9 beneficiary. Upon the death of the spouse the pension shall
10 terminate. A pension shall not be paid under this subparagraph
11 on account of the death of a member if benefits are paid under
12 subdivision (2) on account of ~~his~~ THE MEMBER'S death.

13 (j) A member who continues in service on or after the date
14 of acquiring 25 years of service credit may, at any time before
15 the effective date of ~~his~~ THE MEMBER'S retirement, by written
16 declaration duly executed and filed with the board in the manner
17 and form prescribed by the board, elect option I provided for in
18 subparagraph (h) and nominate a survivor beneficiary whom the
19 board finds to be dependent upon the member for at least 50% of
20 ~~his~~ THE BENEFICIARY'S support. If a member ~~—~~ who has an
21 option I election provided for in this subparagraph in force ~~—~~
22 dies while in service before the effective date of ~~his~~ THE
23 MEMBER'S retirement, ~~his~~ THE MEMBER'S survivor beneficiary
24 shall immediately receive the same retirement allowance as the
25 survivor beneficiary would have been entitled to receive under
26 the option I if the member had retired pursuant to this act
27 effective the day preceding the date of ~~his~~ THE MEMBER'S death,

1 notwithstanding that the member may not have attained ~~age~~ 55
2 years OF AGE. If a member ~~who~~ who has an option I election pro-
3 vided for in this subparagraph in force ~~who~~ subsequently retires
4 pursuant to this act, ~~he shall~~ THE MEMBER, within 90 days imme-
5 diately preceding the effective date of ~~his~~ THE MEMBER'S
6 retirement, but not ~~thereafter~~ AFTER THE EFFECTIVE DATE OF THE
7 MEMBER'S RETIREMENT, SHALL have the right to make an election of
8 option provided for in subparagraph (h). ~~the~~ THE option
9 election ~~to become~~ IS effective as of the effective date of
10 ~~his~~ THE MEMBER'S retirement. A pension shall not be paid under
11 this subparagraph on account of the death of a member if benefits
12 are paid under subdivision (2) on account of ~~his~~ THE MEMBER'S
13 death.

14 (2) Disability and service connected death benefits:

15 (a) To ~~widows~~ A SURVIVING SPOUSE, a duty death pension of
16 the same amount each week as that which has been paid ~~her~~ THE
17 SURVIVING SPOUSE under the ~~workmen's~~ WORKER'S DISABILITY com-
18 pensation act OF 1969, ACT NO. 317 OF THE PUBLIC ACTS OF 1969,
19 BEING SECTIONS 418.101 TO 418.941 OF THE MICHIGAN COMPILED LAWS,
20 to become due and payable on the termination of the payments to
21 ~~her~~ THE SURVIVING SPOUSE by a municipality under ~~the workmen's~~
22 ~~compensation act~~ ACT NO. 317 OF THE PUBLIC ACTS OF 1969, and to
23 continue for ~~her~~ THE SURVIVING SPOUSE'S life or until HIS OR
24 her remarriage.

25 (b) If death results to a member in THE line of duty, ~~who~~
26 AND THE MEMBER leaves surviving children, the children shall be
27 paid a pension of the same amount as that which has been paid to

1 them as a weekly benefit under ~~the workmen's compensation act~~
2 ACT NO. 317 OF THE PUBLIC ACTS OF 1969, to become due and payable
3 upon termination of the payments under ~~the workmen's compensa-~~
4 ~~tion act~~ ACT NO. 317 OF THE PUBLIC ACTS OF 1969, and to continue
5 to each surviving child until he or she attains ~~age~~ 18 years OF
6 AGE, or UNTIL his or her marriage or death before ~~age~~ ATTAINING
7 18 years OF AGE.

8 (c) If death results to a member in THE line of duty ~~who~~
9 AND THE MEMBER leaves ~~surviving him~~ other SURVIVING dependents,
10 the dependents shall receive a pension of the same amount as that
11 which has been paid to them as a weekly benefit under ~~the~~
12 ~~workmen's compensation act~~ ACT NO. 317 OF THE PUBLIC ACTS OF
13 1969, to become due and payable upon termination of the payments
14 under ~~the workmen's compensation act~~ ACT NO. 317 OF THE PUBLIC
15 ACTS OF 1969 and to continue until the time the board determines
16 that the need for pension or pensions no longer exists.

17 (d) Upon the application of a member ~~or~~ or ~~his~~ THE
18 MEMBER'S department head, a member who becomes totally incapac-
19 itated for duty by reason of a personal injury or disease occur-
20 ring as the natural and proximate result of causes arising out of
21 and in the course of ~~his~~ THE MEMBER'S employment by the city,
22 village, or municipality shall be retired by the retirement
23 board. After a medical examination of a member made by a medical
24 committee ~~or~~ consisting of a physician named by the retirement
25 board, a physician named by the member claiming benefits, and a
26 third physician designated by the first 2 physicians named, the
27 medical committee, by a majority opinion, shall certify in

1 writing ~~that~~ that the member is mentally or physically
2 incapacitated for the further performance of duty as a
3 ~~policeman~~ POLICE OFFICER or ~~fireman~~ FIRE FIGHTER in the serv-
4 ice of the city, village, or municipality; ~~that~~ (2) that the inca-
5 pacity is likely to be permanent; ~~and~~ and (3) that the member
6 should be retired. Upon retirement for disability as provided in
7 this subparagraph, a member who has not attained ~~age~~ 55 years
8 OF AGE shall receive a disability retirement pension of 50% of
9 ~~his~~ THE MEMBER'S average final compensation, ~~the average~~
10 ~~final compensation to~~ WHICH SHALL be determined according to
11 subdivision (1)(f), and shall be payable ~~to his attainment of~~
12 ~~age~~ UNTIL THE MEMBER BECOMES 55 years OF AGE. Upon ~~attaining~~
13 ~~age~~ BECOMING 55 years OF AGE, the disabled member shall receive
14 a disability pension computed according to subdivision (1)(e).
15 In computing the pension the member shall be given service credit
16 for the period of receipt of a disability pension before attain-
17 ment of ~~age~~ 55 years OF AGE. If a member retired after attain-
18 ing ~~age~~ 55 years OF AGE on account of disability, as provided
19 in this subparagraph, ~~he~~ THE MEMBER shall receive a disability
20 pension computed according to subdivision (1)(e), notwithstanding
21 that ~~he~~ THE MEMBER may not have 25 years of service credit.
22 The disability pension provided for in this subparagraph shall be
23 subject to subparagraphs (f) and (g).

24 (e) Upon the application of a member ~~or~~ or ~~his~~ THE
25 MEMBER'S department head, a member in service who has 5 or more
26 years of service credit and who becomes totally and permanently
27 incapacitated for duty by reason of a personal injury or disease

1 occurring as the result of causes arising outside the course of
2 ~~his~~ THE MEMBER'S employment by the city, village, or municipal-
3 ity may be retired by the retirement board. After a medical
4 examination of the member made by a medical committee ~~—~~ con-
5 sisting of a physician named by the retirement board, a physician
6 named by the member claiming benefits, and a third physician des-
7 ignated by the first 2 physicians named, the medical committee,
8 by a majority opinion, shall certify in writing ~~(+)~~ that the
9 member is mentally or physically incapacitated for the further
10 performance of duty as a ~~policeman~~ POLICE OFFICER or ~~fireman~~
11 FIRE FIGHTER in the service of the city, village, or municipali-
12 ty, ~~(2)~~ that the incapacity is likely to be permanent, and
13 ~~(3)~~ that the member should be retired. Upon retirement for
14 disability, as provided in this subparagraph, a member who has
15 not attained ~~age~~ 55 years OF AGE shall receive a disability
16 retirement pension ~~to his attainment of age~~ UNTIL THE MEMBER
17 BECOMES 55 years OF AGE, or prior recovery or death, of 1.5% of
18 ~~his~~ THE MEMBER'S average final compensation multiplied by the
19 number of years of service credited to ~~him, upon attaining age~~
20 THE MEMBER. UPON BECOMING 55 years ~~his~~ OF AGE, THE MEMBER'S
21 disability retirement pension shall be increased to 2% of ~~his~~
22 THE MEMBER'S average final compensation multiplied by the number
23 of years of service credited to ~~him~~ THE MEMBER at the time of
24 his OR HER retirement. Upon retirement for disability as pro-
25 vided in this subparagraph, a member who ~~has attained age~~ IS 55
26 years OF AGE OR OLDER shall receive a disability pension computed

1 according to subdivision (1)(e). This subparagraph shall be
2 subject to subparagraphs (f) and (g).

3 (f) At least once each year during the first 5 years after
4 the retirement of a member with a disability retirement pension
5 and at least once in every 3-year period ~~thereafter~~ AFTER DIS-
6 ABILITY RETIREMENT, the board may, and upon the retired member's
7 application shall, require a retired member who has not attained
8 ~~age~~ 55 years OF AGE to undergo a medical examination to be made
9 by or under the direction of a physician, designated by the
10 board, at the place of residence of the retired member or other
11 place mutually agreed upon. ~~Should~~ IF a retired member who has
12 not attained ~~age~~ 55 years ~~refuse~~ OF AGE REFUSES to submit to
13 the medical examination in the period, ~~his~~ THE MEMBER'S dis-
14 ability retirement pension may be discontinued by the board.
15 ~~and should~~ IF the MEMBER'S refusal ~~continue~~ CONTINUES for 1
16 year, all ~~his~~ THE MEMBER'S rights in and to his OR HER disabil-
17 ity retirement pension may be revoked by the board. If upon a
18 medical examination of the retired member the physician reports
19 to the board that the retired member is physically able and
20 capable of resuming employment in the classification held by the
21 member at the time of retirement, the member shall be restored to
22 active service in the employ of the city, village, or municipal-
23 ity and payment of THE disability pension shall cease ~~provided~~
24 IF the report of the physician is concurred in by the board. A
25 retired member restored to active service shall AGAIN BECOME A
26 MEMBER OF THE RETIREMENT SYSTEM from the date of return to
27 service. ~~again become a member of the retirement system and~~

1 THE MEMBER shall contribute to the retirement system ~~thereafter~~
2 AFTER RESTORATION TO ACTIVE SERVICE in the same manner as before
3 ~~his~~ THE MEMBER'S disability retirement. Service credited to
4 the member at the time of disability retirement shall be restored
5 to full force and effect. The member shall be given service
6 credit for the period ~~he~~ THE MEMBER was receiving a duty dis-
7 ability pension provided for in subparagraph (d), but shall not
8 be given service credit for the period ~~he~~ THE MEMBER was
9 receiving a nonduty disability pension provided for in subpara-
10 graph (e). Amounts paid under ~~the workmen's compensation act of~~
11 ~~this state~~ ACT NO. 317 OF THE PUBLIC ACTS OF 1969 to a retired
12 member shall be offset against and payable in place of benefits
13 provided under this act. If the benefits under ~~the compensation~~
14 ~~act~~ ACT NO. 317 OF THE PUBLIC ACTS OF 1969 are less than the
15 benefits payable under this act, ~~then~~ the amount to be paid out
16 of the funds of the retirement system shall be the difference
17 between the benefits provided under ~~the compensation act~~ ACT
18 NO. 317 OF THE PUBLIC ACTS OF 1969 and the benefits provided in
19 this act. Upon the termination of benefits under ~~the compensa-~~
20 ~~tion act, then and thereafter~~ ACT NO. 317 OF THE PUBLIC ACTS OF
21 1969, THE benefits shall be paid in accordance with this act.

22 (g) Within 60 days before ~~attainment of age~~ A MEMBER
23 BECOMES 55 years OF AGE, or before retirement from service if
24 retirement occurs after ~~attainment of age~~ THE MEMBER BECOMES 55
25 years OF AGE, a disabled member who is retired as provided in
26 subparagraph (d) or (e) may elect to continue to receive a
27 disability retirement pension as a benefit terminating at death,

1 to be known as a regular disability pension, or may elect to
2 receive the actuarial equivalent, at that time, of a regular dis-
3 ability retirement pension in a reduced disability retirement
4 pension payable throughout life in accordance with option I or II
5 provided in subdivision (1)(h). If a disabled member fails to
6 elect an option, as ~~herein~~ provided IN THIS SUBPARAGRAPH,
7 before ~~attainment of age~~ BECOMING 55 years OF AGE or before
8 retirement, ~~his~~ THE MEMBER'S retirement pension shall be paid
9 to ~~him~~ THE MEMBER as a regular disability pension terminating
10 at death. If a disabled member who has not elected option I or
11 II dies before the total of ~~his~~ THE MEMBER'S regular disability
12 pension payments received equals or exceeds the total of ~~his~~
13 THE MEMBER'S contributions made to the retirement system, the
14 remainder, if any, shall be paid in a single sum to the person or
15 persons nominated by the member by written designation duly exe-
16 cuted and filed with the board. If there is not a designated
17 person or persons surviving, then the remainder, if any, shall be
18 paid to the retired member's legal representative.

19 Sec. 8. Refunds of salary contributions:

20 (1) ~~Should a fireman or policeman die~~ IF A FIRE FIGHTER OR
21 POLICE OFFICER DIES before being placed on pension, the total
22 amount of ~~his~~ THE MEMBER'S salary deductions, with interest as
23 the board may determine, but not to exceed 2% per annum, shall be
24 payable to ~~such~~ THE person or persons ~~as he shall have~~ THAT
25 THE MEMBER nominated by written designation duly executed and
26 filed with the board. ~~, if there be no such~~ IF THERE IS NO
27 designated person or persons surviving, then the total of ~~his~~

1 THE MEMBER'S salary deductions shall be paid to ~~his~~ THE
2 MEMBER'S legal representative OR ESTATE.

3 (2) ~~Should a fireman or policeman become~~ IF A FIRE FIGHTER
4 OR POLICE OFFICER BECOMES separated from the service before being
5 eligible for retirement, ~~he~~ THE MEMBER shall be paid the total
6 of ~~his~~ THE MEMBER'S contributions together with interest as the
7 board may determine, but not to exceed 2% per annum credited to
8 ~~him~~ THE MEMBER upon his OR HER written request for ~~such~~ A
9 refund. ~~Should such an individual~~ IF THE PERSON again ~~become~~
10 BECOMES employed by the city, village, or municipality as a
11 ~~policeman or fireman~~ POLICE OFFICER OR FIRE FIGHTER, he OR SHE
12 shall, within 1 year following his OR HER reemployment, repay to
13 the retirement system the amount previously withdrawn ~~by him~~
14 together with interest at 2% per year.

15 Sec. 10. Any and all cash assets and funds on hand not nec-
16 essary for immediate payment of pensions or benefits ~~hereunder~~
17 UNDER THIS ACT shall be invested subject to all the terms, condi-
18 tions, limitations, and restrictions imposed by the statutes of
19 this state upon life insurance companies in making and disposing
20 of their investments, and as provided by law relating to invest-
21 ment authority of public employee retirement systems UNDER ACT
22 NO. 314 OF THE PUBLIC ACTS OF 1965, BEING SECTIONS 38.1132 TO
23 38.1140I OF THE MICHIGAN COMPILED LAWS, and any and all assets of
24 every description of the pension or retirement fund created by
25 any city, village, or municipality ~~so affected by~~ UNDER this
26 act ~~—~~ shall be transferred and deposited to the credit of the
27 newly created retirement system under this act.