

# HOUSE BILL No. 4207

February 16, 1989, Introduced by Rep. Willis Bullard and referred to the Committee on Judiciary.

A bill to amend sections 10, 12, and 14 of Act No. 198 of the Public Acts of 1951, entitled as amended "Judges' retirement act," section 10 as amended by Act No. 83 of the Public Acts of 1988 and section 14 as amended by Act No. 208 of the Public Acts of 1984, being sections 38.810, 38.812, and 38.814 of the Michigan Compiled Laws.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Section 1. Sections 10, 12, and 14 of Act No. 198 of the  
2 Public Acts of 1951, section 10 as amended by Act No. 83 of the  
3 Public Acts of 1988 and section 14 as amended by Act No. 208 of  
4 the Public Acts of 1984, being sections 38.810, 38.812, and  
5 38.814 of the Michigan Compiled Laws, are amended to read as  
6 follows:

1       Sec. 10. (1) The board shall credit each member with the  
2 number of years and months of service to which the member is  
3 entitled. The board shall allow service credit for the month in  
4 which a member's retirement becomes effective notwithstanding  
5 that the member retires from service before the end of the month,  
6 but with the provisions that the member retires from service  
7 after the fifteenth of the month. In no other case shall the  
8 board allow service credit for any month for which a member  
9 receives less than 1 month's salary nor shall more than 1 month  
10 of service be credited for all service rendered in a calendar  
11 month. However, for service performed during the period from  
12 January 1, 1982 through June 1, 1983 by a judge of the district  
13 court of the thirty-sixth district ~~which~~ THAT is creditable  
14 service pursuant to section 13b, the board shall grant service  
15 credit for each calendar month in which service was performed  
16 prorated on the basis of actual service rendered in a calendar  
17 month for which prorated salary was received. ~~After a member~~  
18 ~~attains age 70 years, service shall not be credited to the member~~  
19 ~~beyond the end of the judicial term in which the member attains~~  
20 ~~age 70 years.~~ A person who is a member by reason of being con-  
21 stitutional court administrator, governor, lieutenant governor,  
22 secretary of state, attorney general, or legislative auditor gen-  
23 eral, or as a former elected state official who had received an  
24 annual state salary for service performed in the elected state  
25 office during the period for which credit is being claimed, shall  
26 not receive credit for service performed before the date of  
27 membership in the retirement system until the member pays into

1 the annuity savings fund an amount equal to the amount the  
2 member's accumulated contributions would have been had the member  
3 been a member and until the member relinquishes for himself or  
4 herself and the member's beneficiaries, all rights in and to a  
5 pension or annuity for the same period of service claimed payable  
6 from funds appropriated by a ~~public~~ PUBLICLY supported retire-  
7 ment system. The accumulated contributions paid into the annuity  
8 savings fund for those years of prior service performed shall be  
9 7% of the state salary paid to circuit court judges during those  
10 years of prior service for which credit is applied. For a person  
11 who is a member by reason of being governor, lieutenant governor,  
12 secretary of state, attorney general, or legislative auditor gen-  
13 eral, the accumulated contributions paid into the annuity savings  
14 fund for those years of prior service performed shall be 7% of  
15 the state salary paid to the person serving in the position  
16 during those years of prior service for which credit is applied.

17 (2) Contributions shall not be based on salary of less than  
18 \$10,000.00 per year. A member, the member's spouse, or the  
19 member's heirs may elect on forms furnished by the board to apply  
20 the member's years of prior service at the time necessary to  
21 apply prior service to establish eligibility in the system. If  
22 the member does not pay in the sum as required in this section,  
23 the board shall place as a charge against the first ~~moneys~~  
24 MONEY payable under the system to the member, the member's  
25 spouse, or the member's heirs a sum equal to the amount the  
26 member would have been required to pay, plus interest at 3% per  
27 annum on same from the first day of the year of prior service.

1 The years of prior service performed shall be credited from the  
2 earliest to the latest until the necessary credit for service  
3 required is met.

4 Sec. 12. (1) A judge's membership in the retirement system  
5 shall terminate ~~(1) whenever he~~ UNDER ANY OF THE FOLLOWING  
6 CONDITIONS:

7 (A) WHENEVER THE JUDGE becomes a beneficiary. ~~, or (2)~~

8 (B) IF THE JUDGE forfeits his OR HER membership under the  
9 provisions of section 16. ~~of this act; or (3) after becoming~~  
10 ~~age 70, at the end of the judicial term in which he attains age~~  
11 ~~70 years, or on December 31, 1956, whichever is later; or (4) on~~  
12 ~~his~~

13 (C) ON ceasing to be a judge as defined in ~~section 2, sub~~  
14 ~~division (b) of this act; or (5) upon his~~ SECTION 2(B).

15 (D) UPON failure to pay his OR HER contributions as provided  
16 in section 20.

17 (2) Except in the case of becoming a beneficiary, all prior  
18 service and membership service ~~which~~ THAT may have been cred-  
19 ited to the judge shall be forfeited by ~~him~~ THE JUDGE at the  
20 time his OR HER membership terminates. ~~In the event~~ IF he OR  
21 SHE again becomes a judge before ~~having attained age~~ BECOMING  
22 60 years OF AGE OR OLDER, he OR SHE may again become a member,  
23 subject to ~~the provisions of~~ THIS SECTION AND section 11.  
24 ~~, and in the event~~ IF he OR SHE again becomes a member within a  
25 period of 9 years following the date his OR HER membership last  
26 terminated, all prior service and membership service credit  
27 ~~which~~ THAT was forfeited by him OR HER at the time of his OR

1 HER last termination shall be restored to his OR HER credit,  
2 ~~provided~~ IF he OR SHE pays into the annuity savings fund the  
3 amount of accumulated contributions ~~which~~ THAT may have been  
4 previously refunded to him OR HER, together with regular interest  
5 ~~thereon~~ computed from the date of withdrawal to the date of  
6 repayment.

7 (3) ~~Any~~ A judge or former judge ~~who before the effective~~  
8 ~~date of this 1968 amendment,~~ JUNE 11, 1968 met the service  
9 requirements in section 13 entitling him OR HER to a retirement  
10 annuity and WHO failed to retire at the end of the judicial term  
11 in which he OR SHE attained age 70, thereby forfeiting all ~~of~~  
12 ~~his~~ prior service and membership service credit and all other  
13 rights under this act, shall have ~~such~~ THE SERVICE credit and  
14 rights restored to his OR HER credit and shall receive a retire-  
15 ment annuity in the amount that would be payable to him OR HER  
16 had he OR SHE retired at the time he OR SHE should have retired  
17 to avoid a forfeiture under this section. ~~such~~ THE annuity  
18 ~~to~~ SHALL be effective and payable prospectively from ~~the~~  
19 ~~effective date of this 1968 amendment~~ JUNE 11, 1968. The board  
20 may make appropriate transfers between funds to accomplish this  
21 result.

22 Sec. 14. (1) ~~Upon~~ EXCEPT AS PROVIDED IN SUBSECTION (4),  
23 UPON a member's retirement as provided in this section, section  
24 13, or section 16, the member shall be paid a straight life annu-  
25 ity terminating upon his or her death.

26 (2) A member who is 60 years of age or older and has 12 or  
27 more years of service credited, who has 25 or more years credited

1 of which the last 6 years were continuous service, or who is 55  
2 years of age and has 18 or more years of service credited of  
3 which the last 6 years were continuous service, shall be paid an  
4 annuity equal to 50% of the member's final salary for the first  
5 12 years of service credited to the member's account. In addi-  
6 tion, the member's straight life annuity, terminating upon death,  
7 shall be increased by 2-1/2% of the member's final salary multi-  
8 plied by each year and fraction of a year of service credited to  
9 the member's account not to exceed 4 additional years. Not more  
10 than 16 years of service may be used to determine the amount of  
11 annuity to be paid.

12 (3) A member who is 55 years of age and has 12 or more but  
13 less than 18 years of service of which the last 6 years were con-  
14 tinuous service shall be entitled to receive an annuity as pro-  
15 vided in subsection (2), reduced by 0.5% of the annuity multi-  
16 plied by the number of months and fraction of a month the  
17 member's age at retirement is under 60 years of age.

18 (4) ~~After a member becomes 70 years of age, service shall~~  
19 ~~not be credited beyond the end of the judicial term in which the~~  
20 ~~member becomes 70 years of age.~~ At the time of retirement a  
21 member may elect to be paid an annuity under an optional form of  
22 payment provided in section 15 in lieu of a straight life  
23 annuity. Judges of the recorder's court of the city of Detroit  
24 shall receive the same annuity as that paid to circuit judges.

25 (5) Subsections (2), (3), and (4) are restricted as provided  
26 in this subsection. A member who is a judge of the common pleas  
27 court of the city of Detroit on August 31, 1981, who becomes a

1 district judge in the thirty-sixth district on September 1, 1981,  
2 and who retires as a district judge in the thirty-sixth district  
3 shall be entitled to an annuity only on the basis of the sum of  
4 the following:

5 (a) The benefits ~~which~~ THAT the member would otherwise  
6 have been entitled to receive as of August 31, 1981, under sub-  
7 sections (2) to (4) as in effect on August 31, 1981, multiplied  
8 by the years of service credited to the member's account on  
9 August 31, 1981, and divided by the total years of service cred-  
10 ited to the member's account at the time of his or her  
11 retirement.

12 (b) The benefits ~~which~~ THAT the member is entitled to  
13 receive as a district judge at the time of his or her retirement,  
14 multiplied by the years of service credited to the member's  
15 account between September 1, 1981, and the date of retirement,  
16 divided by the total years of service credited to the member's  
17 account at the time of his or her retirement.

18 (6) After June 30, 1978, a member who is 60 years of age or  
19 older and has served 2 full terms in the office of governor,  
20 lieutenant governor, secretary of state, or attorney general, or  
21 1 full term in the office of legislative auditor general shall be  
22 paid an annuity equal to 30% of the annual salary paid to the  
23 member at the time of retirement for the first 8 years of service  
24 credited to the member's account. In addition, the member's  
25 straight life annuity, terminating upon death, shall be increased  
26 by  $3\frac{3}{4}\%$  of the annual salary paid by the state multiplied by  
27 each year and fraction of a year of service credited to a

1 member's account. Not more than 16 years of service shall be  
2 used to determine the amount of annuity to be paid.

3 (7) A member who ~~had attained age~~ WAS 64 YEARS OF AGE or  
4 older at the time he or she first became a judge, who has 6 or  
5 more continuous years but less than 8 years of credited service,  
6 and who has made contribution for those years of service as pro-  
7 vided by this act, shall be eligible to retire and receive an  
8 annuity equal to 3% of the member's final salary multiplied by  
9 the number of years and fraction of a year of credited service,  
10 not to exceed the amount of annuity provided for in  
11 subsection (2).

12 (8) Payment of annuities under this section shall be subject  
13 to sections 15 and 18.