

HOUSE BILL No. 4507

March 22, 1989, Introduced by Reps. Hart, Barns, Gagliardi, Gire, Webb and Jonker and referred to the Committee on Senior Citizens and Retirement.

A bill to amend sections 2b, 2c, 6, 10, 12, 21, 22, 37, 41, 41a, and 53 of Act No. 427 of the Public Acts of 1984, entitled as amended

"Municipal employees retirement act of 1984,"

sections 2b, 2c, 6, 10, 21, 22, and 37 as amended and section 41a as added by Act No. 500 of the Public Acts of 1988 and section 53 as amended by Act No. 37 of the Public Acts of 1985, being sections 38.1502b, 38.1502c, 38.1506, 38.1510, 38.1512, 38.1521, 38.1522, 38.1537, 38.1541, 38.1541a, and 38.1553 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 2b, 2c, 6, 10, 12, 21, 22, 37, 41, 41a,
2 and 53 of Act No. 427 of the Public Acts of 1984, sections 2b,
3 2c, 6, 10, 21, 22, and 37 as amended and section 41a as added by
4 Act No. 500 of the Public Acts of 1988 and section 53 as amended

1 by Act No. 37 of the Public Acts of 1985, being sections
2 38.1502b, 38.1502c, 38.1506, 38.1510, 38.1512, 38.1521, 38.1522,
3 38.1537, 38.1541, 38.1541a, and 38.1553 of the Michigan Compiled
4 Laws, are amended to read as follows:

5 Sec. 2b. (1) "Member" means a municipal employee or judi-
6 cial employee who is included in the membership of the retirement
7 system.

8 (2) "Membership service" means personal service rendered a
9 participating municipality or participating court while a member
10 of the retirement system.

11 (3) "Municipal employee" means an individual who is paid
12 compensation for personal services rendered for a participating
13 municipality. Payment of compensation by a hospital, board, com-
14 mission, public corporation, or instrumentality created by a
15 municipality ~~shall be~~ IS considered payment by the
16 municipality. Municipal employee does not include any of the
17 following:

18 (a) The mayor, village president, or a member of the govern-
19 ing body of a participating municipality, unless 10 or more other
20 municipal employees are members of the retirement system, and
21 unless the individual makes written application for membership
22 and is covered by the federal social security old age, survivors,
23 disability, and hospital insurance program, under the social
24 security act, chapter 531, 49 Stat. 620, on account of employment
25 by the participating municipality. Written application must be
26 filed with the retirement system within 60 days from the more
27 recent of the date the individual last qualified for the position

1 and the date the municipality becomes a participating
2 municipality.

3 (b) An individual who is employed on a basis that exempts
4 the participating municipality from the withholding provisions of
5 the internal revenue code.

6 (c) An individual, except a county elected official, who is
7 wholly paid on a fee basis.

8 (d) An individual who is an active member of the Michigan
9 probate judges' retirement system created by the probate judges
10 retirement act, Act No. 165 of the Public Acts of 1954, being
11 sections 38.901 to 38.933 of the Michigan Compiled Laws.

12 ~~(e) A person enrolled as a participant in a transitional~~
13 ~~public employment program. As used in this subdivision,~~
14 ~~"transitional public employment program" means a public service~~
15 ~~employment program in the area of environmental quality, health~~
16 ~~care, education, public safety, crime prevention and control,~~
17 ~~prison rehabilitation, transportation, recreation, maintenance of~~
18 ~~parks, streets, and other public facilities, solid waste removal,~~
19 ~~pollution control, housing and neighborhood improvements, rural~~
20 ~~development, conservation, beautification, veterans' outreach, or~~
21 ~~any other area of human betterment and community improvement as~~
22 ~~part of a program of comprehensive manpower services authorized,~~
23 ~~undertaken, and financed pursuant to the former comprehensive~~
24 ~~employment and training act of 1973, Public Law 93-203. If a~~
25 ~~person participating in a transitional public employment program~~
26 ~~later becomes a member of a retirement system established~~
27 ~~pursuant to this act or former Act No. 135 of the Public Acts of~~

~~1 1945, within 12 months after the date of termination as a
2 participant in a transitional public employment program, service
3 credit shall be given for employment in the transitional public
4 employment program for purposes of determining a retirement
5 allowance upon the payment by the person and the person's
6 employer under the transitional public employment program from
7 funds provided under the former comprehensive employment and
8 training act of 1973, Public Law 93-203, as funds permit, to the
9 retirement system of the contributions, plus regular interest,
10 the person and the employer would have paid had the employment
11 been rendered in a position covered by this act or former Act
12 No. 135 of the Public Acts of 1945. During the person's employ-
13 ment in the transitional public employment program, the person's
14 employer shall provide an opportunity by payroll deduction for
15 the person to make his or her employee contribution to the appli-
16 cable pension system. To provide for the eventual payment of the
17 employer's contribution, the person's employer shall during this
18 same period place in reserve a reasonable but not necessarily an
19 actuarially determined amount equal to the contributions that the
20 employer would have paid to the retirement system for those
21 employees in the transitional public employment program as if
22 they were members under this act or former Act No. 135 of the
23 Public Acts of 1945, but only for that number of employees that
24 the employer determined would transfer from the transitional
25 public employment program into positions covered by this act or
26 former Act No. 135 of the Public Acts of 1945. If the funds
27 provided under the former comprehensive employment and training~~

~~1 act of 1973, Public Law 93-203, are insufficient, the remainder~~
~~2 of the employer contributions shall be paid by the person's cur-~~
~~3 rent employer. The provisions of this subdivision shall not~~
~~4 exclude the participant in a transitional public employment pro-~~
~~5 gram from the accident, disability, or other benefits available~~
~~6 to members of the retirement system covered by this act or former~~
~~7 Act No. 135 of the Public Act of 1945.~~

8 (E) ~~-(f)-~~ A person, not regularly employed by the partici-
9 pating municipality, who is employed by the municipality through
10 participation in a program established pursuant to the job train-
11 ing partnership act, Public Law 97-300, 96 Stat. 1322. In addi-
12 tion, a person described in this subdivision shall not receive
13 service credit for the employment described in this subdivision
14 even though the person subsequently becomes or has been a member
15 of the retirement system.

16 (F) ~~-(g)-~~ A person, not regularly employed by the partici-
17 pating municipality, who is employed by the municipality through
18 participation in a program established pursuant to the Michigan
19 opportunity and skills training program first provided for under
20 sections 12 to 23 of Act No. 259 of the Public Acts of 1983. In
21 addition, a person described in this subdivision shall not
22 receive service credit for the employment described in this sub-
23 division even though the person subsequently becomes or has been
24 a member of this retirement system.

25 (G) ~~-(h)-~~ A person, not regularly employed by the partici-
26 pating municipality, who is employed by the municipality through
27 participation in a program established pursuant to the Michigan

1 community service corps program FIRST provided for under sections
2 25 to 35 of Act No. 259 of the Public Acts of 1983 and sections
3 148 to 160 of Act No. 246 of the Public Acts of 1984. In addi-
4 tion, a person described in this subdivision shall not receive
5 service credit for the employment described in this subdivision
6 even though the person subsequently becomes or has been a member
7 of this retirement system.

8 (H) ~~(i)~~ A person, not regularly employed by the partici-
9 pating municipality, who is employed by the municipality to
10 administer a program described in subdivision (E), (f), OR (g)
11 ~~, or (h)~~ shall not be a member of this retirement system.

12 (I) AN INDIVIDUAL WHO IS, ON THE EFFECTIVE DATE OF THE
13 MUNICIPALITY'S OR COURT'S PARTICIPATION UNDER THIS ACT, A MEMBER
14 OF ANOTHER RETIREMENT SYSTEM THAT IS SPONSORED BY THE PARTICIPAT-
15 ING MUNICIPALITY OR PARTICIPATING COURT IF THAT INDIVIDUAL
16 REMAINS AS A MEMBER OF THE OTHER RETIREMENT SYSTEM.

17 (4) "Municipality" means a county, county road commission,
18 city, village, township, or a combination of these units; a
19 lawful public corporation or instrumentality established by 1 or
20 more counties, cities, villages, townships, or a combination of
21 these units; or a public corporation or instrumentality charged
22 by law with the performance of a governmental function and whose
23 jurisdiction is coextensive with 1 or more counties, cities, vil-
24 lages, townships, or a combination of these units.

25 Sec. 2c. (1) "Participating court" means a judicial circuit
26 court, a judicial district court, or a judicial probate court
27 that has elected to be governed by the provisions of this act.

1 (2) "Participating municipality" means a municipality that
2 has elected to be governed by the provisions of this act. Two or
3 more municipalities may enter into an agreement with each other
4 and the retirement system to participate as a combined unit.

5 (3) "Prior service" means certified personal service
6 rendered a municipality or a judicial circuit court, judicial
7 district court, or judicial probate court by a member prior to
8 the date the municipality or judicial circuit court, judicial
9 district court, or judicial probate court became a participating
10 municipality or participating court. The participating munici-
11 pality or participating court shall certify to the retirement
12 system, in writing, the amount of prior service to be credited
13 each member in its employ. The participating municipality or
14 participating court may limit the period of certified prior serv-
15 ice to either a percentage of the member's total period of prior
16 service or a stated number of years. Certification of prior
17 service shall be made prior to the retirement of a member, in the
18 form and at the time prescribed by the retirement board.

19 (4) "Retirant" means an individual who is being paid a
20 retirement allowance on account of the individual's membership in
21 the retirement system.

22 (5) "Retirement allowance" means an annual amount payable in
23 monthly installments by the retirement system, whether payable
24 for a temporary period or throughout the future life of a retir-
25 ant or beneficiary.

26 (6) "Retirement board" means the retirement board provided
27 for in section 36 to administer the retirement system.

1 (7) "Retirement system" or "system" means the municipal
2 employees retirement system established by former Act No. 135 of
3 the Public Acts of 1945 and continued and restated by this act.

4 (8) "Vested former member" means a ~~former member~~ PERSON
5 who ~~has 10 or more years of credited service in force~~ MEETS THE
6 REQUIREMENTS OF SECTION 12.

7 Sec. 6. (1) The retirement board shall credit a member for
8 qualifying service in the employ of the United States government,
9 a state, or a political subdivision of a state, if each of the
10 following conditions is satisfied:

11 (a) The governing body of the participating municipality
12 that employs the member adopts a resolution, or the chief judge
13 of the participating court that employs the member issues an
14 administrative order, requesting the retirement board to credit
15 the member with a specific period of qualifying service ~~— A~~ AND
16 FILES A certified copy of the resolution or administrative order
17 ~~shall be filed~~ with the retirement system within 10 days after
18 adoption or issuance.

19 (b) The qualifying governmental service was not rendered
20 prior to any break of ~~60~~ 180 or more months in the member's
21 employment by the United States government, a state, or a politi-
22 cal subdivision of a state. ~~—, or if the qualifying governmental~~
23 ~~service was service with another participating municipality or~~
24 ~~participating court, then the qualifying service was not rendered~~
25 ~~prior to any break of 180 or more months in the member's employ-~~
26 ~~ment by the participating municipality or participating court.~~

1 (c) The member pays to the retirement system the amount the
2 participating municipality or participating court may require of
3 the member in consideration for the crediting of qualifying gov-
4 ernmental service. The required payment shall not exceed the
5 larger of the following amounts multiplied by the period of qual-
6 ifying governmental service to be credited the member:

7 (i) Five percent of the member's annual compensation at time
8 of payment.

9 (ii) The member's annual compensation at time of payment
10 multiplied by the percent specified under the member contribution
11 program applicable to the member.

12 (2) For purposes of this section, service is qualifying if
13 it is not and will not be recognized for the purpose of obtaining
14 or increasing a benefit under another retirement system. A
15 member may qualify service by making an irrevocable forfeiture of
16 all rights in and to the actual or potential benefit from the
17 other retirement system.

18 (3) Service in the armed forces of the United States is not
19 qualifying service and shall not be credited to a member under
20 this section.

21 (4) The payment under subsection (1)(c) shall be credited to
22 the member's individual account in the reserve for employee
23 contributions.

24 Sec. 10. (1) A member or a vested former member may retire
25 upon satisfaction of each of the following requirements:

26 (a) A written application for retirement, on a form
27 established by the retirement system, has been filed with the

1 retirement system. The retirement board may establish required
2 time periods, preceding or surrounding the date of retirement,
3 for the filing of an application for retirement.

4 (b) One of the following applies:

5 (i) The member or vested former member has attained age
6 50 years or older and has 25 or more years of credited service.

7 (ii) The member or vested former member has attained age
8 55 years or older and has 15 or more years of credited service.

9 (iii) The member or vested former member has attained age
10 60 years or older and has 10 or more years of credited service.

11 (iv) THE MEMBER OR VESTED FORMER MEMBER HAS ATTAINED AGE 60
12 YEARS OR OLDER AND HAS 8 OR MORE YEARS OF CREDITED SERVICE IF THE
13 MEMBER'S PARTICIPATING MUNICIPALITY OR PARTICIPATING COURT ADOPTS
14 THE TERMINATION OF MEMBERSHIP VESTING BENEFIT PROGRAM V-8 FOR THE
15 MEMBER.

16 (c) The member terminates membership prior to the date of
17 retirement.

18 (2) Upon retirement the member or vested former member shall
19 be paid a retirement allowance computed in accordance with the
20 benefit programs that are applicable to the member's or vested
21 former member's credited service and the provisions of
22 subsection (3). The benefit programs applicable to a vested
23 former member shall be determined as of the date of termination
24 of membership and shall not be affected by any subsequent change
25 in benefit programs that is applicable to the classifications
26 held by the vested former member.

1 (3) If the date of retirement precedes the date the member
2 or vested former member attains the full retirement allowance age
3 as determined under subsection (4) or (5), the amount of retire-
4 ment allowance shall be reduced. The amount of reduction shall
5 be $1/2$ of 1% of the retirement allowance multiplied by the number
6 of months, rounded to the next higher number of months and not
7 less than zero, by which the date of retirement precedes the date
8 the member or vested former member attains the full retirement
9 allowance age. The reduction called for in this subsection shall
10 not be applied to benefit component (i) under benefit program B,
11 as provided in section 14.

12 (4) A participating municipality or participating court may
13 adopt benefit program F50, or benefit program F55, or both.
14 Under benefit program F50, the full retirement allowance age
15 shall be age 50 years with a required period of credited service
16 of either 25 years or 30 years. Under benefit program F55, the
17 full retirement allowance age shall be age 55 years with a
18 required period of credited service of 15 years, 20 years, 25
19 years, or 30 years.

20 (5) Full retirement allowance age shall be age 60 years,
21 unless the participating municipality or participating court has
22 adopted benefit program F50 or benefit program F55, or both, and
23 the member or vested former member has the required period of
24 credited service. The governing body of the participating munic-
25 ipality or chief judge of the participating court shall specify,
26 at the time benefit program F50 or benefit program F55, or both,

1 are adopted, the required period of credited service that shall
2 be applicable to the benefit program.

3 Sec. 12. (1) A member who ceases to be a member, for a
4 reason other than retirement or death, ~~shall be~~ IS a vested
5 former member if ~~the~~ 1 OF THE FOLLOWING REQUIREMENTS IS MET:

6 (A) THE member has 10 or more years of credited service at
7 the time membership terminates.

8 (B) THE MEMBER HAS 8 OR MORE YEARS OF CREDITED SERVICE UNDER
9 THE TERMINATION OF MEMBERSHIP VESTING BENEFIT PROGRAM V-8 AT THE
10 TIME THE MEMBERSHIP TERMINATES.

11 (2) A vested former member may retire upon satisfaction of
12 the requirements of section 10. The benefit programs applicable
13 to a vested former member shall be determined as of the date of
14 termination of membership and shall not be affected by ~~any~~ A
15 subsequent change in benefit programs applicable to the classifi-
16 cations held by the vested former member.

17 Sec. 21. (1) A participating municipality may by resolution
18 of its governing body or a participating court may by administra-
19 tive order of its chief judge adopt or readopt benefit program
20 E-1. The resolution OR ADMINISTRATIVE ORDER shall specify the
21 effective date of the change in coverage. Benefit program E-1
22 shall apply to each retirement allowance that has an effective
23 date prior to the effective date of the change in coverage and is
24 not subject to adjustment under benefit program E-2.

25 (2) The first adjustment date under benefit program E-1
26 shall be the first January 1 coincident with or subsequent to the
27 effective date of change in coverage and which is also at least

1 30 days after the adoption of benefit program E-1. Subsequent
2 adjustment dates shall occur on each January 1 after the
3 ~~initial~~ FIRST adjustment date.

4 (3) The amount of the retirement allowance of a retirant
5 whose participating municipality or participating court has
6 adopted or readopted benefit program E-1 shall be adjusted on
7 each adjustment date except the adjustment date, if any, that is
8 less than 6 months after the effective date of the retirement
9 allowance. The amount of adjustment, subject to application of
10 the maximum cumulative adjustment limitation, shall be equal to
11 the adjustment factor multiplied by the amount of base retirement
12 allowance.

13 (4) Effective January 1, 1987, the maximum cumulative
14 adjustment limitation is 100% of the ~~cumulative~~ percentage
15 increase, IF ANY, in the AVERAGE consumer price index ~~since the~~
16 ~~effective date of the retirement allowance~~ MONTHLY VALUES FROM
17 THE BASE INDEX PERIOD TO THE CURRENT INDEX PERIOD. THE BASE
18 INDEX PERIOD IS THE 12-MONTH PERIOD ENDING ON THE SEPTEMBER 30
19 THAT IS 15 MONTHS BEFORE THE FIRST ADJUSTMENT DATE. THE CURRENT
20 INDEX PERIOD IS THE 12-MONTH PERIOD ENDING ON THE SEPTEMBER 30
21 THAT IS IMMEDIATELY BEFORE THE CURRENT ADJUSTMENT DATE. The lim-
22 itation shall be applied to the base amount of retirement
23 allowance. For purposes of this subsection, "consumer price
24 index" means the consumer price index for all urban consumers, as
25 published by the United States department of labor. If this
26 index is discontinued or restructured after 1983 in a manner
27 materially changing its character, the retirement board shall

1 select the alternative index that most closely preserves the
2 intent implied in the selection of the specified index. The
3 retirement board shall select the index most closely resembling
4 the specified index for application to periods for which the
5 specified index was not published.

6 (5) The base amount of retirement allowance is the amount
7 that would be payable if the retirement allowance had never been
8 adjusted under the provisions of benefit program E-1.

9 (6) The adjustment factor shall be 2.5%.

10 Sec. 22. (1) A participating municipality may by resolution
11 of its governing body or a participating court may by administra-
12 tive order of its chief judge adopt benefit program E-2. The
13 resolution shall specify the effective date of the change in
14 coverage. Benefit program E-2 shall apply to each retirement
15 allowance that has an effective date on or after the effective
16 date of the change in coverage.

17 (2) The first adjustment date under benefit program E-2
18 shall be the first January 1 coincident with or subsequent to the
19 effective date of the change in coverage and which is also at
20 least 30 days after the adoption of benefit program E-2.
21 Subsequent adjustment dates shall occur on each January 1 after
22 the ~~initial~~ FIRST adjustment date.

23 (3) The amount of a retirement allowance shall be adjusted
24 on each adjustment date except the adjustment date, if any, that
25 is less than 6 months after the effective date of the retirement
26 allowance. The amount of adjustment, subject to application of
27 the maximum cumulative adjustment limitation, shall be equal to

1 the adjustment factor multiplied by the amount of base retirement
2 allowance.

3 (4) Effective January 1, 1987, the maximum cumulative
4 adjustment limitation is 100% of the ~~cumulative~~ percentage
5 increase, IF ANY, in the AVERAGE consumer price index ~~since the~~
6 ~~effective date of the retirement allowance~~ MONTHLY VALUES FROM
7 THE BASE INDEX PERIOD TO THE CURRENT INDEX PERIOD. THE BASE
8 INDEX PERIOD IS THE 12-MONTH PERIOD ENDING ON THE SEPTEMBER 30
9 THAT IS 15 MONTHS BEFORE THE FIRST ADJUSTMENT DATE. THE CURRENT
10 INDEX PERIOD IS THE 12-MONTH PERIOD ENDING ON THE SEPTEMBER 30
11 THAT IS IMMEDIATELY BEFORE THE CURRENT ADJUSTMENT DATE. The lim-
12 itation shall be applied to the base amount of retirement
13 allowance. For purposes of this subsection, "consumer price
14 index" means the consumer price index for all urban consumers, as
15 published by the United States department of labor. If this
16 index is discontinued or restructured subsequent to 1983 in a
17 manner materially changing its character, the retirement board
18 shall select the alternative index that most closely preserves
19 the intent implied in the selection of the specified index. The
20 retirement board shall select the index most closely resembling
21 the specified index for application to periods for which the
22 specified index was not published.

23 (5) The base amount of retirement allowance is the amount
24 that would be payable if the retirement allowance had never been
25 adjusted under the provisions of benefit program E-2.

26 (6) The adjustment factor shall be 2.5%.

1 Sec. 37. (1) The retirement system shall prepare an annual
2 report for each fiscal year. The report shall contain
3 information regarding the financial, actuarial, and other activi-
4 ties of the retirement system during the fiscal year. A copy of
5 the report shall be furnished to each participating municipality,
6 participating court, and to any other individual or organization
7 requesting a copy.

8 (2) THE AUDITOR GENERAL, OR A CERTIFIED PUBLIC ACCOUNTANT
9 APPOINTED BY THE AUDITOR GENERAL, BIENNIALLY SHALL CONDUCT FINAN-
10 CIAL AND COMPLIANCE AUDITS OF THE BOOKS AND FINANCIAL RECORDS OF
11 THE RETIREMENT SYSTEM. THE AUDITOR GENERAL OR CERTIFIED PUBLIC
12 ACCOUNTANT SHALL SUBMIT COPIES OF EACH BIENNIAL AUDIT REPORT TO
13 THE GOVERNOR, THE RETIREMENT BOARD, AND THE BUREAU OF RETIREMENT
14 SYSTEMS NOT LATER THAN THE DECEMBER 31 THAT FOLLOWS THE FISCAL
15 YEAR END OF THE SECOND YEAR OF THE BIENNIAL PERIOD.

16 (3) ~~-(2)-~~ Each member or vested former member who applies
17 for retirement shall be given a written explanation, prior to
18 retirement, of the optional forms of payment provided in section
19 23. The explanation shall be written in simple language.

20 Sec. 41. (1) A municipality may elect to become a partici-
21 pating municipality by either an affirmative vote by a majority
22 of the members on the municipality's governing body, or an affir-
23 mative vote by the qualified electors of the municipality. The
24 municipality's governing body shall specify the effective date of
25 participation and the benefit programs and member contribution
26 programs ~~-which-~~ THAT shall apply to the employees of the
27 municipality. The retirement board shall establish benefit

1 program coverage classifications and member contribution program
2 coverage classifications. All employees of a municipality who
3 are in the same benefit program coverage classification shall be
4 covered by the same benefit program. All employees of a munici-
5 pality who are in the same member contribution program coverage
6 classification shall be covered by the same member contribution
7 program.

8 (2) The clerk or secretary of the municipality shall certify
9 to the retirement system, in the manner and form prescribed by
10 the retirement board, the determination of the municipality to
11 participate in the retirement system. The certification shall be
12 made within 10 days from the date of the vote by the governing
13 body or the date of the canvass of votes of the qualified
14 electors.

15 (3) A MUNICIPALITY SHALL NOT PARTICIPATE UNDER THIS ACT
16 UNLESS ON THE EFFECTIVE DATE OF PARTICIPATION 10% OR MORE OF ALL
17 EMPLOYEES OF THE MUNICIPALITY ARE INCLUDED AS MEMBERS OF THE
18 RETIREMENT SYSTEM. HOWEVER, A MUNICIPALITY THAT INCLUDES LESS
19 THAN 10% OF ALL MUNICIPAL EMPLOYEES AS MEMBERS OF A RETIREMENT
20 SYSTEM UNDER THIS ACT MAY PARTICIPATE IF THE MUNICIPALITY HAS
21 ELECTED TO INCLUDE ONLY INDIVIDUALS FIRST HIRED AFTER THE EFFEC-
22 TIVE DATE OF THE MUNICIPALITY'S PARTICIPATION.

23 Sec. 41a. (1) A judicial circuit court, judicial district
24 court, or judicial probate court may elect to become a partici-
25 pating court by administrative order of the court's chief judge
26 that is concurred in by resolution of the governing bodies of the
27 municipalities that are required by law to fund the judicial

1 circuit court, judicial district court, or judicial probate court
2 or by resolution of the joint board or commission of the munici-
3 palities that are required by law to fund the judicial circuit
4 court, judicial district court, or judicial probate court if
5 those municipalities have entered into a contract to transfer
6 functions and responsibilities pursuant to Act No. 8 of the
7 Public Acts of the Extra Session of 1967, being sections 124.531
8 to 124.536 of the Michigan Compiled Laws. The chief judge, in
9 the administrative order, shall specify the effective date of
10 participation and the benefit programs and member contribution
11 programs that shall apply to the employees of the court. The
12 retirement board shall establish benefit program coverage classi-
13 fications and member contribution program coverage
14 classifications. All employees of a court who are in the same
15 benefit program coverage classification shall be covered by the
16 same benefit program. All employees of a court who are in the
17 same member contribution program coverage classification shall be
18 covered by the same member contribution program.

19 (2) The chief judge of the judicial circuit court, judicial
20 district court, or judicial probate court shall certify to the
21 retirement system, in the manner and form prescribed by the
22 retirement board, the determination of the court to participate
23 in the retirement system. The certification shall be made within
24 10 days after the date of concurrence of the governing bodies of
25 the municipalities that are required by law to fund the court or
26 the joint board or commission of the municipalities that are
27 required by law to fund the court.

1 (3) A COURT SHALL NOT PARTICIPATE UNDER THIS ACT UNLESS ON
2 THE EFFECTIVE DATE OF PARTICIPATION 10% OR MORE OF ALL EMPLOYEES
3 OF THE COURT ARE INCLUDED AS MEMBERS OF THE RETIREMENT SYSTEM.
4 HOWEVER, A COURT THAT INCLUDES LESS THAN 10% OF ALL JUDICIAL
5 EMPLOYEES AS MEMBERS OF A RETIREMENT SYSTEM UNDER THIS ACT MAY
6 PARTICIPATE IF THE COURT HAS ELECTED TO INCLUDE ONLY INDIVIDUALS
7 FIRST HIRED AFTER THE EFFECTIVE DATE OF THE COURT'S
8 PARTICIPATION.

9 Sec. 53. (1) The right of an individual to a retirement
10 allowance, to the return of accumulated contributions, the
11 retirement allowance itself, any other right accrued or accruing
12 to any individual under the provisions of the retirement system,
13 and any money belonging to the retirement system shall not be
14 subject to execution, garnishment, attachment, the operation of
15 bankruptcy or insolvency law, or any other process of law whatso-
16 ever, and shall be unassignable, except as is otherwise specifi-
17 cally provided in this act.

18 (2) The right of an individual to a retirement allowance, to
19 the return of accumulated contributions, the retirement allowance
20 itself, or other benefit under the provisions of this act shall
21 be subject to award by a court pursuant to section 18 of chapter
22 84 of the Revised Statutes of 1846, being section 552.18 of the
23 Michigan Compiled Laws, and to any other order of a court per-
24 taining to child support. HOWEVER, NOTHING IN THIS SUBSECTION
25 SHALL BE CONSTRUED TO PERMIT OR REQUIRE A BENEFIT TO BE PAID OR
26 TO BE PROVIDED THAT IS NOT OTHERWISE AVAILABLE UNDER THE TERMS OF
27 THIS ACT.

1 (3) If an award or order described in subsection (2)
2 requires the retirement system to withhold payment of a pension,
3 deferred pension, accumulated contributions, or other benefit
4 from the person to whom it is due or requires the retirement
5 system to make payment or requires the person to request that the
6 retirement system make payment of a pension, deferred pension,
7 accumulated contributions, or other benefit, for the purpose of
8 meeting the person's obligations to a spouse, former spouse or
9 child, as provided in subsection (2), the withholding or payment
10 provisions of the award or order shall be effective only against
11 such amounts as they become payable to the person receiving a
12 retirement allowance. The limitation contained in this subsec-
13 tion shall not apply to the accumulated contributions of a person
14 who has terminated employment prior to acquiring a vested member
15 status.

16 (4) The retirement system shall have the right of setoff to
17 recover overpayments made by the retirement system and to satisfy
18 any claim arising from embezzlement or fraud by a member, retir-
19 ant, or beneficiary. Transfers of money and assets to another
20 retirement system authorized by an affirmative vote by a majority
21 of the members on the municipality's governing body shall not be
22 considered a violation of this section.