

SENATE BILL No. 300

April 12, 1989, Introduced by Senators IRWIN and
BARCIA and referred to the Committee on Judiciary.

A bill to amend sections 2, 16, and 21 of Act No. 165 of the
Public Acts of 1954, entitled
"Probate judges retirement act,"
sections 2 and 16 as amended by Act No. 187 of the Public Acts of
1984 and section 21 as amended by Act No. 508 of the Public Acts
of 1982, being sections 38.902, 38.916, and 38.921 of the
Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 2, 16, and 21 of Act No. 165 of the
2 Public Acts of 1954, sections 2 and 16 as amended by Act No. 187
3 of the Public Acts of 1984 and section 21 as amended by Act
4 No. 508 of the Public Acts of 1982, being sections 38.902,
5 38.916, and 38.921 of the Michigan Compiled Laws, are amended to
6 read as follows:

1 Sec. 2. As used in this act:

2 (a) "Board" means the retirement board provided for in this
3 act.

4 (b) "Judge" means a duly elected or appointed probate judge
5 of this state. "Judge" includes the person holding the position
6 of deputy court administrator for probate courts.

7 (c) "Presiding judge" means the judge elected to that posi-
8 tion in accord with section 819 of THE REVISED JUDICATURE ACT OF
9 1961, Act No. 236 of the Public Acts of 1961, being section
10 600.819 of the Michigan Compiled Laws.

11 (d) "Member" means a probate judge who, ~~shall,~~ subject to
12 this act, ~~agree~~ AGREES to become a member of the retirement
13 system.

14 (e) "New member" means a member without prior service cred-
15 ited to the member's service account.

16 (f) "Original member" means a member with prior service
17 credited to the member's service account.

18 (g) "Service" means service performed as a probate judge or
19 as an elected state official who has been paid an annual state
20 salary, or as a judge or associate judge of a municipal court, a
21 justice of the peace, or a judge who was a member of the judges'
22 retirement system established by THE JUDGES' RETIREMENT ACT, Act
23 No. 198 of the Public Acts of 1951, as amended, being sections
24 38.801 to 38.831 of the Michigan Compiled Laws.

25 (h) "Membership service" means service performed on or after
26 July 1, 1954, as a member.

1 (i) "Prior service" means service performed before July 1,
2 1954, as a probate judge.

3 (j) "Beneficiary" means a person, except a retirant, who is
4 in receipt of ~~—~~ or who has entitlement to ~~—~~ an annuity or
5 other benefit provided by this act.

6 (k) "Annuity" means an annual amount ~~—~~ payable by the
7 retirement system ~~—~~ throughout the life of a person ~~—~~ or for
8 a shorter period as provided in this act. An annuity shall be
9 paid in equal monthly installments.

10 (l) "Annuity reserve" means the present value of an annuity
11 ~~—~~ or benefit in lieu of an annuity, computed according to the
12 mortality tables and regular interest, as the board adopts.

13 (m) "Regular interest" means the rate of interest compounded
14 annually, as the board determines.

15 (n) "Final salary" means actual salary of a member at the
16 time of the member's retirement. BEGINNING OCTOBER 1, 1990, FOR
17 A JUDGE SERVING A SINGLE COUNTY OF LESS THAN 15,000 POPULATION,
18 "FINAL SALARY" SHALL INCLUDE PER DIEM EARNINGS PAID TO THE JUDGE
19 PURSUANT TO SECTIONS 821 AND 827 OF ACT NO. 236 OF THE PUBLIC
20 ACTS OF 1961, BEING SECTIONS 600.821 AND 600.827 OF THE MICHIGAN
21 COMPILED LAWS, AND REPORTED TO THE RETIREMENT SYSTEM BY THE STATE
22 COURT ADMINISTRATOR FOR THE YEAR THAT THE JUDGE RETIRES, NOT TO
23 EXCEED THE MAXIMUM SALARY AND PER DIEM EARNINGS PAYABLE TO SUCH A
24 JUDGE PURSUANT TO SECTION 821 OF ACT NO. 236 OF THE PUBLIC ACTS
25 OF 1961.

26 (o) "Accumulated contributions" means the sum of the amounts
27 contributed by a member and credited to the member's individual

1 account in the annuity savings fund, together with regular
2 interest on the contributions.

3 (p) "Retirant" means a member who retires with an annuity
4 payable by the retirement system.

5 (q) "Aggregate annual compensation" means the salary equiva-
6 lent to the salary paid by the state to the judges of the dis-
7 trict court unless the probate judge serves a single county of
8 less than 15,000 population, in which case the minimum salary
9 payable from state and county funds shall be included.

10 Sec. 16. (1) Upon a member's retirement from service as
11 provided in this act, the member shall receive a retirement annu-
12 ity equal to 3% of the final salary multiplied by the number of
13 years and fraction of a year for service credited to the member's
14 account, except that a member who makes the election described in
15 subdivision (d) shall receive an annuity equal to 3.5% of the
16 final salary multiplied by the number of years and fraction of a
17 year for service credited to the member's account or as otherwise
18 provided in subdivision (d). The annuity shall MEET ALL OF THE
19 FOLLOWING REQUIREMENTS:

20 (a) Not be less than \$4,000.00 per annum if the member has
21 12 years of service credit.

22 (b) Not exceed \$15,000.00 per annum or 40% of the final
23 salary of the member, whichever is greater.

24 (c) When added to a county pension benefit payable under
25 section 12a of Act No. 156 of the Public Acts of 1851, as
26 amended, being section 46.12a of the Michigan Compiled Laws, not
27 exceed 66-2/3% of final salary.

1 (d) Not exceed $66\frac{2}{3}\%$ of final salary if a member who is
2 not a member of a retirement system established pursuant to sec-
3 tion 12a of Act No. 156 of the Public Acts of 1851, being section
4 46.12a of the Michigan Compiled Laws, elects to contribute and
5 contributes 5% of his or her current salary PLUS PER DIEM EARN-
6 INGS, IF ANY, PAID PURSUANT TO SECTIONS 821 AND 827 OF THE
7 REVISED JUDICATURE ACT OF 1961, ACT NO. 236 OF THE PUBLIC ACTS OF
8 1961, BEING SECTIONS 600.821 AND 600.827 OF THE MICHIGAN COMPILED
9 LAWS, for each year and month of service rendered as a probate
10 judge prior to January 1, 1983 for which he or she elects to make
11 payment, up to a maximum of 20 years. The 5% payment shall be in
12 addition to previously paid contributions. A member who elects
13 to make contributions under this subdivision shall file a written
14 notice of that election with the board before April 1, 1983. The
15 annuity shall be computed by multiplying by 3.5% the sum of the
16 member's ~~post December 31, 1982~~ YEARS OF POST-1982 service and
17 years of pre-1983 service for which 5% was contributed and multi-
18 plying by 3.0% his or her remaining pre-1983 service not to
19 exceed 40% of final salary. ~~, or, if~~ IF a member filed a timely
20 written election to make the contributions under this subdivi-
21 sion, but prior to the member's death or retirement had not made
22 the contribution for ~~pre January 1, 1983~~ PRE-1983 service, but,
23 PURSUANT TO SECTION 21(2), had contributed 7% of his or her total
24 salary ~~pursuant to section 21(2),~~ PLUS PER DIEM EARNINGS, IF
25 ANY, PAID PURSUANT TO SECTIONS 821 AND 827 OF ACT NO. 236 OF THE
26 PUBLIC ACTS OF 1961, then the annuity shall be computed by
27 multiplying the member's pre-January 1, 1983 service by 3.0% not

1 to exceed 40% of final salary and ~~post December 31, 1982~~
2 POST-1982 service by 3.5%. In either case, the 2 products when
3 added together shall be multiplied by the member's final salary.
4 The annuity shall not exceed 66-2/3% of the final salary.

5 (2) A retirant who retired before December 21, 1974, and who
6 is receiving an annuity on October 1, 1978, shall receive an
7 annuity of not less than \$4,000.00 for 12 years of service and a
8 supplemental annuity of an amount equal to \$160.00 for each year
9 of service which exceeds 12 years of service. A beneficiary of a
10 deceased member or deceased retirant who died or retired before
11 December 21, 1974, who is receiving an annuity on October 1,
12 1978, shall receive an annuity of not less than \$4,000.00 for 12
13 years of the deceased member or deceased retirant's service and a
14 supplemental annuity of \$80.00 for each year of the deceased
15 member or deceased retirant's service which exceeds 12 years of
16 service.

17 Sec. 21. (1) The annuity savings fund is created. The
18 annuity savings fund ~~shall be~~ IS the fund in which shall be
19 accumulated, at regular interest, the contributions from the sal-
20 aries of members, and from which shall be paid refunds of accumu-
21 lated contributions as provided in this act.

22 (2) The contributions of each member shall be 7% of the
23 member's salary as judge, but contributions by any judge shall
24 not exceed the sum of \$980.00 annually, except that any member
25 who makes the election described in section 16(1)(d) shall con-
26 tribute 7% of the member's salary annually, beginning January 1,
27 1983. BEGINNING OCTOBER 1, 1990, A JUDGE SERVING A SINGLE COUNTY

1 OF LESS THAN 15,000 POPULATION SHALL ALSO CONTRIBUTE 7% OF THE
2 PER DIEM EARNINGS PAID TO HIM OR HER PURSUANT TO SECTIONS 821 AND
3 827 OF THE REVISED JUDICATURE ACT OF 1961, ACT NO. 236 OF THE
4 PUBLIC ACTS OF 1961, BEING SECTIONS 600.821 AND 600.827 OF THE
5 MICHIGAN COMPILED LAWS, AND REPORTED TO THE RETIREMENT SYSTEM BY
6 THE STATE COURT ADMINISTRATOR. The manner by which the member's
7 contributions ~~shall be~~ ARE paid shall be determined by rules to
8 be adopted by the board. If a member's contribution is not paid
9 within 60 days after its due date, the member shall cease to be a
10 member and shall forfeit for the member and the member's heirs
11 all rights in and to any and all benefits, excepting the refund
12 of the member's accumulated contributions, accrued or accruing
13 under this act. The board shall provide for the maintenance of
14 an individual account for each member showing the amount of the
15 member's contributions, together with interest additions on the
16 contributions. Upon a member's retirement from service the
17 member's accumulated contributions shall be transferred from the
18 annuity savings fund to the annuity reserve fund. At the expira-
19 tion of a period of 3 years after the date a person ceases to be
20 a member any balance of accumulated contributions standing to the
21 person's credit in the annuity savings fund unclaimed by or on
22 behalf of the person shall be transferred from the annuity sav-
23 ings fund to the income fund. If a member's accumulated contri-
24 butions are forfeited by the member, those contributions shall be
25 transferred from the annuity savings fund to the income fund.

26 Section 2. This amendatory act shall take effect on
27 October 1, 1990.

1 Section 3. This amendatory act shall not take effect unless
2 all of the following bills of the 85th Legislature are enacted
3 into law:

4 (a) Senate Bill No. 298.

5

6 (b) Senate Bill No. 299.

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