

SENATE BILL No. 479

May 30, 1989, Introduced by Senators ARTHURHULTZ, O'BRIEN, DILLINGHAM, BARCIA, GAST, IRWIN, FAUST, KELLY, DI NELLO, SCHWARZ, GEAKE, ENGLER, BINSFELD and EHLERS and referred to the Committee on Appropriations.

A bill to amend sections 1, 23, 25, and 27 of Act No. 240 of the Public Acts of 1943, entitled as amended "State employees' retirement act," section 1 as amended by Act No. 338 of the Public Acts of 1988, sections 23 and 27 as amended by Act No. 241 of the Public Acts of 1987, and section 25 as amended by Act No. 1 of the Public Acts of 1986, being sections 38.1, 38.23, 38.25, and 38.27 of the Michigan Compiled Laws; and to add section 48.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 1, 23, 25, and 27 of Act No. 240 of the
2 Public Acts of 1943, section 1 as amended by Act No. 338 of the
3 Public Acts of 1988, sections 23 and 27 as amended by Act No. 241
4 of the Public Acts of 1987, and section 25 as amended by Act
5 No. 1 of the Public Acts of 1986, being sections 38.1, 38.23,

1 38.25, and 38.27 of the Michigan Compiled Laws, are amended and
2 section 48 is added to read as follows:

3 Sec. 1. As used in this act:

4 (a) "Retirement system" means the state employees' retire-
5 ment system ~~provided for in this act~~ CREATED BY SECTION 2.

6 (b) "Retirement board" means the board provided for in ~~this~~
7 ~~act~~ SECTION 2 to administer the retirement system.

8 (c) "State treasurer" means the treasurer of this state.

9 (d) "Employer" or "state" means this state.

10 (e) "Member" means a state employee included in the member-
11 ship of the retirement system, as provided for in section 13.

12 (f) "Original member" means a person who became a member of
13 this retirement system before January 1, 1945, or as provided in
14 section 18.

15 (g) "New member" means a person who becomes a member of this
16 retirement system on or after January 1, 1945.

17 (h) "Appointing authority" means the departmental officer
18 who has the responsibility of making appointments and handling
19 all other personnel transactions affecting the employees in the
20 agency ~~which~~ THAT the officer represents.

21 (i) "Service" means service rendered to the state by an
22 elected or appointed state official or employee of the state.
23 Credit for service shall be determined by appropriate rules and
24 regulations of the retirement board, but not more than 1 year of
25 service shall be creditable for all service in 1 calendar year.
26 The retirement board shall not allow credit as service for any
27 period of more than 1 month in any 1 calendar year during which

1 the employee was absent without pay. However, full service
2 credit shall be given for a period during which an employee is on
3 leave of absence and is receiving worker's compensation benefits
4 as the result of a duty incurred disability. Full service credit
5 shall also be given to an employee for required 1-day layoffs,
6 for voluntary or involuntary participation in pay reduction plan
7 A, pay reduction plan B, or both, in effect during the fiscal
8 years ending on and after September 30, 1981, and for required
9 and designated temporary layoffs.

10 (j) "Prior service" means all service as a state employee or
11 as an appointed state officer, and as an elected or appointed
12 state official, rendered before July 1, 1943.

13 (k) "Membership service" means all service rendered after
14 July 1, 1943.

15 (l) "Credited service" means the sum of the prior service
16 and membership service credited to a member's service account.

17 (m) "Retirant" means a person who has ceased to be a member
18 of the retirement system by reason of retirement with a pension
19 or retirement allowance payable from the funds of the retirement
20 system.

21 (n) "Beneficiary" or "disability beneficiary" means a person
22 other than a retirant who receives a retirement allowance, pen-
23 sion, or other benefit provided by this act.

24 (o) "Regular interest" means a rate or rates per annum, com-
25 pounded annually, as the retirement board determines. For the
26 purposes of employee refunds, the interest rate payable shall not
27 exceed 4% per annum, compounded annually.

1 (p) "Accumulated contributions" means the sum of all amounts
2 deducted from the compensation of a member and credited to the
3 member's individual account in the employees' savings fund,
4 together with regular interest on that account.

5 (q) "Compensation" means the remuneration paid a member on
6 account of the member's services rendered to the state. If a
7 member's remuneration is not paid totally in money, the retire-
8 ment board shall employ the maintenance-compensation schedules
9 established from time to time by the civil service commission.
10 Compensation does not include any of the following:

11 (i) Remuneration paid in lieu of accumulated sick leave.

12 (ii) Remuneration for services rendered after October 1,
13 1981, payable at retirement or termination under voluntary or
14 involuntary pay reduction plan B, in excess of the amount the
15 member would have received had the member been compensated for
16 those services at the rate of pay in effect at the time those
17 services were performed.

18 (iii) Payment for accrued annual leave at separation in
19 excess of 240 hours.

20 (iv) Remuneration received by an employee of the department
21 of mental health resulting from severance pay received because of
22 the deinstitutionalization of the department of mental health
23 resident population.

24 (v) Remuneration received as a bonus by investment managers
25 of the department of treasury under the treasury incentive bonus
26 plan first approved by the civil service commission on

1 February 11, 1988, pursuant to section 5 of article XI of the
2 state constitution of 1963.

3 (r) "Final average compensation" means the average of those
4 years of highest annual compensation received by a member during
5 a period of 5 consecutive years of credited service; or if the
6 member has less than 5 years of credited service, then the aver-
7 age of the annual compensation received by the member during the
8 member's total years of credited service. For a person whose
9 retirement allowance effective date is on or after October 1,
10 1987, "final average compensation" means the average of those
11 years of highest annual compensation received by a member during
12 a period of 3 consecutive years of credited service; or if the
13 member has less than 3 years of credited service, then the aver-
14 age of the annual compensation received by the member during the
15 member's total years of credited service. A member's final aver-
16 age compensation shall not be diminished because of required
17 1-day layoffs. The compensation used in computing the final
18 average compensation for a period during which a member is in a
19 voluntary or involuntary pay reduction plan A or on a designated
20 temporary layoff shall include the value of the hours not worked
21 calculated at the member's hourly rate or rates of pay in effect
22 immediately preceding the applicable final average compensation
23 period. A member's final average compensation shall be neither
24 increased nor decreased by the member's participation in volun-
25 tary or involuntary pay reduction plan B. Payment for accrued
26 annual leave at separation in excess of 240 hours shall not be
27 included in final average compensation.

1 (s) "Final compensation" means a member's annual rate of
2 compensation at the time the member last terminates employment
3 with the state.

4 (t) "Annuity" means annual payments for life derived from
5 the accumulated contributions of a member. An annuity shall be
6 paid in equal monthly installments.

7 (u) "Pension" means annual payments for life payable from
8 funds of the retirement system as provided in this act. A pen-
9 sion shall be paid in equal monthly installments.

10 (v) "Retirement allowance" means the sum of the annuity and
11 the pension.

12 (w) "Annuity reserve" means the present value, computed upon
13 the basis of mortality and other tables adopted by the retirement
14 board, of all payments to be made on account of an annuity, or
15 benefits in lieu of an annuity, granted to a member under this
16 act.

17 (x) "Pension reserve" means the present value, computed upon
18 the basis of mortality and other tables adopted by the retirement
19 board, of all payments to be made on account of a pension, or
20 benefits in lieu of a pension, granted to a member under this
21 act.

22 (y) "Employee" means a person who may become eligible for
23 membership under this act, as provided in section 13, if the
24 person's compensation is paid in whole or in part by the state.

25 (z) "Pay reduction plan A" means the plan available to or
26 required of a member during the fiscal years ending on and after
27 September 30, 1981 under which the member may elect to reduce by

1 1 hour or more in any 80-hour pay period the number of hours
2 worked with a corresponding reduction in compensation.

3 (aa) "Pay reduction plan B" means the plan available to or
4 required of a member during the fiscal years ending on and after
5 September 30, 1981 under which the member may elect to work a
6 full 80-hour pay period, defer compensation for 1 or more of
7 those hours, and accumulate or use the hours for which compensa-
8 tion has been deferred in the same manner as annual leave hours.

9 (bb) "Designated temporary layoff" means the layoff of a
10 member, which layoff has a duration not to exceed 1 month and a
11 fixed, predetermined, and announced recall date.

12 (cc) "Deferred member" means a member who is separated from
13 state service for a reason other than retirement or death and who
14 has satisfied the requirements of section 20(4) or (5) for a
15 deferred retirement allowance.

16 (dd) "Actuarial cost" means a single percentage which, when
17 multiplied by a member's fiscal year compensation, will result in
18 the average actuarial present value of the additional benefits
19 resulting from the crediting of 1 additional year of service.
20 This single percentage shall be based on the members who utilize
21 those sections of this act that permit the purchase of service.
22 For purchases of service credit made before December 31, 1990,
23 the single percentage shall be 9%. Beginning December 31, 1990
24 and every 3 years thereafter, the single percentage shall be com-
25 puted based upon actual experience. If the computation results
26 in an increase or decrease in the percentage, not less than 6
27 months' notice shall be given to the members.

1 (EE) "CONSERVATION OFFICER" MEANS AN EMPLOYEE OF THE
2 DEPARTMENT OF NATURAL RESOURCES, OR ITS PREDECESSOR OR SUCCESSOR
3 AGENCY, WHO HAS SWORN TO THE PRESCRIBED OATH OF OFFICE AND WHO IS
4 DESIGNATED AS A PEACE OFFICER UNDER SECTION 6 OF ACT NO. 192 OF
5 THE PUBLIC ACTS OF 1929, BEING SECTION 300.16 OF THE MICHIGAN
6 COMPILED LAWS, OR SECTION 1 OF ACT NO. 109 OF THE PUBLIC ACTS OF
7 1986, BEING SECTION 300.21 OF THE MICHIGAN COMPILED LAWS.

8 Sec. 23. ~~Upon~~ EXCEPT AS PROVIDED IN SECTION 48, UPON
9 retirement for disability ~~—~~ as provided for in section 21, a
10 member who has not attained age 60 years shall receive the fol-
11 lowing benefits, subject to the provisions of sections 33 and
12 34:

13 (a) A disability retirement allowance of 2/3 of the
14 retirant's final average compensation, the retirement allowance
15 to begin as of date of the retirant's disability, but not more
16 than 6 months before the date the retirant's application for dis-
17 ability retirement was filed with the retirement board, and not
18 before the date the retirant's name last appeared on a state pay-
19 roll with pay, whichever is later, and to continue to the attain-
20 ment of age 60 years or recovery or death, whichever event shall
21 first occur. The disability retirement allowance payable to a
22 disability retirant shall not exceed \$6,000.00 per annum, nor be
23 more than an amount which when added to the statutory worker's
24 compensation benefits applicable in the retirant's case shall
25 exceed the retirant's final compensation. The increase in the
26 maximum amount payable under this subdivision as provided by
27 ~~this 1987 amendatory act~~ ACT NO. 241 OF THE PUBLIC ACTS OF 1987

1 shall be payable to retirants on the pension payroll as of
2 July 1, 1987.

3 (b) Upon attaining age 60 years or July 1, 1987, whichever
4 is later, the disability retirant shall receive a retirement
5 allowance computed according to section 20. In computing the
6 retirant's retirement allowance, the retirant shall be given mem-
7 bership service credit for the period during which the retirant
8 was receiving the disability retirement allowance provided for in
9 subdivision (a). If the computation results in a retirement
10 allowance less than the disability retirement allowance provided
11 in subdivision (a), the retirant shall receive a retirement
12 allowance equal to the disability retirement allowance. Upon
13 attaining age 60 years or July 1, 1987, whichever is later, the
14 retirant may elect an option provided for in section 31(1).

15 (c) During the period a disability retirant is receiving a
16 disability retirement allowance ~~—~~ as provided for in subdivi-
17 sion (a), the retirant's contributions to the employees' savings
18 fund shall be suspended and the balance in the fund, standing to
19 the retirant's credit as of the date the disability retirement
20 allowance begins, shall remain in the savings fund and shall be
21 accumulated at regular interest. Upon attaining age 60 years or
22 July 1, 1987, whichever is later, the retirant's accumulated con-
23 tributions shall be transferred from the employees' savings fund
24 to the pension reserve fund. If the disability retirant ~~—should~~
25 ~~die~~ DIES before attaining age 60 years, the accumulated contri-
26 butions standing to the retirant's credit in the employees'
27 savings fund shall be paid to the person or persons the retirant

1 nominated by written designation duly executed and filed with the
2 retirement board, or if there is not a designated person or per-
3 sons surviving, then to the retirant's legal representative OR
4 ESTATE.

5 Sec. 25. ~~Upon~~ EXCEPT AS PROVIDED IN SECTION 48, UPON
6 retirement for disability ~~—~~ as provided in section 24, a member
7 shall receive a retirement allowance computed in accordance with
8 section 20(1). The retirement allowance or pension provided
9 shall not be less than \$600.00 per annum. Upon retirement, the
10 member may elect an option provided for in section 31(1).

11 Sec. 27. (1) ~~If~~ EXCEPT AS PROVIDED IN SECTION 48, IF a
12 member dies as a result of a personal injury or disease arising
13 out of and in the course of his or her employment with the state,
14 or a disability retirant who retired under section 21 dies prior
15 to becoming age 60 and within 3 years after the member's disabil-
16 ity retirement from the same causes for which he or she was
17 retired ~~—~~ and ~~such~~ THE death or illness or injuries resulting
18 in death are found by the retirement board to have been the sole
19 and exclusive result of employment with the state, the applicable
20 benefits provided in subsections (2), (3), (4), and (5) shall be
21 paid, subject to subsection (6).

22 (2) The accumulated contributions standing to the member's
23 account in the employees' savings fund shall be paid to such
24 person or persons as the member has nominated by written designa-
25 tion duly executed and filed with the retirement board, or if
26 there are no such designated person or persons surviving, then to
27 the member's legal representative OR ESTATE.

1 (3) A retirement allowance of $1/3$ of the final compensation
2 of the deceased person shall be paid to the surviving spouse to
3 whom the deceased person was married at the time he or she last
4 terminated employment with the state. If a child or children
5 under the age of 18 years also survives the deceased person, each
6 such child shall receive an allowance of an equal share of $1/4$ of
7 the deceased person's final compensation. Upon the marriage,
8 death, or attainment of age 18 years of any such child, there
9 shall be a redistribution by the retirement board to the deceased
10 person's remaining children under age 18 years.

11 (4) If there is no surviving spouse or if the surviving
12 spouse dies before the youngest surviving child of the deceased
13 person reaches the age of 18 years, then each such child under
14 age 18 shall each receive an allowance equal to $1/4$ of the
15 deceased person's final compensation, but the total so paid in
16 any year to the children of a deceased person shall not exceed
17 $1/2$ of his or her final compensation. If there are more than 2
18 such surviving children under age 18 years, each such child shall
19 receive an allowance of an equal share of $1/2$ of the deceased
20 person's final compensation. Upon the marriage, death, or
21 attainment of age 18 years of any such child, the child's allow-
22 ance shall terminate and there shall be a redistribution by the
23 retirement board to any remaining eligible children of the
24 deceased under age 18, but a child shall not receive an allowance
25 more than $1/4$ of the deceased person's final compensation.

26 (5) If there is neither a spouse nor a child under age 18
27 years surviving the deceased person, then there shall be paid to

1 each parent of the deceased person whom the retirement board
2 after investigation determines to have been actually dependent
3 upon the deceased person through absence of earning power due to
4 disability, an allowance of 1/6 of the deceased person's final
5 compensation.

6 (6) The total of the retirement allowances payable under
7 subsections (3), (4), and (5) on account of the death of a member
8 or DISABILITY retirant shall not exceed \$2,400.00 per annum, nor
9 an amount which, when added to the statutory worker's compensa-
10 tion benefit to which the dependents of the member or retirant
11 are entitled, exceeds his or her final compensation.

12 SEC. 48. (1) EXCEPT AS PROVIDED IN SUBSECTION (2), A MEMBER
13 WHO IS A CONSERVATION OFFICER AND WHO HAS 25 OR MORE YEARS OF
14 CREDITED SERVICE, OF WHICH THE LAST 15 YEARS OF CREDITED SERVICE
15 IS AS A CONSERVATION OFFICER, MAY RETIRE UPON WRITTEN APPLICATION
16 TO THE RETIREMENT BOARD, STATING A DATE, NOT LESS THAN 30 NOR
17 MORE THAN 90 DAYS AFTER THE EXECUTION AND FILING OF THE APPLICA-
18 TION, ON WHICH HE OR SHE DESIRES TO RETIRE. BEGINNING ON THE
19 RETIREMENT ALLOWANCE EFFECTIVE DATE, HE OR SHE SHALL RECEIVE A
20 RETIREMENT ALLOWANCE COMPUTED UNDER SUBSECTION (3). THIS SUBSEC-
21 TION DOES NOT PROHIBIT A MEMBER WHO IS A CONSERVATION OFFICER AND
22 WHO DOES NOT MEET THE REQUIREMENTS OF THIS SUBSECTION FROM QUALI-
23 FYING FOR A RETIREMENT ALLOWANCE UNDER ANY OTHER PROVISION OF
24 THIS ACT.

25 (2) BEGINNING JANUARY 1, 1990, A MEMBER WHO IS A CONSERVA-
26 TION OFFICER AND WHO IS 56 YEARS OF AGE OR OLDER OR WHO BECOMES
27 56 YEARS OF AGE SHALL RETIRE ON THE FIRST DAY OF THE CALENDAR

1 MONTH IN WHICH THE MEMBER IS OR BECOMES 56 YEARS OF AGE. THE
2 MEMBER SHALL RECEIVE A RETIREMENT ALLOWANCE COMPUTED UNDER
3 SUBSECTION (3). A MEMBER WHO IS A CONSERVATION OFFICER ON THE
4 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION MAY
5 ELECT TO BE EXEMPT FROM THE PROVISIONS OF THIS SUBSECTION BY
6 FILING A WRITTEN NOTICE OF HIS OR HER ELECTION WITH THE RETIRE-
7 MENT BOARD NOT MORE THAN 60 DAYS AFTER SUCH EFFECTIVE DATE.

8 (3) A MEMBER WHO IS A CONSERVATION OFFICER AND WHO RETIRES
9 UNDER SUBSECTION (1) OR (2) SHALL RECEIVE A RETIREMENT ALLOWANCE
10 EQUAL TO 60% OF THE MEMBER'S AVERAGE ANNUAL COMPENSATION FOR THE
11 MEMBER'S LAST 2 YEARS OF SERVICE AS A CONSERVATION OFFICER.

12 (4) PURSUANT TO RULES PROMULGATED BY THE BOARD, A MEMBER WHO
13 RETIRES UNDER SUBSECTION (1) OR (2) PRIOR TO BECOMING 65 YEARS
14 OLD MAY ELECT TO HAVE HIS OR HER REGULAR RETIREMENT ALLOWANCE
15 EQUATED ON AN ACTUARIAL BASIS TO PROVIDE AN INCREASED RETIREMENT
16 ALLOWANCE PAYABLE TO AGE 65 AND A REDUCED RETIREMENT ALLOWANCE
17 PAYABLE AFTER BECOMING 65 YEARS OLD. THE RETIRANT'S INCREASED
18 RETIREMENT ALLOWANCE PAYABLE TO AGE 65 SHALL APPROXIMATELY EQUAL
19 THE SUM OF HIS OR HER REDUCED RETIREMENT ALLOWANCE PAYABLE AFTER
20 AGE 65 AND HIS OR HER ESTIMATED SOCIAL SECURITY PRIMARY INSURANCE
21 AMOUNT.

22 (5) IF A RETIRANT RECEIVING A RETIREMENT ALLOWANCE UNDER
23 SUBSECTION (3) OR A DISABILITY RETIREMENT ALLOWANCE UNDER SUBSEC-
24 TION (7) OR (8) DIES, THE RETIREMENT ALLOWANCE SHALL CONTINUE TO
25 BE PAID TO THE SURVIVING SPOUSE OF THE RETIRANT FOR THE REST OF
26 THE SPOUSE'S LIFE. IF THERE IS NOT A SURVIVING SPOUSE OR UPON
27 THE SPOUSE'S DEATH, THEN THE RETIREMENT ALLOWANCE SHALL BE PAID

1 TO THE CHILDREN UNDER THE AGE OF 18 OF THE RETIRANT, SHARE AND
2 SHARE ALIKE. IF THE SURVIVING SPOUSE DIES AND THERE ARE NOT ELI-
3 GIBLE CHILDREN AND THE AGGREGATE AMOUNT OF THE RETIREMENT ALLOW-
4 ANCE PAID UNDER THIS SUBSECTION IS LESS THAN THE ACCUMULATED CON-
5 TRIBUTIONS CREDITED TO THE RETIRANT IN THE EMPLOYEES' SAVINGS
6 FUND AT THE TIME OF HIS OR HER RETIREMENT, THE DIFFERENCE BETWEEN
7 THE RETIRANT'S ACCUMULATED CONTRIBUTIONS AND THE AGGREGATE AMOUNT
8 OF THE RETIREMENT ALLOWANCE PAID UNDER THIS SUBSECTION SHALL BE
9 PAID TO THE DECEASED RETIRANT'S LEGAL REPRESENTATIVE OR ESTATE.

10 (6) IF A MEMBER WHO IS A CONSERVATION OFFICER HAS 10 OR MORE
11 YEARS OF CREDITED SERVICE AS A CONSERVATION OFFICER AND IS SEPA-
12 RATED FROM THE SERVICE OF THE STATE FOR A REASON OTHER THAN
13 RETIREMENT OR DEATH, HE OR SHE SHALL REMAIN A MEMBER DURING THE
14 PERIOD OF ABSENCE FROM THE STATE SERVICE FOR THE EXCLUSIVE PUR-
15 POSE OF RECEIVING A RETIREMENT ALLOWANCE PROVIDED FOR IN THIS
16 SUBSECTION. IF THE MEMBER WITHDRAWS ALL OR PART OF HIS OR HER
17 ACCUMULATED CONTRIBUTIONS, HE OR SHE SHALL CEASE TO BE A MEMBER.
18 UPON BECOMING 50 YEARS OF AGE OR OLDER, THE MEMBER MAY RETIRE
19 UPON HIS OR HER WRITTEN APPLICATION TO THE RETIREMENT BOARD AS
20 PROVIDED IN SUBSECTION (1). BEGINNING ON THE RETIREMENT ALLOW-
21 ANCE EFFECTIVE DATE, HE OR SHE SHALL RECEIVE A RETIREMENT ALLOW-
22 ANCE EQUAL TO THE SUM OF THE FOLLOWING:

23 (A) THE MEMBER'S YEARS OF CREDITED SERVICE AS A CONSERVATION
24 OFFICER, NOT TO EXCEED 25, MULTIPLIED BY 2% OF THE MEMBER'S AVER-
25 AGE ANNUAL SALARY FOR THE LAST 2 YEARS OF THE MEMBER'S SERVICE AS
26 A CONSERVATION OFFICER.

1 (B) THE MEMBER'S YEARS OF CREDITED SERVICE IN A CAPACITY
2 OTHER THAN AS A CONSERVATION OFFICER MULTIPLIED BY 1-1/2% OF THE
3 MEMBER'S FINAL AVERAGE COMPENSATION FOR THOSE YEARS OF CREDITED
4 SERVICE.

5 (7) UPON RETIREMENT FOR DISABILITY AS PROVIDED FOR IN SEC-
6 TION 21, A MEMBER WHO IS A CONSERVATION OFFICER AND WHO IS NOT 60
7 YEARS OF AGE OR OLDER SHALL RECEIVE THE FOLLOWING BENEFITS,
8 SUBJECT TO THE PROVISIONS OF SECTIONS 33 AND 34:

9 (A) A DISABILITY RETIREMENT ALLOWANCE COMPUTED UNDER SUBSEC-
10 TION (3), THE RETIREMENT ALLOWANCE TO BEGIN AS OF THE DATE OF THE
11 RETIRANT'S DISABILITY, BUT NOT MORE THAN 6 MONTHS BEFORE THE DATE
12 THE RETIRANT'S APPLICATION FOR DISABILITY RETIREMENT WAS FILED
13 WITH THE RETIREMENT BOARD, AND NOT BEFORE THE DATE THE RETIRANT'S
14 NAME LAST APPEARED ON A STATE PAYROLL WITH PAY, WHICHEVER IS
15 LATER, AND TO CONTINUE TO AGE 60 OR RECOVERY OR DEATH, WHICHEVER
16 OCCURS FIRST. THE DISABILITY RETIREMENT ALLOWANCE PAYABLE TO A
17 DISABILITY RETIRANT UNDER THIS SUBSECTION SHALL NOT BE MORE THAN
18 AN AMOUNT WHICH WHEN ADDED TO THE STATUTORY WORKER'S COMPENSATION
19 BENEFITS APPLICABLE IN THE RETIRANT'S CASE EXCEEDS THE RETIRANT'S
20 FINAL COMPENSATION. THE DISABILITY RETIREMENT ALLOWANCE PAYABLE
21 UNDER THIS SUBDIVISION IS SUBJECT TO SUBSECTION (5).

22 (B) UPON BECOMING 60 YEARS OLD, THE DISABILITY RETIRANT
23 SHALL RECEIVE A RETIREMENT ALLOWANCE COMPUTED UNDER SUBSECTION
24 (3). IN COMPUTING THE RETIRANT'S RETIREMENT ALLOWANCE UNDER THIS
25 SUBDIVISION, THE RETIRANT SHALL BE GIVEN MEMBERSHIP SERVICE
26 CREDIT FOR THE PERIOD DURING WHICH THE RETIRANT WAS RECEIVING THE
27 DISABILITY RETIREMENT ALLOWANCE UNDER SUBDIVISION (A).

1 (C) DURING THE PERIOD A DISABILITY RETIRANT IS RECEIVING A
2 DISABILITY RETIREMENT ALLOWANCE UNDER SUBDIVISION (A), THE
3 RETIRANT'S CONTRIBUTIONS TO THE EMPLOYEES' SAVINGS FUND SHALL BE
4 SUSPENDED AND THE BALANCE IN THE FUND, STANDING TO THE RETIRANT'S
5 CREDIT AS OF THE DATE THE DISABILITY RETIREMENT ALLOWANCE BEGINS,
6 SHALL REMAIN IN THE EMPLOYEES' SAVINGS FUND AND SHALL BE ACCUMU-
7 LATED AT REGULAR INTEREST. WHEN THE DISABILITY RETIRANT BECOMES
8 60 YEARS OLD, THE RETIRANT'S ACCUMULATED CONTRIBUTIONS SHALL BE
9 TRANSFERRED FROM THE EMPLOYEES' SAVINGS FUND TO THE PENSION
10 RESERVE FUND.

11 (8) UPON RETIREMENT FOR DISABILITY AS PROVIDED IN SECTION
12 24, A MEMBER WHO IS A CONSERVATION OFFICER SHALL RECEIVE A
13 RETIREMENT ALLOWANCE COMPUTED UNDER SUBSECTION (3). THE RETIRE-
14 MENT ALLOWANCE PAYABLE UNDER THIS SUBSECTION IS SUBJECT TO SUB-
15 SECTION (5).

16 (9) IF A MEMBER WHO IS A CONSERVATION OFFICER DIES AS A
17 RESULT OF A PERSONAL INJURY OR DISEASE ARISING OUT OF AND IN THE
18 COURSE OF HIS OR HER EMPLOYMENT WITH THE STATE AND THE DEATH OR
19 ILLNESS OR INJURIES RESULTING IN DEATH ARE FOUND BY THE RETIRE-
20 MENT BOARD TO HAVE BEEN THE SOLE AND EXCLUSIVE RESULT OF EMPLOY-
21 MENT WITH THE STATE, THE FOLLOWING BENEFITS SHALL BE PAID,
22 SUBJECT TO SUBSECTION (10):

23 (A) THE ACCUMULATED CONTRIBUTIONS STANDING TO THE MEMBER'S
24 ACCOUNT IN THE EMPLOYEES' SAVINGS FUND SHALL BE PAID TO SUCH
25 PERSON OR PERSONS AS THE MEMBER HAS NOMINATED BY WRITTEN DESIGNA-
26 TION DULY EXECUTED AND FILED WITH THE RETIREMENT BOARD, OR IF

1 THERE IS NO SUCH DESIGNATED PERSON OR PERSONS SURVIVING, THEN TO
2 THE MEMBER'S LEGAL REPRESENTATIVE OR ESTATE.

3 (B) A RETIREMENT ALLOWANCE OF $1/3$ OF THE FINAL COMPENSATION
4 OF THE DECEASED PERSON SHALL BE PAID TO THE SURVIVING SPOUSE TO
5 WHOM THE DECEASED PERSON WAS MARRIED AT THE TIME HE OR SHE LAST
6 TERMINATED EMPLOYMENT WITH THE STATE. IF A CHILD OR CHILDREN
7 UNDER THE AGE OF 18 YEARS ALSO SURVIVES THE DECEASED PERSON, EACH
8 SUCH CHILD SHALL RECEIVE AN ALLOWANCE OF AN EQUAL SHARE OF $1/4$ OF
9 THE DECEASED PERSON'S FINAL COMPENSATION. UPON THE MARRIAGE,
10 DEATH, OR ATTAINMENT OF AGE 18 YEARS OF ANY SUCH CHILD, THERE
11 SHALL BE A REDISTRIBUTION BY THE RETIREMENT BOARD TO THE DECEASED
12 PERSON'S REMAINING CHILDREN UNDER AGE 18 YEARS.

13 (C) IF THERE IS NO SURVIVING SPOUSE OR IF THE SURVIVING
14 SPOUSE DIES BEFORE THE YOUNGEST SURVIVING CHILD OF THE DECEASED
15 PERSON REACHES THE AGE OF 18 YEARS, THEN EACH SUCH CHILD UNDER
16 AGE 18 SHALL EACH RECEIVE AN ALLOWANCE EQUAL TO $1/4$ OF THE
17 DECEASED PERSON'S FINAL COMPENSATION, BUT THE TOTAL SO PAID IN
18 ANY YEAR TO THE CHILDREN OF A DECEASED PERSON SHALL NOT EXCEED
19 $1/2$ OF HIS OR HER FINAL COMPENSATION. IF THERE ARE MORE THAN 2
20 SUCH SURVIVING CHILDREN UNDER AGE 18 YEARS, EACH SUCH CHILD SHALL
21 RECEIVE AN ALLOWANCE OF AN EQUAL SHARE OF $1/2$ OF THE DECEASED
22 PERSON'S FINAL COMPENSATION. UPON THE MARRIAGE, DEATH, OR
23 ATTAINMENT OF AGE 18 YEARS OF ANY SUCH CHILD, THE CHILD'S ALLOW-
24 ANCE SHALL TERMINATE AND THERE SHALL BE A REDISTRIBUTION BY THE
25 RETIREMENT BOARD TO ANY REMAINING ELIGIBLE CHILDREN OF THE
26 DECEASED UNDER AGE 18, BUT A CHILD SHALL NOT RECEIVE AN ALLOWANCE
27 MORE THAN $1/4$ OF THE DECEASED PERSON'S FINAL COMPENSATION.

1 (D) IF THERE IS NEITHER A SPOUSE NOR A CHILD UNDER AGE 18
2 YEARS SURVIVING THE DECEASED PERSON, THEN THERE SHALL BE PAID TO
3 EACH PARENT OF THE DECEASED PERSON WHOM THE RETIREMENT BOARD
4 AFTER INVESTIGATION DETERMINES TO HAVE BEEN ACTUALLY DEPENDENT
5 UPON THE DECEASED PERSON, THROUGH ABSENCE OF EARNING POWER DUE TO
6 DISABILITY, AN ALLOWANCE OF 1/6 OF THE DECEASED PERSON'S FINAL
7 COMPENSATION.

8 (10) THE TOTAL OF THE RETIREMENT ALLOWANCES PAYABLE UNDER
9 SUBSECTION (9) ON ACCOUNT OF THE DEATH OF A MEMBER WHO AT THE
10 TIME OF DEATH WAS A CONSERVATION OFFICER, WHEN ADDED TO THE STAT-
11 UTORY WORKER'S COMPENSATION BENEFITS PAYABLE IN THE DECEASED
12 RETIRANT'S CASE, SHALL NOT EXCEED THE MEMBER'S AVERAGE ANNUAL
13 COMPENSATION FOR THE MEMBER'S LAST 2 YEARS OF SERVICE AS A CON-
14 SERVATION OFFICER.