

# HOUSE BILL NO. 5834

February 23, 2022, Introduced by Reps. Sowerby, Weiss, Brenda Carter, Sabo, Clemente, Coleman, Haadsma, Hope, Breen, Stone, Cherry, Steenland, Neeley, Brabec, Garza, Liberati, O'Neal, Pohutsky, Steckloff, Cavanagh, Rabhi, Tyrone Carter, Manoogian, Cynthia Johnson, Bolden, Kuppa, Rogers, Ellison, Peterson, Aiyash, Scott, Thanedar, Shannon, Koleszar, Young, Hood, Tate, Morse, Hertel, Brixie, Jones and Whitsett and referred to the Committee on Appropriations.

A bill to amend 1986 PA 182, entitled  
"State police retirement act of 1986,"  
by amending section 4 (MCL 38.1604), as amended by 2018 PA 674, and  
by adding section 24c.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1           Sec. 4. (1) "Member", except where the context otherwise  
2 requires, means ~~an~~**either of the following:**  
3           **(a) An** employee of the department of state police who has

1 subscribed to the constitutional oath of office.

2 **(b) A conservation officer described in section 55(3) of the**  
3 **state employees' retirement act, 1943 PA 240, MCL 38.55.**

4 (2) "Officer" means a nonexclusively represented member of the  
5 retirement system.

6 (3) "Qualified participant" means an individual who first  
7 becomes a member on or after June 10, 2012 and who is also a  
8 participant of Tier 2.

9 (4) "Regular interest" means a rate or rates per annum,  
10 compounded annually, as the retirement board determines. For the  
11 purposes of employee refunds, the interest rate payable must not  
12 exceed 4% per annum, compounded annually.

13 (5) "Retirant" means a member who separates from service and  
14 retires with a retirement allowance payable from the appropriate  
15 reserve of the retirement system.

16 (6) "Retirement allowance" means the annual amount, payable  
17 monthly, to which a retirant, retirement allowance beneficiary, or  
18 refund beneficiary is entitled under this act.

19 (7) "Retirement allowance beneficiary" means a person who is  
20 being paid or has entitlement to the payment of a retirement  
21 allowance in the event of the death of a member, deferred member,  
22 or retirant.

23 (8) "Retirement board" means the retirement board created in  
24 section 6.

25 (9) "Retirement system" means the system of benefits for  
26 members and qualified participants of the department of state  
27 police and their survivors and beneficiaries provided by this act.

28 (10) "Surviving spouse" means the spouse at the time of death  
29 of the member or retirant.

1 (11) "Tier 1" means the retirement plan available to a member  
2 under this act.

3 (12) "Tier 2" means the retirement plan established pursuant  
4 to section 401(k) of the internal revenue code, 26 USC 401, that is  
5 available to qualified participants under sections 62 to 74.

6 **Sec. 24c. (1) Subject to subsection (5), the retirement system**  
7 **shall grant service under this act for service rendered under the**  
8 **state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69, to**  
9 **a member who is an individual described in section 55(2)(a) of the**  
10 **state employees' retirement act, 1943 PA 240, MCL 38.55, if the**  
11 **member pays to the retirement system an amount equal to the**  
12 **actuarial value of the service as determined by the retirement**  
13 **system's actuary.**

14 (2) Service under the state employees' retirement act, 1943 PA  
15 240, MCL 38.1 to 38.69, is not creditable toward retirement under  
16 this act if the member is or will be receiving a retirement  
17 allowance for the same service from another retirement system.

18 (3) A member described in subsection (1) is not required to do  
19 either of the following:

20 (a) Purchase any service credit under this section for service  
21 rendered under the state employees' retirement act, 1943 PA 240,  
22 MCL 38.1 to 38.69.

23 (b) If the member does purchase service credit under this  
24 section for service rendered under the state employees' retirement  
25 act, 1943 PA 240, MCL 38.1 to 38.69, purchase all of the service  
26 rendered under the state employees' retirement act, 1943 PA 240,  
27 MCL 38.1 to 38.69.

28 (4) After May 28, 2024 at 5 p.m. Eastern Daylight Saving Time,  
29 a member is not eligible to initiate service credit purchase under

1 this section. A member has 5 years after the date of initiating  
2 service credit purchase under this section to complete payment. If  
3 a member does not complete purchasing service credit within 5 years  
4 after the date of initiating the purchase, the member will not be  
5 granted service credit under this section. A member may purchase  
6 service under this section in 1 or more of the following manners:

7 (a) Tax deferred payments, in a form and manner as determined  
8 by the retirement system.

9 (b) Additional payments, in a form and manner as determined by  
10 the retirement system.

11 (5) The retirement system shall establish a method to  
12 implement the payments under subsection (4).

13 (6) For purposes of vesting under section 42b, a member is  
14 granted service under this act for service rendered under the state  
15 employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69, even if  
16 the member did not purchase service under this section.

17 Enacting section 1. This amendatory act does not take effect  
18 unless Senate Bill No. \_\_\_\_ or House Bill No. 5833 (request no.  
19 02241'21) of the 101st Legislature is enacted into law.