HOUSE BILL No. 5902

June 21, 1990, Introduced by Reps. Barns, Hart, Stallworth, Gire, Gubow, DeMars and Varga and referred to the Committee on Senior Citizens and Retirement.

A bill to amend sections 21, 22, 23, 24, 25, 27, 31, 33, and 34 of Act No. 240 of the Public Acts of 1943, entitled as amended "State employees' retirement act,"

section 22 as amended by Act No. 57 of the Public Acts of 1987, sections 23 and 27 as amended by Act No. 241 of the Public Acts of 1987, and sections 25 and 31 as amended by Act No. 1 of the Public Acts of 1986, being sections 38.21, 38.22, 38.23, 38.24, 38.25, 38.27, 38.31, 38.33, and 38.34 of the Michigan Compiled Laws; and to add section 35.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Section 1. Sections 21, 22, 23, 24, 25, 27, 31, 33, and 34
- 2 of Act No. 240 of the Public Acts of 1943, section 22 as amended
- 3 by Act No. 57 of the Public Acts of 1987, sections 23 and 27 as
- 4 amended by Act No. 241 of the Public Acts of 1987, and
- 5 sections 25 and 31 as amended by Act No. 1 of the Public Acts of

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- 1 1986, being sections 38.21, 38.22, 38.23, 38.24, 38.25, 38.27,
- 2 38.31, 38.33, and 38.34 of the Michigan Compiled Laws, are
- 3 amended and section 35 is added to read as follows:
- 4 Sec. 21. (1) Subject to the provisions of sections 33 and
- 5 34, upon the application of a member, or his department head, or
- 6 the state personnel director, a member who becomes totally inca-
- 7 pacitated for duty in the service of the state of Michigan with-
- 8 out willful negligence on his part, by reason of a personal
- 9 injury or disease, which the retirement board finds to have
- 10 occurred as the natural and proximate result of the said member's
- 11 actual performance of duty in the service of the state, shall be
- 12 retired: Provided, The medical advisor after a medical examina
- 13 tion of said member shall certify in writing that said member is
- 14 mentally or physically totally incapacitated for the further per-
- 15 formance of duty in the service of the state, and that such inca-
- 16 pacity will probably be permanent, and that said member should be
- 17 retired: And provided further, That the retirement board concurs
- 18 in the recommendation of the medical advisor. A MEMBER WHO
- 19 BECOMES TOTALLY INCAPACITATED FOR THE STATE EMPLOYMENT THAT THE
- 20 MEMBER WAS PERFORMING IMMEDIATELY BEFORE TERMINATING THAT EMPLOY-
- 21 MENT BECAUSE OF THE INCAPACITY, OR FOR THE STATE EMPLOYMENT FOR
- 22 WHICH THE MEMBER IS QUALIFIED BY REASON OF TRAINING OR EXPERIENCE
- 23 OR BOTH, SHALL BE ENTITLED TO RECEIVE A DISABILITY RETIREMENT
- 24 ALLOWANCE CALCULATED UNDER SECTION 22 OR 23, WHICHEVER APPLIES,
- 25 IF THE RETIREMENT BOARD DETERMINES THAT ALL OF THE FOLLOWING
- 26 REQUIREMENTS ARE MET:

- 1 (A) THE MEMBER HAS NOT MET THE AGE AND SERVICE REQUIREMENTS
- 2 UNDER SECTION 19(1) OR QUALIFIED FOR AN UNREDUCED RETIREMENT
- 3 ALLOWANCE UNDER SECTION 19(2).
- 4 (B) THE MEMBER'S INCAPACITY OCCURRED AS THE RESULT OF A PER-
- 5 SONAL INJURY OR DISEASE.
- 6 (C) EXCEPT AS PROVIDED IN SECTION 35, THE INCAPACITY IS
- 7 LIKELY TO BE PERMANENT.
- 8 (D) THE PERSONAL INJURY OR DISEASE RESULTING IN THE INCAPAC-
- 9 ITY MEETS BOTH OF THE FOLLOWING REQUIREMENTS:
- 10 (i) THE PERSONAL INJURY OR DISEASE OCCURRED AS THE NATURAL
- 11 AND PROXIMATE RESULT OF THE MEMBER'S ACTUAL PERFORMANCE OF DUTY
- 12 IN THE SERVICE OF THE STATE.
- 13 (ii) THE PERSONAL INJURY OR DISEASE DID NOT OCCUR AS A
- 14 RESULT OF THE WILLFUL NEGLIGENCE OF THE MEMBER.
- 15 (E) NOT LATER THAN 1 YEAR AFTER TERMINATION OF THE MEMBER'S
- 16 STATE EMPLOYMENT BECAUSE OF THE INCAPACITY, THE MEMBER, THE
- 17 MEMBER'S PERSONAL REPRESENTATIVE OR GUARDIAN, THE MEMBER'S
- 18 DEPARTMENT HEAD, OR THE STATE PERSONNEL DIRECTOR FILED AN APPLI-
- 19 CATION FOR A DISABILITY RETIREMENT ALLOWANCE FOR THAT MEMBER WITH
- 20 THE RETIREMENT BOARD.
- 21 (2) BEFORE A FINAL DETERMINATION IS MADE THAT A DISABILITY
- 22 RETIREMENT ALLOWANCE IS PAYABLE UNDER SUBSECTION (1), THE RETIRE-
- 23 MENT BOARD SHALL REQUIRE A WRITTEN MEDICAL EVALUATION OF THE
- 24 APPLICANT PREPARED BY THE MEDICAL ADVISOR. THE RETIREMENT BOARD
- 25 SHALL REQUIRE THE APPLICANT TO SUBMIT SUFFICIENT MEDICAL OR OTHER
- 26 EVIDENCE TO ENABLE THE MEDICAL ADVISOR TO COMPLETE THE
- 27 EVALUATION.

- 1 (3) A MEMBER ENTITLED TO RECEIVE A DISABILITY RETIREMENT
- 2 ALLOWANCE PURSUANT TO THIS SECTION MAY ELECT AN OPTION UNDER
- 3 SECTION 31(1).
- 4 Sec. 22. Upon retirement for disability as provided in
- 5 section 21, a member who has attained age IS 60 YEARS OF AGE OR
- 6 OLDER shall receive a service retirement allowance as provided
- 7 for in CALCULATED UNDER section 20. Notwithstanding that he or
- 8 she may HOWEVER, IF THE MEMBER DOES not have 10 years of cred-
- 9 ited service, he or she shall be credited with -+0-years THE
- 10 AMOUNT of service NECESSARY TO REACH 10 YEARS OF CREDITED
- 11 SERVICE.
- 12 Sec. 23. Upon retirement for disability, as provided for
- 13 in section 21, a member who has not attained age 60 years shall
- 14 receive the following benefits, subject to the provisions of sec-
- 15 tions 33 and 34:
- 16 (a) A disability retirement allowance of 2/3 of the
- 17 retirant's final average compensation, the retirement allowance
- 18 to begin as of date of the retirant's disability, but not more
- 19 than 6 months before the date the retirant's application for dis-
- 20 ability retirement was filed with the retirement board, and not
- 21 before the date the retirant's name last appeared on a state pay
- 22 roll with pay, whichever is later, and to continue to the attain
- 23 ment of age 60 years or recovery or death, whichever event shall
- 24 first occur. The disability retirement allowance payable to a
- 25 disability retirant shall not exceed \$6,000.00 per annum, nor be
- 26 more than an amount which when added to the statutory worker's
- 27 compensation benefits applicable in the retirant's case shall

- 1 exceed the retirant's final compensation. The increase in the
- 2 maximum amount payable under this subdivision as provided by this
- 3 1987 amendatory act shall be payable to retirants on the pension
- 4 payroll as of July 1, 1987.
- 5 (b) Upon attaining age 60 years or July 1, 1987, whichever
- 6 is later, the disability retirant shall receive a retirement
- 7 allowance computed according to section 20. In computing the
- 8 retirant's retirement allowance, the retirant shall be given mem-
- 9 bership service credit for the period during which the retirant
- 10 was receiving the disability retirement allowance provided for in
- 11 subdivision (a). If the computation results in a retirement
- 12 allowance less than the disability retirement allowance provided
- 13 in subdivision (a), the retirant shall receive a retirement
- 14 allowance equal to the disability retirement allowance. Upon
- 15 attaining age 60 years or July 1, 1987, whichever is later, the
- 16 retirant may elect an option provided for in section 3:(1).
- 17 (c) During the period a disability retirant is receiving a
- 18 disability retirement allowance, as provided for in subdivision
- 19 (a), the retirant's contributions to the employees' savings fund
- 20 shall be suspended and the balance in the fund, standing to the
- 21 retirant's credit as of the date the disability retirement allow-
- 22 ance begins, shall remain in the savings fund and shall be accu-
- 23 mulated at regular interest. Upon attaining age 60 years or
- 24 July 1, 1987, whichever is later, the retirant's accumulated con-
- 25 tributions shall be transferred from the employees' savings fund
- 26 to the pension reserve fund. If the disability retirant should
- 27 die before attaining age 60 years, the accumulated contributions

- 1 standing to the retirant's credit in the employees' savings fund
- 2 shall be paid to the person or persons the retirant nominated by
- 3 written designation duly executed and filed with the retirement
- 4 board, or if there is not a designated person or persons surviv
- 5 ing, then to the retirant's legal representative.
- 6 (1) A DISABILITY RETIRANT IN RECEIPT OF A DISABILITY RETIRE-
- 7 MENT ALLOWANCE UNDER THIS SECTION ON THE EFFECTIVE DATE OF THE
- 8 AMENDATORY ACT THAT ADDED THIS SUBSECTION SHALL HAVE HIS OR HER
- 9 DISABILITY RETIREMENT ALLOWANCE RECALCULATED UNDER
- 10 SECTION 20(1). THE RECALCULATED RETIREMENT ALLOWANCE UNDER THIS
- 11 SUBSECTION IS SUBJECT TO THE OTHER PROVISIONS OF THIS SECTION.
- 12 THE CONTRIBUTIONS AND ACCUMULATED INTEREST STANDING TO A DISABIL-
- 13 ITY RETIRANT'S CREDIT IN THE EMPLOYEES' SAVINGS FUND SHALL BE
- 14 TRANSFERRED TO THE PENSION RESERVE FUND ON THE DATE OF THE RECAL-
- 15 CULATION OF A DISABILITY RETIREMENT ALLOWANCE UNDER THIS
- 16 SUBSECTION.
- 17 (2) UPON RETIREMENT FOR DISABILITY AS PROVIDED IN SECTION
- 18 21, A MEMBER WHO IS LESS THAN 60 YEARS OLD SHALL RECEIVE A DIS-
- 19 ABILITY RETIREMENT ALLOWANCE CALCULATED UNDER SECTION 20(1). FOR
- 20 THE PURPOSE OF CALCULATING OR RECALCULATING A DISABILITY RETIRE-
- 21 MENT ALLOWANCE UNDER THIS SECTION, A DISABILITY RETIRANT SHALL BE
- 22 GIVEN MEMBERSHIP SERVICE CREDIT FOR THE PERIOD BEGINNING ON THE
- 23 EFFECTIVE DATE OF THE DISABILITY RETIREMENT ALLOWANCE AND ENDING
- 24 ON THE DATE OF THE DISABILITY RETIRANT'S SIXTIETH BIRTHDAY.
- 25 (3) A RECALCULATED DISABILITY RETIREMENT ALLOWANCE UNDER
- 26 SUBSECTION (1) SHALL BE PAYABLE BEGINNING ON THE FIRST DAY OF THE
- 27 MONTH FOLLOWING THE DATE OF THE RECALCULATION AND SHALL NOT BE

- 1 PAYABLE FOR ANY MONTH PRIOR TO THE DATE OF THE RECALCULATION. A
- 2 DISABILITY RETIREMENT ALLOWANCE PAYABLE UNDER SUBSECTION (2)
- 3 SHALL BE PAYABLE BEGINNING ON THE FIRST DAY OF THE MONTH FOLLOW-
- 4 ING THE DATE THE MEMBER BECAME TOTALLY INCAPACITATED FOR STATE
- 5 EMPLOYMENT. HOWEVER, A DISABILITY RETIREMENT ALLOWANCE PAYABLE
- 6 UNDER SUBSECTION (2) SHALL NOT BE PAID BEFORE THE FIRST DAY OF
- 7 THE MONTH FOLLOWING THE LATER OF EITHER OF THE FOLLOWING:
- 8 (A) SIX MONTHS BEFORE THE DATE THE APPLICATION FOR A DIS-
- 9 ABILITY RETIREMENT ALLOWANCE WAS FILED WITH THE RETIREMENT BOARD
- 10 UNDER SECTION 21.
- 11 (B) THE DATE THE DISABILITY RETIRANT'S NAME LAST APPEARED ON
- 12 THE STATE PAYROLL WITH PAY.
- 13 (4) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, IF A
- 14 DISABILITY RETIRANT ELECTS TO RECEIVE A REGULAR DISABILITY
- 15 RETIREMENT ALLOWANCE UNDER SECTION 31, THE DISABILITY RETIREMENT
- 16 ALLOWANCE PAYABLE TO A DISABILITY RETIRANT UNDER THIS SECTION
- 17 SHALL NOT BE LESS THAN \$6,000.00 PER YEAR. EXCEPT AS OTHERWISE
- 18 PROVIDED IN THIS SUBSECTION, IF A DISABILITY RETIRANT ELECTS TO
- 19 RECEIVE A REDUCED DISABILITY RETIREMENT ALLOWANCE UNDER OPTION A
- 20 OR B UNDER SECTION 31, THE DISABILITY RETIREMENT ALLOWANCE PAY-
- 21 ABLE TO A DISABILITY RETIRANT UNDER THIS SECTION SHALL NOT BE
- 22 LESS THAN THE ACTUARIAL EQUIVALENT AT THE TIME OF THE ELECTION OF
- 23 \$6,000.00 PER YEAR. A DISABILITY RETIREMENT ALLOWANCE FIRST PAY-
- 24 ABLE TO A DISABILITY RETIRANT UNDER THIS SECTION, EXCEPT A RECAL-
- 25 CULATED DISABILITY RETIREMENT ALLOWANCE UNDER SUBSECTION (1),
- 26 SHALL NOT BE MORE THAN AN AMOUNT WHICH WHEN ADDED TO THE
- 27 STATUTORY WORKER'S DISABILITY COMPENSATION BENEFITS PAYABLE TO

- 1 THE DISABILITY RETIRANT EXCEEDS THE DISABILITY RETIRANT'S FINAL
- 2 COMPENSATION.
- 3 (5) THE RECEIPT OF A DISABILITY RETIREMENT ALLOWANCE UNDER
- 4 THIS SECTION IS SUBJECT TO SECTIONS 33, 34, AND 35.
- 5 Sec. 24. (1) Subject to the provisions of sections 33 and
- 6 34, upon application of a member, or his department head, or the
- 7 state personnel director, a member who has been a state employee
- 8 at least 10 years becomes totally and permanently incapacitated
- 9 for duty as the result of causes occurring not in the performance
- 10 of duty to the state, may be retired by the retirement board:
- 11 Provided, The medical advisor after a medical examination of such
- 12 member, shall certify that such member is mentally or physically
- 13 incapacitated for the further performance of duty, and such inca-
- 14 pacity is likely to be permanent and that such member should be
- 15 retired. A MEMBER WHO BECOMES TOTALLY INCAPACITATED FOR THE
- 16 STATE EMPLOYMENT THAT THE MEMBER WAS PERFORMING IMMEDIATELY
- 17 BEFORE TERMINATING THAT EMPLOYMENT BECAUSE OF THE INCAPACITY, OR
- 18 FOR THE STATE EMPLOYMENT FOR WHICH THE MEMBER IS QUALIFIED BY
- 19 REASON OF TRAINING OR EXPERIENCE OR BOTH, SHALL BE ENTITLED TO
- 20 RECEIVE A DISABILITY RETIREMENT ALLOWANCE CALCULATED UNDER
- 21 SECTION 25 IF THE RETIREMENT BOARD DETERMINES THAT ALL OF THE
- 22 FOLLOWING REQUIREMENTS ARE MET:
- 23 (A) THE MEMBER HAS NOT MET THE AGE REQUIREMENT UNDER
- 24 SECTION 19(1) OR QUALIFIED FOR AN UNREDUCED RETIREMENT ALLOWANCE
- 25 UNDER SECTION 19(2), BUT HAS ACCRUED AT LEAST 10 YEARS OF CRED-
- 26 ITED SERVICE.

- 1 (B) THE MEMBER'S INCAPACITY OCCURRED AS THE RESULT OF A
- 2 PERSONAL INJURY OR DISEASE.
- 3 (C) EXCEPT AS PROVIDED IN SECTION 35, THE INCAPACITY IS
- 4 LIKELY TO BE PERMANENT.
- 5 (D) THE PERSONAL INJURY OR DISEASE RESULTING IN THE INCAPAC-
- 6 ITY DID NOT OCCUR IN THE PERFORMANCE OF DUTY IN THE SERVICE OF
- 7 THE STATE.
- 8 (E) THE PERSONAL INJURY OR DISEASE RESULTING IN THE INCAPAC-
- 9 ITY WAS NOT THE RESULT OF THE WILLFUL NEGLIGENCE OF THE MEMBER.
- 10 (F) NOT LATER THAN | YEAR AFTER TERMINATION OF THE MEMBER'S
- 11 STATE EMPLOYMENT BECAUSE OF THE INCAPACITY, THE MEMBER, THE
- 12 MEMBER'S PERSONAL REPRESENTATIVE OR GUARDIAN, THE MEMBER'S
- 13 DEPARTMENT HEAD, OR THE STATE PERSONNEL DIRECTOR FILED AN APPLI-
- 14 CATION FOR A DISABILITY RETIREMENT ALLOWANCE FOR THAT MEMBER WITH
- 15 THE RETIREMENT BOARD.
- 16 (2) BEFORE A FINAL DETERMINATION IS MADE THAT A DISABILITY
- 17 RETIREMENT ALLOWANCE IS PAYABLE UNDER SUBSECTION (1), THE RETIRE-
- 18 MENT BOARD SHALL REQUIRE A WRITTEN MEDICAL EVALUATION OF THE
- 19 APPLICANT PREPARED BY THE MEDICAL ADVISOR. THE RETIREMENT BOARD
- 20 SHALL REQUIRE THE APPLICANT TO SUBMIT SUFFICIENT MEDICAL OR OTHER
- 21 EVIDENCE TO ENABLE THE MEDICAL ADVISOR TO COMPLETE THE
- 22 EVALUATION.
- 23 (3) A MEMBER ENTITLED TO RECEIVE A DISABILITY RETIREMENT
- 24 ALLOWANCE PURSUANT TO THIS SECTION MAY ELECT AN OPTION UNDER
- 25 SECTION 31(1).

- 1 Sec. 25. (1) Upon retirement for disability as provided
- 2 in section 24, a member shall receive a retirement allowance
- 3 computed in accordance with CALCULATED UNDER section 20(1).
- 4 (2) THE DISABILITY RETIREMENT ALLOWANCE PAYABLE UNDER
- 5 SUBSECTION (1) SHALL BE PAYABLE BEGINNING ON THE FIRST DAY OF THE
- 6 MONTH FOLLOWING THE LATER OF EITHER OF THE FOLLOWING:
- 7 (A) THE DATE THE APPLICATION FOR A DISABILITY RETIREMENT
- 8 ALLOWANCE WAS FILED WITH THE RETIREMENT BOARD UNDER SECTION 24.
- 9 (B) THE DATE THE DISABILITY RETIRANT'S NAME LAST APPEARED ON
- 10 THE STATE PAYROLL WITH PAY.
- 11 (3) The retirement allowance or pension provided shall not
- 12 be less than \$600.00 per annum. Upon retirement, the member may
- 13 elect an option provided for in section 31(1). THE RECEIPT OF A
- 14 DISABILITY RETIREMENT ALLOWANCE UNDER THIS SECTION IS SUBJECT TO
- 15 SECTIONS 33, 34, AND 35.
- 16 Sec. 27. (1) -If- A SURVIVOR IN RECEIPT OF A RETIREMENT
- 17 ALLOWANCE UNDER THIS SECTION ON THE EFFECTIVE DATE OF THE AMENDA-
- 18 TORY ACT THAT ADDED THIS SUBSECTION SHALL HAVE HIS OR HER RETIRE-
- 19 MENT ALLOWANCE RECALCULATED UNDER SUBSECTIONS (2) AND (3) EFFEC-
- 20 TIVE THE FIRST DAY OF THE MONTH FOLLOWING THE EFFECTIVE DATE OF
- 21 THE AMENDATORY ACT THAT ADDED THIS SUBSECTION. THE RECALCULATED
- 22 RETIREMENT ALLOWANCE UNDER THIS SUBSECTION IS SUBJECT TO THE
- 23 OTHER PROVISIONS OF THIS SECTION.
- 24 (2) EXCEPT AS PROVIDED IN SUBSECTIONS (4) AND (5), IF a
- 25 member dies as a result of a personal injury or disease arising
- 26 out of and in the course of his or her employment with the state
- 27 , or a disability retirant who retired under section 21 dies

- 1 prior to becoming age 60 and within 3 years after the member's
- 2 disability retirement from the same causes for which he or she
- 3 was retired, and such death or illness or injuries AND THE PER-
- 4 SONAL INJURY OR DISEASE resulting in death -are IS found by the
- 5 retirement board to have been the sole and exclusive result of
- 6 employment with the state, the applicable benefits provided in
- 7 subsections (2), (3), (4), and (5) shall be paid, subject to sub-
- 8 section (6).
- 9 (2) The accumulated contributions standing to the member's
- 10 account in the employees' savings fund shall be paid to such
- 11 person or persons as the member has nominated by written designa-
- 12 tion duly executed and filed with the retirement board, or if
- 13 there are no such designated person or persons surviving, then to
- 14 the member's legal representative.
- 15 (3) A retirement allowance of 1/3 of the final compensation
- 16 of the deceased person shall be paid to the surviving spouse to
- 17 whom the deceased person was married at the time he or she last
- 18 terminated employment with the state. If a child or children
- 19 under the age of 18 years also survives the deceased person, each
- 20 such child shall receive an allowance of an equal share of 1/4 of
- 21 the deceased person's final compensation. Upon the marriage,
- 22 death, or attainment of age 18 years of any such child, there
- 23 shall be a redistribution by the retirement board to the deceased
- 24 person's remaining children under age 18 years.
- 25 (4) If there is no surviving spouse or if the surviving
- 26 spouse dies before the youngest surviving child of the deceased
- 27 person reaches the age of 18 years, then each such child under

- 1 age 18 shall each receive an allowance equal to 1/4 of the 2 deceased person's final compensation, but the total so paid in 3 any year to the children of a deceased person shall not exceed 4 1/2 of his or her final compensation. If there are more than 2 5 such surviving children under age +8 years, each such child shall 6 receive an allowance of an equal share of 1/2 of the deceased 7 person's final compensation. Upon the marriage, death, or 8 attainment of age 18 years of any such child, the child's allow 9 ance shall terminate and there shall be a redistribution by the 10 retirement board to any remaining eligible children of the 11 deceased under age 18, but a child shall not receive an allowance 12 more than 1/4 of the deceased person's final compensation. 13 (5) If there is neither a spouse nor a child under age 18 14 years surviving the deceased person, then there shall be paid to 15 each parent of the deceased person whom the retirement board 16 after investigation determines to have been actually dependent 17 upon the deceased person through absence of earning power due to 18 disability, an allowance of 1/6 of the deceased person's final 19 compensation. 20 (6) The total of the retirement allowances payable under 21 subsections (3), (4), and (5) on account of the death of a member
- 21 subsections (3), (4), and (5) on account of the death of a member
 22 or retirant shall not exceed \$2,400.00 per annum, nor an amount
 23 which, when added to the statutory worker's compensation benefit
 24 to which the dependents of the member or retirant are entitled,
 25 exceeds his or her final compensation. SURVIVING SPOUSE SHALL
 26 RECEIVE A RETIREMENT ALLOWANCE CALCULATED OR RECALCULATED AS IF
 27 THE DECEASED MEMBER HAD RETIRED EFFECTIVE THE DAY BEFORE THE DATE

- 1 OF DEATH, ELECTED OPTION A UNDER SECTION 31(1), AND NOMINATED HIS
- 2 OR HER SPOUSE AS RETIREMENT ALLOWANCE BENEFICIARY. THE RETIRE-
- 3 MENT ALLOWANCE SHALL BE CALCULATED OR RECALCULATED BASED UPON THE
- 4 AMOUNT OF THE DECEASED MEMBER'S CREDITED SERVICE AND THE FOLLOW-
- 5 ING AMOUNT OF SERVICE:
- 6 (A) SERVICE CREDIT SHALL BE GRANTED FOR THE PERIOD BEGINNING
- 7 ON THE DATE OF DEATH AND ENDING ON THE DATE THE DECEASED MEMBER
- 8 WOULD HAVE BECOME 60 YEARS OF AGE.
- 9 (B) IF AFTER APPLICATION OF SUBDIVISION (A), THE DECEASED
- 10 MEMBER DOES NOT HAVE 10 YEARS OF CREDITED SERVICE, THE AMOUNT OF
- 11 SERVICE NECESSARY TO REACH 10 YEARS OF CREDITED SERVICE SHALL BE
- 12 GRANTED.
- 13 (3) THE RETIREMENT ALLOWANCE PAYABLE TO A SURVIVING SPOUSE
- 14 UNDER THIS SECTION SHALL NOT BE LESS THAN \$6,000.00 PER YEAR.
- 15 THE FIRST RETIREMENT ALLOWANCE PAYABLE TO A SURVIVING SPOUSE
- 16 UNDER SUBSECTION (2) SHALL NOT BE MORE THAN AN AMOUNT WHICH WHEN
- 17 ADDED TO THE STATUTORY WORKER'S DISABILITY COMPENSATION BENEFITS
- 18 PAYABLE TO THE SURVIVING SPOUSE OF THE DECEASED MEMBER EXCEEDS
- 19 THE DECEASED MEMBER'S FINAL COMPENSATION.
- 20 (4) IF THE REQUIREMENTS OF SUBSECTION (2) ARE MET BUT THE
- 21 DECEASED MEMBER IS SURVIVED BY A SPOUSE AND A CHILD OR CHILDREN
- 22 UNDER 18 YEARS OF AGE, THEN THE RETIREMENT ALLOWANCE CALCULATED
- 23 UNDER SUBSECTIONS (2) AND (3) SHALL BE PAYABLE AS FOLLOWS:
- 24 (A) ONE HALF TO THE SURVIVING SPOUSE.
- 25 (B) ONE HALF TO THE SURVIVING CHILD OR CHILDREN UNDER 18:
- 26 YEARS OF AGE, IN EQUAL SHARES. THE RETIREMENT ALLOWANCE PAYABLE
- 27 TO A SURVIVING CHILD UNDER THIS SUBSECTION SHALL TERMINATE UPON

- 1 THAT CHILD'S MARRIAGE, DEATH, OR BECOMING 18 YEARS OF AGE,
- 2 WHICHEVER OCCURS FIRST. THAT CHILD'S SHARE OF THE TERMINATED
- 3 RETIREMENT ALLOWANCE SHALL BE REDISTRIBUTED AMONG THE REMAINING
- 4 CHILDREN UNDER 18 YEARS OF AGE, IF ANY. WHEN THERE ARE NO SUR-
- 5 VIVING CHILDREN ENTITLED TO A SHARE OF THE RETIREMENT ALLOWANCE
- 6 UNDER THIS SUBSECTION, THE CHILDREN'S SHARE SHALL REVERT TO THE
- 7 SURVIVING SPOUSE.
- 8 (5) IF THE REQUIREMENTS OF SUBSECTION (2) ARE MET AND THE
- 9 DECEASED MEMBER IS NOT SURVIVED BY A SPOUSE BUT IS SURVIVED BY A
- 10 CHILD OR CHILDREN UNDER 18 YEARS OF AGE, THEN THE RETIREMENT
- 11 ALLOWANCE CALCULATED UNDER SUBSECTIONS (2) AND (3) SHALL BE PAID
- 12 TO THE SURVIVING CHILD OR CHILDREN IN EQUAL SHARES. THE RETIRE-
- 13 MENT ALLOWANCE PAYABLE TO A SURVIVING CHILD UNDER THIS SUBSECTION
- 14 SHALL TERMINATE UPON THAT CHILD'S MARRIAGE, DEATH, OR BECOMING 18
- 15 YEARS OF AGE, WHICHEVER OCCURS FIRST. THAT CHILD'S SHARE OF THE
- 16 TERMINATED RETIREMENT ALLOWANCE SHALL BE REDISTRIBUTED AMONG THE
- 17 REMAINING CHILDREN UNDER 18 YEARS OF AGE, IF ANY.
- 18 (6) IF THE REQUIREMENTS OF SUBSECTION (2) ARE MET AND THE
- 19 DECEASED MEMBER IS NOT SURVIVED BY A SPOUSE OR A CHILD OR CHIL-
- 20 DREN UNDER 18 YEARS OF AGE BUT IS SURVIVED BY A PARENT OR PARENTS
- 21 WHO WERE DEPENDENT UPON THE DECEASED MEMBER FOR 50% OR MORE OF
- 22 SUPPORT, THEN THE RETIREMENT ALLOWANCE CALCULATED UNDER
- 23 SUBSECTIONS (2) AND (3) SHALL BE PAID TO THE SURVIVING PARENT OR
- 24 PARENTS IN EQUAL SHARES. THE RETIREMENT ALLOWANCE PAYABLE TO A
- 25 SURVIVING PARENT UNDER THIS SUBSECTION SHALL TERMINATE UPON THAT
- 26 PARENT'S DEATH.

- 1 Sec. 31. (1) -Prior to BEFORE the effective date of
- 2 retirement, but not thereafter, a member or deferred member who
- 3 is eligible for retirement, as provided in sections 19, -and-20-
- 4 19A, 21, 24, AND 46, shall elect to receive his or her benefit in
- 5 a retirement allowance payable throughout life, which shall be
- 6 called a regular retirement allowance, or to receive the actuar-
- 7 ial equivalent at that time of his or her regular retirement
- 8 allowance in a reduced retirement allowance payable throughout
- 9 the lives of the retirant and a retirement allowance beneficiary,
- 10 in accordance with the provisions of option A or B, as follows:
- (A) Option A. Upon the retirant's death his or her reduced
- 12 retirement allowance shall be continued throughout the life of
- 13 and paid to the retirement allowance beneficiary whom the member
- 14 nominated by written designation duly executed and filed with the
- 15 retirement board prior to BEFORE the effective date of his or
- 16 her retirement.
- 17 (B) Option B. Upon the retirant's death, 1/2 of his or her
- 18 reduced retirement allowance shall be continued throughout the
- 19 life of and paid to the retirement allowance beneficiary whom the
- 20 member nominated by written designation duly executed and filed
- 21 with the retirement board -prior to BEFORE the effective date of
- 22 his or her retirement.
- 23 (2) The EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3),
- 24 THE election of an option shall not be changed on or after the
- 25 effective date of the retirement allowance. A retirement allow-
- 26 ance beneficiary designated under this section shall not be
- 27 changed on or after the effective date of the retirement

- 1 allowance, and shall be either a spouse, brother, sister, parent,
- 2 child, including an adopted child, or grandchild of the person
- 3 making the designation. Payment to a retirement allowance bene-
- 4 ficiary shall begin on the first day of the month following the
- 5 death of the retirant or member.
- 6 (3) If the retirement allowance beneficiary named under
- 7 option A or B UNDER SUBSECTION (1) predeceases the retirant, the
- 8 retirant's benefit shall revert to the regular retirement allow-
- 9 ance, effective with the first day of the month following the
- 10 retirement allowance beneficiary's death. For a retirant whose
- 11 effective date of retirement was on or before June 28, 1976, this
- 12 subsection shall apply, but the regular retirement allowance
- 13 shall not be payable for any month beginning before the later of
- 14 the retirement allowance beneficiary's death or January 1, 1986.
- 15 A retirant who on January 1, 1986 is receiving a reduced retire-
- 16 ment allowance because the retirant designated a retirement
- 17 allowance beneficiary and the retirement allowance beneficiary
- 18 predeceased the retirant shall be eligible to receive the regular
- 19 retirement allowance beginning January 1, 1986, but the regular
- 20 retirement allowance shall not be payable for any month beginning
- 21 before January 1, 1986.
- 22 (4) A member who continues in the employ of the state on and
- 23 after the date he or she either acquires 10 years of service
- 24 credit, or becomes eligible for deferred retirement as provided
- 25 by section 20(4) or (5), whichever occurs first, may by written
- 26 declaration duly executed and filed with the retirement board
- 27 elect option A, provided for in subsection (1), and nominate a

1 retirement allowance beneficiary in the same manner as if the 2 member were then retiring from service, notwithstanding that the 3 member may not have attained 60 years of age. In the case of the 4 beneficiary's death or divorce from the member prior to the 5 effective date of the member's retirement, the member's election 6 of option A and nomination of retirement allowance beneficiary 7 shall be automatically revoked and the member may again elect 8 option A and nominate a retirement allowance beneficiary at any 9 time prior to the effective date of retirement. If a member who 10 has made an election and nominated a retirement allowance benefi-II ciary as provided in this subsection dies prior to the effective 12 date of his or her retirement, then the retirement allowance ben-13 eficiary shall immediately receive the same retirement allowance 14 as he or she would have been entitled to receive under option A 15 if the member had been regularly retired at that time. Except as 16 otherwise provided by subsection (5), if a member who has made an 17 election under this subsection subsequently retires pursuant to 18 section 19 OR 19A, his or her election of option A shall take 19 effect at the time of retirement. Subject to the requirements of 20 subsection (5), the member may, before the effective date of 21 retirement, but not thereafter, revoke his or her previous elec-22 tion of option A and elect to receive his or her retirement 23 allowance as a regular retirement allowance or under option B as 24 provided for in subsection (1). A retirement allowance shall not 25 be paid under this subsection on account of the death of a member 26 if any benefits are paid under section 27 on account of his or 27 her death. If a deferred member who has an option A election in

- 1 effect dies prior to the effective date of his or her retirement,
- 2 the retirement allowance payable under option A shall be paid to
- 3 the retirement allowance beneficiary at the time the deceased
- 4 deferred member otherwise would have been eligible to begin
- 5 receiving benefits.
- 6 (5) If a member, deferred member, retiring member, or retir-
- 7 ing deferred member is married at the effective date of the
- 8 retirement allowance, an election under this section, other than
- 9 an election of option A or option B naming the spouse as retire-
- 10 ment allowance beneficiary, shall not be effective unless the
- 11 election is signed by the spouse, except that this requirement
- 12 may be waived by the retirement board if the signature of a
- 13 spouse cannot be obtained because of extenuating circumstances.
- 14 As used in this subsection, "spouse" means the person to whom the
- 15 member, deferred member, retiring member, or retiring deferred
- 16 member is married at the effective date of the retirement
- 17 allowance.
- 18 (6) If a member who continues in the employ of the state on
- 19 and after the date he or she acquires 10 years of service credit,
- 20 and who does not have an election of option A in force as pro-
- 21 vided in subsection (4), dies prior to the effective date of
- 22 retirement and leaves a surviving spouse, the spouse shall
- 23 receive a retirement allowance computed in the same manner as if
- 24 the member had retired effective the day preceding the date of
- 25 his or her death, elected option A, and nominated the spouse as
- 26 retirement allowance beneficiary. If the retirement allowance
- 27 beneficiary dies, his or her retirement allowance shall

1 terminate. If the aggregate amount of retirement allowance 2 payments received by the beneficiary is less than the accumulated 3 contributions credited to the member's account in the employees' 4 savings fund at the time of the member's death, the difference 5 between the accumulated contributions and the aggregate amount of 6 retirement allowance payments received by the beneficiary shall 7 be transferred from the employer's accumulation fund or pension 8 reserve fund to the employees' savings fund and paid in accord-9 ance with section 29. A retirement allowance shall not be paid 10 under this subsection on account of the death of a member if ben-11 efits are paid under section 27 on account of his or her death. 12 Sec. 33. (1) -(a) Once each year during the first 5 years 13 following the retirement of a member on a disability retirement 14 allowance UNDER SECTION 21 OR 24, and at least once in every 15 3-year period thereafter, the retirement board may, and upon the 16 retirant's application shall, require -any- A disability retirant 17 who has not attained age IS UNDER 60 years -, OF AGE to 18 undergo a medical examination; such examination to be made by or 19 under the direction of the medical advisor at the place of resi-20 dence of said retirant, or other place mutually agreed upon. 21 Should any disability retirant, who has not attained age 60 22 years, refuse to submit to such medical examination in any such 23 period, his disability retirement allowance may be discontinued 24 until his withdrawal of such refusal, and should such refusal 25 continue for 1 year, all his rights in and to his disability 26 retirement allowance may be revoked by the retirement board. If 27 upon such medical examination of a disability retirant, the

- 1 medical advisor reports and his report is concurred in by the
- 2 retirement board, that the disability retirant is physically able
- 3 and capable of resuming employment, he shall be restored to
- 4 active service with the state and his disability retirement
- 5 allowance shall cease. SUBMIT TO A MEDICAL EVALUATION DESCRIBED
- 6 IN SECTION 21(2) OR A VOCATIONAL EVALUATION DESCRIBED IN
- 7 SECTION 35(1), OR BOTH. THE RETIREMENT BOARD MAY RECOMMEND THAT
- 8 THE DISABILITY RETIRANT PARTICIPATE IN A PROGRAM OF VOCATIONAL
- 9 REHABILITATION IN THE MANNER PROVIDED IN SECTION 35. IF A DIS-
- 10 ABILITY RETIRANT WHO IS UNDER 60 YEARS OF AGE REFUSES TO SUBMIT
- 11 TO THE EVALUATION OR EVALUATIONS REQUIRED BY THE RETIREMENT BOARD
- 12 UNDER THIS SECTION, HIS OR HER DISABILITY RETIREMENT ALLOWANCE
- 13 MAY BE DISCONTINUED UNTIL THE DISABILITY RETIRANT SUBMITS TO THE
- 14 REQUIRED EVALUATION OR EVALUATIONS. IF THE REFUSAL CONTINUES FOR
- 15 1 YEAR, ALL OF THE DISABILITY RETIRANT'S RIGHTS IN AND TO A DIS-
- 16 ABILITY RETIREMENT ALLOWANCE MAY BE REVOKED BY THE RETIREMENT
- 17 BOARD.
- 18 (2) THE RETIREMENT BOARD MAY PAY FROM THE FUNDS OF THE
- 19 RETIREMENT SYSTEM THE COST OF PARTICIPATION BY A DISABILITY
- 20 RETIRANT IN A PROGRAM OF VOCATIONAL REHABILITATION OR A RETURN TO
- 21 WORK PROGRAM ADMINISTERED BY THIS STATE IF THE AMOUNT PAYABLE FOR
- 22 PARTICIPATION IN THE PROGRAM PLUS THE AMOUNT OF A DIFFERENTIAL
- 23 PAYMENT PAYABLE UNDER SECTION 35(5), IF ANY, IS LESS THAN THE
- 24 PROJECTED BENEFIT TOTAL. AS USED IN THIS SUBSECTION, "PROJECTED
- 25 BENEFIT TOTAL" MEANS THE DIFFERENCE BETWEEN 60 AND THE DISABILITY
- 26 RETIRANT'S AGE AT HIS OR HER PROJECTED REEMPLOYMENT DATE

- 1 MULTIPLIED BY THE ANNUAL DISABILITY BENEFIT PAYABLE TO THE
- 2 DISABILITY RETIRANT.
- 3 (3) IF THE RETIREMENT BOARD DETERMINES THAT A DISABILITY
- 4 RETIRANT IS NO LONGER INCAPACITATED FOR THE STATE EMPLOYMENT THAT
- 5 THE DISABILITY RETIRANT WAS PERFORMING IMMEDIATELY BEFORE TERMI-
- 6 NATING THAT EMPLOYMENT BECAUSE OF THE INCAPACITY, OR FOR THE
- 7 STATE EMPLOYMENT FOR WHICH THE DISABILITY RETIRANT IS QUALIFIED
- 8 BY REASON OF TRAINING OR EXPERIENCE OR BOTH, THE RETIREMENT BOARD
- 9 SHALL RECOMMEND THAT THIS STATE REEMPLOY THE DISABILITY
- 10 RETIRANT. THE RETIREMENT SYSTEM SHALL CONTINUE TO PAY A DISABIL-
- 11 ITY RETIREMENT ALLOWANCE TO A DISABILITY RETIRANT UNTIL HE OR SHE
- 12 IS REEMPLOYED BY THIS STATE, SUBJECT TO SUBSECTION (4).
- (4) (b) Should IF the secretary report and certify
- 14 REPORTS AND CERTIFIES to the retirement board that -such- A dis-
- 15 ability beneficiary RETIRANT is engaged in a gainful occupa-
- 16 tion paying more than the difference between his OR HER disabil-
- 17 ity retirement allowance and his OR HER ADJUSTED final compensa-
- 18 tion, and -should IF the retirement board -concur in such
- 19 CONCURS IN THE report, then the amount of this THE DISABILITY
- 20 retirement allowance shall be reduced to an amount which together
- 21 with the amount earned by him shall equal THE DISABILITY RETIR-
- 22 ANT EQUALS his OR HER ADJUSTED final compensation. Should IF
- 23 the earnings of -such THE disability retirant -be later changed
- 24 CHANGE, the amount of his OR HER retirement allowance shall -be
- 25 further modified in like manner AGAIN BE ADJUSTED UNDER THIS
- 26 SECTION. AS USED IN THIS SUBSECTION, "ADJUSTED FINAL
- 27 COMPENSATION" MEANS THE SUM OF THE DISABILITY RETIRANT'S FINAL

- 1 COMPENSATION AND AN AMOUNT EQUAL TO THE PRODUCT OF 3% OF THE
- 2 DISABILITY RETIRANT'S FINAL COMPENSATION AND THE NUMBER OF
- 3 12-MONTH PERIODS BETWEEN THE DISABILITY RETIREMENT ALLOWANCE
- 4 EFFECTIVE DATE AND THE DATE OF THE CALCULATION UNDER THIS
- 5 SUBSECTION.
- 6 Sec. 34. A disability retirant who has been or shall be
- 7 IS reinstated in active service -, as provided in section 33,
- 8 shall from UNDER SECTION 33 OR 35 AGAIN BECOMES A MEMBER BEGIN-
- 9 NING ON the date of -such- THE reinstatement. -again become a
- 10 member of the retirement system. Upon reinstatement of such
- 11 THE disability retirant to active service, any balance -he may
- 12 have STANDING TO HIS OR HER CREDIT in the pension reserve fund
- 13 at the time of -such- THE reinstatement -to-active service,
- 14 shall be transferred from the pension reserve fund to the
- 15 employees' savings fund and credited to his OR HER individual
- 16 account in the employees' savings fund. Any service -, on the
- 17 basis of which his retirement allowance was computed at the time
- 18 of his retirement, CREDIT ACCRUED BY THE REINSTATED DISABILITY
- 19 RETIRANT BEFORE DISABILITY RETIREMENT shall be restored to full
- 20 force and effect, and, except in the case of retirement for
- 21 -non duty NONDUTY disability as provided in UNDER section 24,
- 22 -he THE DISABILITY RETIRANT shall be given service credit for
- 23 the period of time he was out of service due to such disability
- 24 A DISABILITY RETIREMENT ALLOWANCE WAS PAID.
- 25 SEC. 35. (1) BEFORE A FINAL DETERMINATION IS MADE THAT A
- 26 MEMBER IS TOTALLY INCAPACITATED FOR STATE EMPLOYMENT UNDER
- 27 SECTION 21 OR 24 AND THAT A DISABILITY RETIREMENT ALLOWANCE IS

- 1 PAYABLE UNDER SECTION 23 OR 25, THE RETIREMENT BOARD MAY REQUIRE
- 2 THAT A WRITTEN EVALUATION OF THE DISABILITY APPLICANT BE PREPARED
- 3 BY A REHABILITATION AGENCY. THE EVALUATION SHALL CONTAIN ALL OF
- 4 THE FOLLOWING:
- 5 (A) A DESCRIPTION OF THE DISABILITY APPLICANT'S VOCATIONAL
- 6 LIMITATIONS, IF ANY, RESULTING FROM THE PERSONAL INJURY OR DIS-
- 7 EASE THAT IS THE BASIS OF THE CLAIMED INCAPACITY.
- 8 (B) A DESCRIPTION OF THE DISABILITY APPLICANT'S POTENTIAL,
- 9 IF ANY, FOR VOCATIONAL REHABILITATION.
- 10 (C) A RECOMMENDATION REGARDING A PROGRAM OF VOCATIONAL REHA-
- 11 BILITATION OF THE DISABILITY APPLICANT, IF APPLICABLE.
- 12 (2) IF THE RETIREMENT BOARD DETERMINES THAT THE APPLICANT IS
- 13 OTHERWISE QUALIFIED FOR A DISABILITY RETIREMENT ALLOWANCE UNDER
- 14 SECTIONS 21 AND 23 OR SECTIONS 24 AND 25. BUT THAT THE POTENTIAL
- 15 EXISTS FOR THE VOCATIONAL REHABILITATION OF THE DISABILITY APPLI-
- 16 CANT FOR REASONABLE STATE EMPLOYMENT COMPATIBLE WITH THE DISABIL-
- 17 ITY APPLICANT'S MENTAL AND PHYSICAL CONDITION, THE DISABILITY
- 18 APPLICANT SHALL BE RETIRED UNDER THE APPLICABLE SECTIONS. THE
- 19 RETIREMENT BOARD MAY RECOMMEND THAT THE DISABILITY RETIRANT PAR-
- 20 TICIPATE IN GOOD FAITH IN A REASONABLE PROGRAM OF VOCATIONAL
- 21 REHABILITATION OR A RETURN TO WORK PROGRAM ADMINISTERED BY THIS
- 22 STATE.
- 23 (3) THE AGENCY PROVIDING A PROGRAM OF VOCATIONAL REHABILITA-
- 24 TION OR RETURN TO WORK PROGRAM SHALL REPORT TO THE RETIREMENT
- 25 BOARD ON A PERIODIC BASIS, AS REQUIRED BY THE RETIREMENT BOARD,
- 26 REGARDING THE PROGRESS OF THE DISABILITY RETIRANT WHO
- 27 PARTICIPATES IN A PROGRAM OF VOCATIONAL REHABILITATION OR RETURN

- 1 TO WORK PROGRAM UNDER SUBSECTION (2). IF THE RETIREMENT BOARD
- 2 DETERMINES THAT THE DISABILITY RETIRANT IS NO LONGER INCAPACI-
- 3 TATED FOR THE STATE EMPLOYMENT THAT HE OR SHE WAS PERFORMING
- 4 IMMEDIATELY BEFORE TERMINATION OF THAT STATE EMPLOYMENT BECAUSE
- 5 OF THE INCAPACITY OR FOR THE STATE EMPLOYMENT FOR WHICH HE OR SHE
- 6 IS QUALIFIED BY REASON OF TRAINING OR EXPERIENCE OR BOTH, THE
- 7 DISABILITY RETIRANT SHALL BE CONSIDERED REHABILITATED.
- 8 (4) THE RETIREMENT BOARD SHALL RECOMMEND THAT THIS STATE
- 9 OFFER REASONABLE STATE EMPLOYMENT TO THE DISABILITY RETIRANT WHO
- 10 IS CONSIDERED REHABILITATED UNDER SUBSECTION (3). THE REASONABLE
- 11 STATE EMPLOYMENT OFFERED TO THE REHABILITATED DISABILITY RETIRANT
- 12 SHALL BE COMPATIBLE WITH THE REHABILITATED DISABILITY RETIRANT'S
- 13 MENTAL AND PHYSICAL CONDITION.
- 14 (5) A REHABILITATED DISABILITY RETIRANT WHO ACCEPTS REASON-
- 15 ABLE STATE EMPLOYMENT UNDER SUBSECTION (4) IS NOT ENTITLED TO
- 16 RECEIVE A DISABILITY RETIREMENT ALLOWANCE UNDER SECTIONS 21 AND
- 17 23 OR SECTIONS 24 AND 25. THE RETIREMENT SYSTEM SHALL CEASE
- 18 PAYING THE DISABILITY RETIREMENT ALLOWANCE TO THE REHABILITATED
- 19 DISABILITY RETIRANT EFFECTIVE UPON THE BEGINNING DATE OF THE
- 20 ACCEPTED STATE EMPLOYMENT. HOWEVER, IF THE REHABILITATED DIS-
- 21 ABILITY RETIRANT ACCEPTS THE OFFERED STATE EMPLOYMENT, RESUMES
- 22 STATE EMPLOYMENT UNDER THIS SUBSECTION, AND THE COMPENSATION PAY-
- 23 ABLE FOR THAT STATE EMPLOYMENT IS LESS THAN THE REHABILITATED
- 24 DISABILITY RETIRANT'S ADJUSTED FINAL COMPENSATION, THEN THE
- 25 RETIREMENT SYSTEM SHALL PAY TO THE REHABILITATED DISABILITY
- 26 RETIRANT A DIFFERENTIAL PAYMENT EQUAL TO THE DIFFERENCE, IF ANY,
- 27 BETWEEN THE AMOUNT OF COMPENSATION PAYABLE FOR THE ACCEPTED STATE

- 1 EMPLOYMENT AND ADJUSTED FINAL COMPENSATION. HOWEVER, THE
- 2 DIFFERENTIAL PAYMENT SHALL NOT EXCEED AN AMOUNT CALCULATED UNDER
- 3 SECTION 23 OR 25, WHICHEVER APPLIES. AS USED IN THIS SUBSECTION,
- 4 "ADJUSTED FINAL COMPENSATION" MEANS THE SUM OF THE DISABILITY
- 5 RETIRANT'S FINAL COMPENSATION AND AN AMOUNT EQUAL TO THE PRODUCT
- 6 OF 3% OF THE DISABILITY RETIRANT'S FINAL COMPENSATION AND THE
- 7 NUMBER OF 12-MONTH PERIODS BETWEEN THE DISABILITY RETIREMENT
- 8 ALLOWANCE EFFECTIVE DATE AND THE DATE OF THE CALCULATION UNDER
- 9 THIS SUBSECTION.
- 10 (6) IF THE RETIREMENT BOARD, WITHIN 6 MONTHS AFTER A REHA-
- 11 BILITATED DISABILITY RETIRANT RESUMES STATE EMPLOYMENT UNDER SUB-
- 12 SECTION (5), DETERMINES THAT THE REHABILITATED DISABILITY RETIR-
- 13 ANT CONTINUES TO BE TOTALLY INCAPACITATED FOR STATE EMPLOYMENT
- 14 UNDER SECTION 21 OR 24, THE RETIREMENT BOARD MAY WAIVE ALL OR A
- 15 PORTION OF THE APPLICATION REQUIREMENTS UNDER SECTION 21 OR 24.

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