

SENATE BILL No. 456

May 16, 1989, Introduced by Senator GEAKE and referred to the Committee on Judiciary.

A bill to amend section 19 of Act No. 240 of the Public Acts of 1943, entitled as amended "State employees' retirement act," as amended by Act No. 405 of the Public Acts of 1988, being section 38.19 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 19 of Act No. 240 of the Public Acts of
2 1943, as amended by Act No. 405 of the Public Acts of 1988, being
3 section 38.19 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 19. (1) A member who is 60 years of age or older and
6 has 10 or more years of credited service may retire upon written
7 application to the retirement board, stating a date, not less
8 than 30 nor more than 90 days after the execution and filing of
9 the application, on which he or she desires to retire. Beginning

1 on the retirement allowance effective date, he or she shall
2 receive a retirement allowance computed according to section
3 20(1).

4 (2) A member who is 55 years of age or older, but less than
5 60 years of age, and has 15 or more years of credited service,
6 may retire upon written application to the retirement board stat-
7 ing a date, not less than 30 nor more than 90 days after the exe-
8 cution and filing of the application, on which he or she desires
9 to retire. Upon retirement he or she shall receive a retirement
10 allowance computed according to section 20(1). The retirement
11 allowance of a member who has less than 30 years' credited serv-
12 ice shall be reduced by an amount which is 0.5% of the retirement
13 allowance multiplied by the number of months the person's age at
14 retirement is under 60 years. The reduction of 1/2 of 1% for
15 each month and fraction of a month from the member's retirement
16 allowance effective date to the date of the member's sixtieth
17 birthday provided for in this subsection shall not apply to a
18 member who retired before July 1, 1974 and before attainment of
19 age 60, with 30 or more years of credited service. The retire-
20 ment allowance of a retirant or beneficiary of a retirant who
21 retired before that date shall be recalculated disregarding the
22 reduction and the person receiving the retirement allowance shall
23 be eligible to receive an adjusted retirement allowance based on
24 the recalculation beginning October 1, 1987, but shall not be
25 eligible to receive the adjusted amount attributable to any month
26 beginning before October 1, 1987. The recalculated retirement
27 allowance provided by this subsection shall be paid by January 1,

1 1988. The retirement allowance of a retirant who dies before
2 January 1, 1988, and who has not nominated a retirement allowance
3 beneficiary pursuant to section 31, shall not be recalculated
4 pursuant to this subsection.

5 (3) Notwithstanding any other provision of this section,
6 effective April 1, 1988, a member may retire with a retirement
7 allowance computed according to section 20(1), without regard to
8 the reduction in subsection (2), if all of the following apply:

9 (a) The member files a written application with the retire-
10 ment board stating a date, not less than 30 nor more than 90 days
11 after the execution and filing of the application, on which the
12 member desires to retire, and which is within the early retire-
13 ment effective period.

14 (b) The member was employed by the state for the 6-month
15 period immediately preceding the member's retirement allowance
16 effective date. This subdivision shall not apply to a member who
17 had been restored to active service during that 6-month period
18 pursuant to section 33.

19 (c) On the last day of the month immediately preceding the
20 retirement allowance effective date stated in the application the
21 member's combined age and length of credited service is equal to
22 or greater than 80 years and the member is 50 years of age or
23 older.

24 (d) For purposes of this subsection, "early retirement
25 effective period" means 1 of the following:

26 (i) Except as provided in subparagraph (ii), the period
27 beginning on April 1, 1988 and ending on April 1, 1989.

1 (ii) For a member employed by a department of mental health
2 hospital or facility that is in the process of being closed by
3 the department of mental health, the period beginning on April 1,
4 1988 and ending on October 1, 1989.

5 (4) AS USED IN THIS SUBSECTION AND SUBSECTIONS (5) TO (7):

6 (A) "AGENCY OF THE DEPARTMENT" MEANS 1 OF THE FOLLOWING:

7 (i) SOUTHWEST MICHIGAN COMMUNITY LIVING SERVICES.

8 (ii) WAYNE COMMUNITY LIVING SERVICES.

9 (B) "DEPARTMENT INPATIENT FACILITY" MEANS A DEVELOPMENTAL
10 DISABILITY CENTER OR A PSYCHIATRIC HOSPITAL DIRECTLY OPERATED BY
11 THE DEPARTMENT OF MENTAL HEALTH.

12 (C) "DEVELOPMENTAL DISABILITY CENTER" MEANS AN INPATIENT
13 FACILITY DIRECTLY OPERATED BY THE DEPARTMENT OF MENTAL HEALTH FOR
14 THE PURPOSE OF PROVIDING CARE AND TREATMENT SERVICES TO PERSONS
15 WITH DEVELOPMENTAL DISABILITIES.

16 (D) "PSYCHIATRIC HOSPITAL" MEANS AN INPATIENT FACILITY
17 DIRECTLY OPERATED BY THE DEPARTMENT OF MENTAL HEALTH FOR THE PUR-
18 POSE OF PROVIDING DIAGNOSTIC AND THERAPEUTIC SERVICES TO PERSONS
19 WHO ARE MENTALLY ILL.

20 (5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, A
21 MEMBER WHOSE EMPLOYMENT WITH THE DEPARTMENT OF MENTAL HEALTH IS
22 TERMINATED BECAUSE AN AGENCY OF THE DEPARTMENT OR A DEPARTMENT
23 INPATIENT FACILITY HAS BEEN DESIGNATED BY THE DIRECTOR OF MENTAL
24 HEALTH FOR CLOSURE AS A RESULT OF THE DEVELOPMENT OF
25 COMMUNITY-BASED COUNTY COMMUNITY MENTAL HEALTH PROGRAMS, OR DUE
26 TO BUDGETARY CONSTRAINTS, MAY RETIRE WITH A RETIREMENT ALLOWANCE
27 COMPUTED ACCORDING TO SECTION 20(1), WITHOUT REGARD TO THE

1 REDUCTION IN SUBSECTION (2), UPON SATISFACTION OF ANY 1 OF THE
2 FOLLOWING CONDITIONS:

3 (A) THE MEMBER IS 51 YEARS OF AGE OR OLDER AND HAS 25 OR
4 MORE YEARS OF CREDITED SERVICE, THE LAST 10 OF THOSE YEARS AS AN
5 EMPLOYEE OF AN AGENCY OF THE DEPARTMENT DESIGNATED FOR CLOSURE OR
6 A DEPARTMENT INPATIENT FACILITY DESIGNATED FOR CLOSURE.

7 (B) THE MEMBER IS AT LEAST 56 YEARS OF AGE, HAS 10 OR MORE
8 YEARS OF CREDITED SERVICE, THE LAST 10 OF THOSE YEARS AS AN
9 EMPLOYEE OF AN AGENCY OF THE DEPARTMENT DESIGNATED FOR CLOSURE OR
10 A DEPARTMENT INPATIENT FACILITY DESIGNATED FOR CLOSURE.

11 (C) THE MEMBER HAS 25 OR MORE YEARS OF CREDIT SERVICES,
12 REGARDLESS OF AGE, WITH 25 OF THOSE YEARS AS AN EMPLOYEE OF AN
13 AGENCY OF THE DEPARTMENT DESIGNATED FOR CLOSURE OR A DEPARTMENT
14 INPATIENT FACILITY DESIGNATED FOR CLOSURE.

15 (6) WHEN A DEPARTMENT INPATIENT FACILITY OR AGENCY IS DESIG-
16 NATED FOR CLOSURE, THE DIRECTOR OF MENTAL HEALTH SHALL CERTIFY
17 WHICH FACILITY OR AGENCY IS TO BE CLOSED AND THE OFFICIAL DATE OF
18 CLOSURE TO THE RETIREMENT BOARD. A MEMBER WHO IS ELIGIBLE TO
19 RECEIVE A RETIREMENT ALLOWANCE UNDER SUBSECTION (5) MAY RETIRE
20 UPON WRITTEN APPLICATION TO THE RETIREMENT BOARD SPECIFYING A
21 RETIREMENT DATE NOT MORE THAN 180 DAYS PRIOR TO THE OFFICIAL DATE
22 OF CLOSURE. BEGINNING ON THE RETIREMENT ALLOWANCE DATE, HE OR
23 SHE SHALL RECEIVE A RETIREMENT ALLOWANCE COMPUTED ACCORDING TO
24 SECTION 20(1).

25 (7) ANY ADDITIONAL ACCRUED ACTUARIAL COST AND COSTS FOR
26 HEALTH INSURANCE RESULTING FROM THE IMPLEMENTATION OF SUBSECTION

1 (5) SHALL BE FUNDED FROM APPROPRIATIONS TO THE DEPARTMENT OF
2 MENTAL HEALTH FOR THIS PURPOSE.