

Act No. 123
Public Acts of 1998
Approved by the Governor
June 9, 1998
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STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

Introduced by Reps. Scranton, Dobb, Dobronski, Oxender, LeTarte, Godchaux, Stallworth, Geiger, Jelinek, Raczkowski, Birkholz, Jaye, Cassis and Perricone

ENROLLED HOUSE BILL No. 4943

AN ACT to amend 1980 PA 300, entitled "An act to provide a retirement system for the public school employees of this state; to create certain funds for this retirement system; to provide for the creation of a retirement board within the department of management and budget; to prescribe the powers and duties of the retirement board; to prescribe the powers and duties of certain state departments, agencies, officials, and employees; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending section 5 (MCL 38.1305), as amended by 1994 PA 272, and by adding section 43d.

The People of the State of Michigan enact:

Sec. 5. (1) "Member" means a public school employee, except that member does not include any of the following:

(a) A person enrolled in a neighborhood youth corps program operated with funds from the federal office of economic opportunity or a person enrolled in a comparable youth training program designed to prevent high school dropouts and rehabilitate high school dropouts operated by an intermediate school district.

(b) A person enrolled in a transitional public employment program and employed by a reporting unit.

(c) A person employed by a reporting unit while enrolled as a full-time student in that same reporting unit.

(d) A person who elects to participate in the optional retirement program under the optional retirement act of 1967, 1967 PA 156, MCL 38.381 to 38.388.

(e) A retirant of this retirement system.

(f) A person, not regularly employed by a reporting unit, who is employed by a reporting unit through a summer youth employment program established pursuant to the Michigan youth corps act, 1983 PA 69, MCL 409.221 to 409.229.

(g) A person, not regularly employed by a reporting unit, who is employed by a reporting unit to administer a program described in subdivision (f), (h), (i), (j), or (k).

(h) After September 30, 1983, a person, not regularly employed by a reporting unit, who is employed by a reporting unit through participation in a program established pursuant to the job training partnership act, Public Law 97-300, 96 Stat. 1322.

(i) A person, not regularly employed by a reporting unit, who is employed by a reporting unit through participation in a program established pursuant to the Michigan opportunity and skills training program, first established under sections 12 to 23 of 1983 PA 259.

(j) A person, not regularly employed by a reporting unit, who is employed by a reporting unit through participation in a program established pursuant to the Michigan community service corps program, first established under sections 25 to 35 of 1983 PA 259.

(k) A person, not regularly employed by a reporting unit, who is employed by a reporting unit through participation in a program established pursuant to the older American community service employment program under the older American community service employment act, title V of the older Americans act of 1965, Public Law 89-73, 42 U.S.C. 3056 to 3056i.

(l) A person, not regularly employed by a reporting unit, who is employed by a reporting unit in a temporary, intermittent, or irregular seasonal or athletic position and who is under the age of 19 years.

(2) "Membership service" means service performed after June 30, 1945.

(3) "Noncontributory plan" means the plan which began between July 1, 1974 and July 1, 1977, in which the reporting unit elected to discontinue withholding contributions from employees' compensation.

(4) "Noncontributory service" means credited service rendered under the noncontributory plan.

(5) "Nonteacher" means a person employed by a reporting unit who is not a teacher as defined in section 8(4).

Sec. 43d. (1) On or before December 31, 1998, or, if the notification described in subsection (4) is not received by July 1, 1998, then on or before the expiration of 180 days after the department receives that notification, a member who meets all of the following conditions may irrevocably elect to make the contributions described in section 43a(2) to the member investment plan:

(a) He or she was employed by a reporting unit on or after January 1, 1987 and before January 1, 1990.

(b) He or she had 1 year or less of credited service in effect on January 1, 1990.

(c) He or she did not elect to make contributions to the member investment plan.

(d) He or she was not a member during the period that members were eligible to make the election under section 43a(3).

(2) In addition to making the contributions required under section 43a(2), a member who elects to make contributions to the member investment plan under subsection (1) shall make a contribution equal to the sum of the following:

(a) 4% of the compensation received on or after January 1, 1987 to December 31, 1989.

(b) 3.9% of the compensation received on or after January 1, 1990 to the date of the election.

(c) An amount equal to the compound interest that would have accumulated on those contributions as described in section 33.

(d) An amount equal to the net actuarial cost of the additional benefits attributable to service credited before January 1, 1987, as determined by the retirement board.


(3) The method and timing of payment by a member under this section shall be determined by the retirement board. The contributions made under this section shall be deposited into the reserve for employee contributions.

(4) This section does not apply until the department receives notification from the United States internal revenue service that this section will not cause the retirement system not to be qualified for tax purposes under the internal revenue code.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.