

SENATE BILL No. 490

May 15, 2003, Introduced by Senators SANBORN, BASHAM, CASSIS, CHERRY, LELAND, VAN WOERKOM, KUIPERS, BARCIA, SCHAUER, THOMAS, CLARK-COLEMAN, BRATER, CLARKE, HAMMERSTROM, SCOTT, SWITALSKI, TOY, JACOBS and JELINEK and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1851 PA 156, entitled

"An act to define the powers and duties of the county boards of commissioners of the several counties, and to confer upon them certain local, administrative and legislative powers; and to prescribe penalties for the violation of the provisions of this act,"

by amending section 12a (MCL 46.12a), as amended by 2002 PA 730.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12a. (1) A county board of commissioners at a lawfully
2 held meeting may do 1 or more of the following:

3 (a) Provide group life, health, accident and hospitalization,
4 and disability coverage for a county employee, retired employee,
5 or an employee of an office, board, or department of the county,
6 including the board of county road commissioners, and a dependent
7 of an employee, either with or without cost participation by the
8 employee, and appropriate the necessary funds for the insurance.
9 For a county with 100 employees or more, self-insure for health,

1 accident and hospitalization, and group disability coverage for a
2 county employee, retired employee, or an employee of an office,
3 board, or department of the county, including the board of county
4 road commissioners, and a dependent of an employee, either with
5 or without cost participation by the employee, and appropriate
6 the necessary funds.

7 (b) Adopt and establish a plan by which the county purchases
8 or participates in the cost of an endowment policy or retirement
9 annuity for a county employee or an employee of an office, board,
10 or department of the county, including the board of county road
11 commissioners, to provide monthly pension or retirement benefits
12 for each employee 60 years of age or older in an amount not to
13 exceed \$150.00 per month or 2% of the average monthly earnings of
14 the employee for 5 years immediately before retirement times the
15 years of service of the employee, whichever is the lesser sum.
16 As an option, a county board of commissioners may adopt and
17 establish a plan by which the county pays pension or retirement
18 benefits to a county employee or an employee of an office, board,
19 or department of the county, including the board of county road
20 commissioners, who has been employed for not less than 25 years,
21 or who is 60 years of age or older and has been employed for not
22 less than 5 years, in monthly payments not to exceed 2.5% of the
23 employee's highest average monthly compensation or earnings
24 received from the county or county road fund for 5 years of
25 service times the total number of years of service of the
26 employee, including a fraction of a year, not to exceed 3/4 of
27 the average final compensation of the employee. A plan may also

1 pay early retirement benefits at 55 years of age or older to the
2 extent of actuarially equivalent benefits not increasing the
3 costs of the plan. Except as provided in subsection (27),
4 endowment policies, retirement benefits, pensions, or annuity
5 retirement benefits in excess of the amounts stipulated in this
6 subdivision may be provided for by a plan of employee
7 participation to cover the cost of the excess. If the employment
8 or the pension or retirement benefits of an employee who
9 participated in the cost of pension or retirement benefits are
10 terminated before the employee receives pension or retirement
11 benefits equal to the total amount of the employee's
12 participation, the balance of the total participation shall be
13 refunded to the employee at the time of termination, if living,
14 or if deceased, to the employee's heir, estate, legal
15 representative, or designated beneficiary as provided in the plan
16 adopted and established by the county board of commissioners. If
17 a terminated employee is subsequently rehired by the county, the
18 employee may repay the amount of participation refunded to the
19 employee upon the employee's termination, together with compound
20 interest from the date of refund to the dates of repayment at the
21 rates provided in the plan. As conditions for repayment, the
22 plan may require return to employment for a period not to exceed
23 3 years and may require that repayment be completed within a
24 period of not less than 1 year following return to employment. A
25 plan adopted for the payment of retirement benefits or a pension
26 shall grant benefits to an employee eligible for pension or
27 retirement benefits according to a uniform scale for all persons

1 in the same general class or classification. An employee shall
2 not be denied benefits by termination of his or her employment
3 after the employee becomes eligible for benefits under the plan
4 and this section. An endowment policy or annuity purchased
5 pursuant to this section shall be purchased from an insurer
6 authorized to write endowment policies or annuities in this
7 state.

8 (2) In a plan adopted under this section, at least 60% of the
9 total pension or retirement benefit granted to an employee from
10 county funds shall consist of a percentage not to exceed 2.5% of
11 the employee's average final compensation times the employee's
12 years of service and shall be granted to each employee eligible
13 for retirement under the plan uniformly and without restriction
14 or limitation other than those prescribed in this section. As
15 used in this section:

16 (a) "Average final compensation" means the annual average of
17 the highest actual compensation received by a county employee,
18 other than a county employee who is a judge of a municipal court
19 of record subject to subsection (20) or a judge subject to
20 subsection (23), during a period of 5 consecutive years of
21 service contained within the employee's 10 years of service
22 immediately before the employee's retirement or a period of 5
23 years of service as specified in the plan. In a county that
24 adopts a plan for granting longevity pay, the county board of
25 commissioners may exclude this longevity pay from average final
26 compensation for the purpose of computing the rate of employee
27 contribution and the amount of benefits payable to an employee

1 upon retirement.

2 (b) "Longevity pay" means increments of compensation payable
3 at annual or semiannual intervals and based upon years of service
4 to the county, exclusive of compensation provided for a given
5 class of positions.

6 (3) A circuit court stenographer is eligible for membership
7 in, and the benefits of, a pension or retirement benefit under a
8 plan established pursuant to this section, or a social security
9 plan established by the county or 1 of the counties that pays a
10 portion of the compensation of a circuit court stenographer.

11 (4) If the employment of a county employee eligible to
12 receive a pension or retirement benefit under a plan established
13 pursuant to this section is terminated after the employee has
14 completed 8 or more years of service in county employment, the
15 employee shall receive the amount of pension or retirement
16 benefit to which the employee's service would have entitled the
17 employee under the plan established, if the employee waives the
18 employee's right to a refund of the employee's total
19 participation upon the termination of employment. The payment of
20 pension or retirement benefits shall begin, as provided in the
21 plan, after the employee would have become eligible for
22 retirement under the plan had the employee's employment not been
23 terminated, but not later than 90 days after the employee becomes
24 65 years of age. The payment of pension or retirement benefits
25 shall not begin until the employee has applied for pension or
26 retirement benefits in the manner prescribed in the plan
27 established.

1 (5) A plan established under this section may provide for
2 pension or retirement benefits for a county employee who becomes
3 totally disabled for work in the county service from any cause,
4 after not less than 10 years of county employment, to the extent
5 of the limitations provided in this section. A plan may also
6 provide for pension or retirement benefits to the extent of the
7 limitations provided in this section or \$400.00 per month,
8 whichever is the greater sum, for an employee who becomes totally
9 disabled for work in the county service from causes that are the
10 direct and proximate result of county employment, to continue for
11 the duration of the disability or until the employee becomes
12 eligible for retirement pursuant to other provisions of the plan
13 authorized by this section. A plan may also provide for pension
14 or retirement benefits, to the extent of the limitations provided
15 in this section, for the actual dependents of a county employee
16 who dies while still employed by the county after not less than
17 10 years of county employment, or who dies after leaving county
18 employment with not less than the number of years of service
19 required to vest in the plan but before becoming eligible to
20 receive a pension or retirement benefit. A plan may also provide
21 for pension or retirement benefits to the extent of the
22 limitations provided in this section or \$400.00 per month,
23 whichever is greater, for the actual dependents of a deceased
24 county employee whose death is the direct and proximate result of
25 county employment. The plan may provide that the period from the
26 end of the deceased or disabled employee's period of service to
27 the date that employee would have become eligible for retirement

1 be used as service for the sole purpose of computing the amount
2 of disability or death pension.

3 (6) As used in this section, "county employee" includes a
4 bailiff of the district court in the thirty-sixth district who
5 serves pursuant to section 8322 of the revised judicature act of
6 1961, 1961 PA 236, MCL 600.8322, and a person who receives more
7 than 50% of all compensation for personal services, rendered to
8 governmental units, from a county fund or county road fund,
9 except a person, other than a bailiff of the district court in
10 the thirty-sixth district, engaged for special services on a
11 contract or fee basis. Until December 31, 1979, a plan adopted
12 under this section may include as a county employee a person on
13 leave of absence from county employment who is not a member of
14 another retirement system except as a retirant and who pays or
15 arranges payment of contributions equal to the contributions that
16 would have been required to be paid under the plan by both the
17 county and the employee, based upon the compensation the employee
18 would have received from the county, if the employee had not
19 taken a leave of absence or a person who complies with the
20 requirements of such a provision approved for inclusion in a plan
21 by the county board of commissioners before January 1, 1976, who
22 shall be considered to be a county employee during the period of
23 compliance. A plan adopted under this section may exclude a
24 person who is employed on a temporary basis and a person employed
25 in a position normally requiring less than 1,000 hours, or some
26 lesser specified number of hours, work per year. A bailiff
27 serving in the district court in the thirty-sixth district is

1 eligible to receive benefits under this section if a plan has
2 been established by law by which the cost of benefits is payable
3 from sources including charges on all legal instruments in which
4 the service of process by a bailiff is required and earmarked by
5 law for benefits, and contributions made by the city of Detroit
6 and each bailiff pursuant to section 8322(6) of the revised
7 judicature act of 1961, 1961 PA 236, MCL 600.8322. The plan
8 shall include provisions by which a bailiff or former bailiff who
9 served as bailiff as of January 1, 1967, may retire after 25
10 years of service regardless of age, with maximum benefits to be
11 computed as follows: starting as of January 1, 1969, the average
12 of any 5 years of earnings of the previous 10 years served in
13 succession before retirement multiplied by 1.9% times the years
14 of service; starting as of June 1, 1975, the average of any 5
15 years of earnings multiplied by 2% times the years of service.
16 As used in this subsection, "earnings" means the salary and fees,
17 other than mileage, received by a bailiff pursuant to section
18 8322(5) of the revised judicature act of 1961, 1961 PA 236,
19 MCL 600.8322. The plan shall include provisions by which health,
20 accident, and hospitalization insurance premiums may be paid out
21 of the earnings of this fund. These payments shall be made at
22 the discretion of the pension board of trustees. A county that
23 has a retirement fund for bailiffs under this section shall
24 annually review the retirement fund and shall ensure that the
25 fund is maintained in an actuarially sound condition. Copies of
26 the actuarial reports shall be provided to the employer
27 designated under section 8274(2) or (3) of the revised judicature

1 act of 1961, 1961 PA 236, MCL 600.8274, and to the state court
2 administrator.

3 (7) An employee while receiving a pension or retirement
4 benefit because of disability, pursuant to this section, may be
5 considered as employed in the county service for the purpose of
6 retirement under this section.

7 (8) A county employee who is included by law in another
8 pension or retirement system by reason of the compensation the
9 employee receives from the county may be excluded from a plan
10 established under this section or included only to the extent of
11 the difference between benefits granted under this section and
12 the other pension or retirement system.

13 (9) The county board of commissioners, upon the request of a
14 county employee, by not less than a 3/5 vote may credit that
15 county employee with the amount of government service resulting
16 from employment with the United States government, except
17 military service, employment with a state, or employment with any
18 of their political subdivisions under the following conditions:

19 (a) Employment by the county occurred within 15 years
20 following the county employee's separation from service of the
21 last unit of government by which the county employee was
22 employed.

23 (b) Service rendered before the last break in service of more
24 than 15 years shall not be credited.

25 (c) Service that is recognized for the purpose of a deferred
26 retirement allowance under a retirement system or other
27 employer-funded retirement benefit plan, except for a retirement

1 benefit plan under the social security act, chapter 531, 49
2 Stat. 620, of the United States government, a state, or a
3 political subdivision of a state shall not be credited if the
4 county employee retired under a retirement system of the United
5 States government, a state, or any of their political
6 subdivisions or until the county employee irrevocably forfeits
7 the right to the deferred retirement allowance.

8 (d) The county employee deposits in the plan established
9 under this section an amount equal to the aggregate amount of
10 contributions the county employee would have made had the service
11 been acquired in the employ of the county, plus interest from the
12 dates the contributions would have been made to the date of
13 deposit, at rates determined by the county board of
14 commissioners. If records are insufficient or unavailable to
15 compute the exact amount of required deposit, the county board of
16 commissioners may estimate the amount.

17 (e) The county employee has 8 or more years of credited
18 service in county employment, has legal vesting in the county
19 plan, and deposits in the county employees' retirement system an
20 amount equal to the aggregate amount of contributions the
21 employer would have made had the government service being
22 credited under this section been acquired in the employ of the
23 county.

24 (10) A plan adopted under this section may provide for annual
25 or less frequent postretirement redetermination of a pension.
26 The redetermined amount of pension shall be not greater than the
27 amount of pension otherwise payable multiplied by the sum of 100%

1 and the percentage the county board of commissioners determines
2 appropriate for each full year, excluding a fraction of a year,
3 in the period from the effective date of payments of the pension
4 and the date as of which the redetermination is being made. The
5 redetermined amount shall not be less than the amount of pension
6 otherwise payable. A provision of this section that limits the
7 amount of a pension shall not apply to the operation of this
8 subsection redetermining the amount of a pension. As used in
9 this subsection, "the amount of pension otherwise payable" means
10 the amount of pension that would be payable without regard to
11 this subsection. The application of a provision redetermining
12 pension amounts may be restricted to pensions that have an
13 effective date of payment either before or after a specified
14 date.

15 (11) The cost of pension or retirement benefits for a county
16 employee under this section may be paid from the same fund from
17 which the employee receives compensation, and the county board of
18 commissioners may appropriate the necessary funds to carry out
19 the purposes of this section. If a county establishes a plan by
20 which the county pays pension or retirement benefits to an
21 employee pursuant to this section, the county, pursuant to
22 provisions for pension or retirement benefits that are
23 incorporated in the plan, shall establish and maintain reserves
24 on an actuarial basis in the manner provided in this subsection
25 sufficient to finance the pension and retirement and death
26 benefit liabilities under the plan and sufficient to pay the
27 pension and retirement and death benefits as they become due. A

1 county that adopts a retirement plan under this section and
2 establishes reserves on an actuarial basis shall maintain the
3 reserves as provided in this subsection. The reserves shall be
4 determined by an actuarial valuation and established and
5 maintained by yearly appropriations by the county and
6 contributions by employees. The reserves shall be established,
7 maintained, and funded to cover the pension and other benefits
8 provided for in the plan in the same manner and within the same
9 limits as to time as is provided for Benefit Program B in the
10 municipal employees retirement system described in former section
11 14 of the municipal employees retirement act of 1984, 1984
12 PA 427. These reserves are trust funds and shall not be used for
13 any other purpose than the payment of pension, retirement, and
14 other benefits and refunds of employee contributions pursuant to
15 the plan established in a county. An employee's contributions
16 shall be kept and accumulated in a separate fund and used only
17 for the payment of annuities and refunds to employees. This
18 subsection does not apply to a county that adopted a retirement
19 plan under this section and did not establish reserves on an
20 actuarial basis before October 11, 1947.

21 (12) If a county establishes a plan for the payment of
22 pension and retirement benefits to its employees pursuant to this
23 section, the county board of commissioners may provide for a
24 board of trustees to administer the plan and for the manner of
25 election or appointment of the members of the board of trustees.
26 The county board of commissioners may grant authority to the
27 board of trustees to fully administer and operate the plan and to

1 deposit, invest, and reinvest the funds and reserves of the plan
2 within the limitations prescribed by the county board of
3 commissioners in the plan. The county board of commissioners may
4 authorize the investment of funds of a county retirement plan
5 established under this section in anything in which the funds of
6 the state employees' retirement system or the funds of the
7 municipal employees retirement system may be invested, pursuant
8 to the state employees' retirement act, 1943 PA 240, MCL 38.1 to
9 38.69, and the municipal employees retirement act of 1984, 1984
10 PA 427, MCL 38.1501 to 38.1555. A county retirement plan
11 established under this section may provide for financing,
12 funding, and the payment of benefits in the same manner and to
13 the same extent as is provided for in the state employees'
14 retirement act, 1943 PA 240, MCL 38.1 to 38.69, and the municipal
15 employees retirement act of 1984, 1984 PA 427, MCL 38.1501 to
16 38.1555, may provide for and require contributions by county
17 employees, and may permit additional employee contributions on a
18 voluntary basis.

19 (13) Upon the approval of the county board of commissioners,
20 a member who entered the armed service of the United States
21 before June 1, 1980 or who entered the armed service of the
22 United States on or after June 1, 1980 during a time of war or
23 emergency condition as described in section 1 of 1965 PA 190,
24 MCL 35.61, may elect to receive credited service for not more
25 than 5 years of active military service. Credit for military
26 service shall be given upon request and payment to the retirement
27 system of an amount equal to 5% of the member's full-time or

1 equated full-time annual compensation for the year in which
2 payment is made multiplied by the number of years, and fraction
3 of a year, of credited service that the member elects to purchase
4 up to the maximum. Service shall not be credited if the service
5 is or would be credited under any other federal, state, or local
6 publicly supported retirement system, except for service that is
7 or would be credited under the federal government for services in
8 the reserve. Service shall not be credited under this subsection
9 until the member has the number of years of credited service
10 needed to vest under the plan. Only completed years and months
11 of armed service shall be credited under this subsection.

12 (14) A member who enters or entered any armed service of the
13 United States may purchase credited service for periods of
14 continuous active duty lasting 30 days or more, subject to the
15 following conditions:

16 (a) The county board of commissioners authorizes the purchase
17 of credited service under this subsection by an affirmative vote
18 of a majority of the members of the county board of
19 commissioners. The county board of commissioners shall establish
20 a written policy to implement the provisions of this subsection
21 in order to provide uniform application of this subsection to all
22 members of the plan.

23 (b) The member has at least the number of years of credited
24 service needed to vest under the plan, not including any credited
25 service purchased under this subsection and subsection (13).

26 (c) The member pays the plan 5% of the member's annual
27 compensation multiplied by the period of credited service being

1 purchased. As used in this subdivision, "annual compensation"
2 means the aggregate amount of compensation paid the member during
3 the 4 most recent calendar quarters for each of which the member
4 was credited 3/12 of a year of credited service.

5 (d) Fractional months of armed service shall not be
6 recognized for the purposes of this subsection.

7 (e) Armed service credited a member under subsection (13)
8 shall not be the basis of credited service under this section.

9 (f) Armed service credited a member under this subsection
10 shall not exceed either 5 years or the difference between 5 years
11 and the armed service credited the member under subsection (13).

12 (g) Credited service shall not be granted for periods of
13 armed service that are or could be used for obtaining or
14 increasing a benefit from another retirement system, except for
15 service that is or would be credited under the federal government
16 for services in the reserve.

17 (15) As used in this subsection, "transitional public
18 employment program" means a public service employment program in
19 the area of environmental quality, health care, education, public
20 safety, crime prevention and control, prison rehabilitation,
21 transportation, recreation, maintenance of parks, streets, and
22 other public facilities, solid waste removal, pollution control,
23 housing and neighborhood improvements, rural development,
24 conservation, beautification, veterans' outreach, or any other
25 area of human betterment and community improvement as part of a
26 program of comprehensive manpower services authorized,
27 undertaken, and financed pursuant to the former comprehensive

1 employment and training act of 1973, Public Law 93-203. A person
2 participating in a transitional public employment program shall
3 not be eligible for membership in a retirement system or pension
4 plan established under this section. If the person later becomes
5 a member of a retirement system or pension plan established under
6 this section within 12 months after the date of termination as a
7 participant in a transitional public employment program, service
8 credit shall be given for employment in the transitional public
9 employment program for purposes of determining a retirement
10 allowance upon the payment by the person and the person's
11 employer under the transitional public employment program from
12 funds provided under the former comprehensive employment and
13 training act of 1973, Public Law 93-203, as funds permit, to the
14 retirement system of the contributions, plus regular interest,
15 the person and the employer would have paid had the employment
16 been rendered in a position covered by this section. During the
17 person's employment in the transitional public employment
18 program, the person's employer shall provide an opportunity by
19 payroll deduction for the person to make his or her employee
20 contribution to the applicable pension system. To provide for
21 the eventual payment of the employer's contribution, the person's
22 employer shall during this same period place in reserve a
23 reasonable but not necessarily an actuarially determined amount
24 equal to the contributions that the employer would have paid to
25 the retirement system for those employees in the transitional
26 public employment program as if they were members under this
27 section, but only for that number of employees that the employer

1 determined would transfer from the transitional public employment
2 program into positions covered by this section. If the funds
3 provided under the former comprehensive employment and training
4 act of 1973, Public Law 93-203, are insufficient, the remainder
5 of the employer contributions shall be paid by the person's
6 current employer.

7 (16) Subsection (15) does not exclude the participant in a
8 transitional public employment program from the accident,
9 disability, or other benefits available to members of the
10 retirement system covered by this section.

11 (17) If a probate judge who is a member of a plan established
12 under this section contributes for 20 years or more, the county
13 board of commissioners may allow the probate judge to cease
14 further contributions.

15 (18) An employee of the circuit court in the third judicial
16 circuit, the common pleas court of the city of Detroit, or the
17 recorder's court of the city of Detroit who became an employee of
18 the state judicial council on September 1, 1981, and who was 44
19 years of age or older as of that date, and who will have
20 accumulated 25 or more years of service credit by September 1,
21 1987, shall continue to be eligible for membership in, and the
22 benefits of, a pension or retirement benefit plan established
23 pursuant to this section in the same manner as the employee was
24 eligible before September 1, 1981. A person who was an employee
25 of the circuit court in the third judicial circuit, the common
26 pleas court of the city of Detroit, or the recorder's court of
27 the city of Detroit on August 31, 1981, who last entered county

1 employment before November 2, 1956, who became an employee of the
2 state judicial council on September 1, 1981, and who accumulated
3 not less than 24 years of service credit by August 31, 1981,
4 shall continue to be eligible for membership in, and the benefits
5 of, a pension or retirement benefit plan established pursuant to
6 this section in the same manner as the employee was eligible
7 before September 1, 1981. An election to continue to be a member
8 of a pension or retirement benefit plan established pursuant to
9 this section as authorized by section 594(2) of the revised
10 judicature act of 1961, 1961 PA 236, MCL 600.594, as that section
11 read on February 8, 1985, or former section 36(2) of 1919 PA 369,
12 is not effective unless the employee has made the election in the
13 manner prescribed by those sections and has made the payments
14 required by those sections.

15 (19) A plan adopted under this section may provide that an
16 employee of the circuit court in the third judicial circuit, the
17 common pleas court of the city of Detroit, or the recorder's
18 court of the city of Detroit who is a member of the Wayne county
19 employees' retirement system on August 31, 1981, who becomes an
20 employee of the state judicial council and a member of the state
21 employees' retirement system on September 1, 1981, receive a
22 benefit based on the annual average of the highest actual
23 compensation received by the employee during a period of 5 years
24 of county or state service.

25 (20) Beginning September 1, 1981, for determining the
26 retirement benefit for a county employee who is a judge of a
27 municipal court of record pursuant to subsection (2), "average

1 final compensation" means the annual average of the highest
2 actual compensation received by the judge as additional salary
3 pursuant to former section 13(2) of 1919 PA 369, or section
4 9932(3) of the revised judicature act of 1961, 1961 PA 236,
5 MCL 600.9932, during a period of 5 years of service as specified
6 in the plan. This subsection shall not be construed to diminish
7 or impair an accrued financial benefit.

8 (21) Beginning September 1, 1981, for each county employee
9 who is a judge of a municipal court of record, or of the circuit
10 or district court, the sum of the average final compensation
11 determined for that county employee pursuant to this section and
12 the final salary determined for that county employee as a member
13 of the state of Michigan judges' retirement system created by
14 former 1951 PA 198, or as a member of the Michigan judges
15 retirement system created by the judges retirement act of 1992,
16 1992 PA 234, MCL 38.2101 to 38.2670, shall not exceed the
17 employee's total annual judicial salary payable from all sources
18 at the time of his or her retirement. This subsection shall not
19 be construed to diminish or impair an accrued financial benefit.

20 (22) Beginning September 1, 1981, for each county employee
21 who is a judge of the probate court, the sum of the average final
22 compensation calculated for that employee pursuant to this
23 section and the final salary calculated for that employee as a
24 member of the state of Michigan probate judges retirement system
25 created by former 1954 PA 165 or as a member of the Michigan
26 judges retirement system created by the judges retirement act of
27 1992, 1992 PA 234, MCL 38.2101 to 38.2670, shall not exceed the

1 employee's total annual judicial salary payable from all sources
2 at the time of his or her retirement. This subsection shall not
3 be construed to diminish or impair an accrued financial benefit.

4 (23) Beginning September 1, 1981, for determining a
5 retirement benefit pursuant to subsection (2) for a county
6 employee who is a judge who receives an annuity pursuant to
7 section 14(5) of former 1951 PA 198 or pursuant to section
8 503(2)(c) of the judges retirement act of 1992, 1992 PA 234,
9 MCL 38.2503, "average final compensation" means the difference
10 between the judge's total annual salary payable from all sources
11 on August 31, 1981, and the judge's state base salary payable on
12 August 31, 1981. This subsection shall not be construed to
13 diminish or impair an accrued financial benefit.

14 (24) Beginning January 1, 1983, the sum of the final salary
15 determined for each county employee who is a judge of the probate
16 court used as the basis for determining the judge's retirement
17 allowance as a member of a retirement system established pursuant
18 to this section and the salary or compensation figure used as the
19 basis for determining the judge's retirement allowance as a
20 member of the state of Michigan judges' retirement system created
21 by former 1951 PA 198 or as a member of the Michigan judges
22 retirement system created by the judges retirement act of 1992,
23 1992 PA 234, MCL 38.2101 to 38.2670, shall not exceed the judge's
24 total annual salary payable from all sources at the time of his
25 or her retirement. This subsection shall not be construed to
26 diminish or impair an accrued financial benefit.

27 (25) The county board of commissioners, upon the request of a

1 county employee, by not less than a 3/5 vote may credit that
2 county employee with the amount of membership service that the
3 county employee was previously credited with by the retirement
4 system established under this section under the following
5 conditions:

6 (a) The membership service previously credited to the county
7 employee was service rendered for the same county.

8 (b) Service that is recognized for the purpose of a deferred
9 retirement allowance under a retirement system or other
10 employer-funded retirement benefit plan, except for a retirement
11 benefit plan under the social security act, chapter 531, 49
12 Stat. 620, of the United States government, a state, or a
13 political subdivision of a state shall not be credited if the
14 county employee retired under a retirement system of the United
15 States government, a state, or any of their political
16 subdivisions or until the county employee irrevocably forfeits
17 the right to the deferred retirement allowance.

18 (c) The county employee deposits in the plan established
19 under this section an amount equal to the aggregate amount of
20 contributions the county employee made at the time of the
21 previous membership service plus interest from the date of
22 withdrawal of the accumulated contributions to the date of
23 deposit, at rates determined by the county board of
24 commissioners. If records are insufficient or unavailable to
25 compute the exact amount of required deposit, the county board of
26 commissioners may estimate the amount.

27 (d) The county employee deposits in the county employees'

1 retirement system an amount equal to the aggregate amount of
2 contributions the employer made at the time of the previous
3 membership service plus interest from the date of separation to
4 the date of deposit, at rates determined by the county board of
5 commissioners.

6 (26) A person participating in a program described in this
7 subsection is not eligible for membership in a retirement system
8 or pension plan established under this section. In addition,
9 that person shall not receive service credit for the employment
10 described in this subsection even though the person subsequently
11 becomes or has been a member of the retirement system. This
12 subsection applies to all of the following:

13 (a) A person, not regularly employed by the county, who is
14 employed by the county through participation in a program
15 established pursuant to the job training partnership act, Public
16 Law 97-300, 96 Stat. 1322.

17 (b) A person, not regularly employed by the county, who is
18 employed by the county through participation in a program
19 established pursuant to the Michigan opportunity and skills
20 training program, first established under sections 12 to 23 of
21 1983 PA 259.

22 (c) A person, not regularly employed by the county, who is
23 employed by the county through participation in a program
24 established pursuant to the Michigan community service corps
25 program, first established under sections 25 to 35 of 1983 PA 259
26 and sections 148 to 160 of 1984 PA 246.

27 (d) A person, not regularly employed by the county, who is

1 hired by the county to administer a program described in
2 subdivision (a), (b), or (c).

3 (27) If a county enters into a collective bargaining
4 agreement pursuant to 1947 PA 336, MCL 423.201 to 423.217, that
5 provides for retirement benefits that are in excess of the
6 retirement benefits otherwise authorized to be provided under
7 this section for employees of the county who are covered by a
8 plan under this section, then the county board of commissioners
9 may amend or adopt a plan under this section to provide those
10 benefits to employees who are members of the bargaining unit
11 covered by the agreement, and may, after December 31, 1987, amend
12 or adopt a plan under this section to provide those benefits to
13 other employees of the county.

14 (28) One of the following conditions applies to a retirant
15 who is receiving a pension or retirement benefit from a plan
16 under this section if the retirant becomes employed by a county
17 that has established a plan under this section:

18 (a) Payment of the pension or retirement benefit to the
19 retirant shall be suspended if the retirant is employed by the
20 county from which the retirant retired and the retirant does not
21 meet the requirements of subdivision (b) or (d). Suspension of
22 the payment of the pension or retirement benefit shall become
23 effective the first day of the calendar month that follows the
24 sixtieth day after the retirant is employed by the county.

25 Payment of the pension or retirement benefit shall resume on the
26 first day of the calendar month that follows termination of the
27 employment. Payment of the pension or retirement benefit shall

1 be resumed without change in amount or conditions by reason of
2 the employment. The retirant shall not be a member of the plan
3 during the period of employment.

4 (b) Payment of the pension or retirement benefit to the
5 retirant shall continue without change in amount or conditions by
6 reason of employment by the county from which the retirant
7 retired if all of the following requirements are met:

8 (i) The retirant meets 1 of the following requirements:

9 (A) For any retirant, is employed by the county for not more
10 than 1,000 hours in any 12-month period.

11 (B) For a retirant who was not an elected or appointed county
12 official at retirement, is elected or appointed as a county
13 official for a term of office that begins after the retirant's
14 retirement allowance effective date.

15 (C) For a retirant who was an elected or appointed county
16 official at retirement, is elected or appointed as a county
17 official to a different office from which the retirant retired
18 for a term of office that begins after the retirant's retirement
19 allowance effective date.

20 (D) For a retirant who was an elected or appointed county
21 official at retirement, is elected or appointed as a county
22 official to the same office from which the retirant retired for a
23 term of office that begins 2 years or more after the retirant's
24 retirement allowance effective date.

25 (ii) The retirant is not eligible for any benefits from the
26 county other than those required by law or otherwise provided to
27 the retirant by virtue of his or her being a retirant.

1 (iii) The retirant is not a member of the plan during the
2 period of reemployment, does not receive additional retirement
3 credits during the period of reemployment, and does not receive
4 any increase in pension or retirement benefits because of the
5 employment under this subdivision.

6 (c) Payment of the pension or retirement benefit to the
7 retirant shall continue without change in amount or conditions by
8 reason of the employment if the retirant becomes employed by a
9 county other than the county from which the retirant retired.
10 For the purposes of membership and potential benefit entitlement
11 under the plan of the other county, the retirant shall be
12 considered in the same manner as an individual with no previous
13 record of employment by that county.

14 (d) Payment of the pension or retirement benefit to the
15 retirant shall continue without change in amount or conditions by
16 reason of employment by the county from which the retirant
17 retired if the retirant was an employee of the state judicial
18 council on September 30, 1996, and becomes a county-paid employee
19 of the recorder's court of the city of Detroit or the third
20 judicial circuit of the circuit court on October 1, 1996.

21 (29) A county may increase the percentage of the highest
22 average monthly compensation or earnings that was used to
23 calculate the pension or retirement benefit under
24 subsection (1)(b) of a person receiving a pension or retirement
25 benefit under this section on the date the county increases the
26 percentage of compensation or earnings. The county shall
27 recalculate the pension or retirement benefit using the increased

1 percentage of compensation or earnings. The person receiving the
2 pension or retirement benefit is eligible to receive an adjusted
3 pension or retirement benefit based upon the recalculation
4 effective the first day of the month following the date the
5 county increases the percentage of compensation or earnings under
6 this subsection.

7 (30) The payment of pension or retirement benefits under a
8 plan established pursuant to this section is subject to an
9 eligible domestic relations order under the eligible domestic
10 relations order act, 1991 PA 46, MCL 38.1701 to 38.1711.

11 (31) If a county retirement plan established under this
12 section provides an optional form of payment of a retirement
13 allowance and if a retirant receiving a reduced retirement
14 allowance under that plan is divorced from the spouse who had
15 been named the retirant's survivor beneficiary, the election of a
16 reduced retirement allowance form of payment shall be considered
17 void by the retirement system if the judgment of divorce or award
18 or order of the court, or an amended judgment of divorce or award
19 or order of the court dated after July 18, 1991 provides that the
20 election of a reduced retirement allowance form of payment is to
21 be considered void by the retirement system and the retirant
22 provides a certified copy of the judgment of divorce or award or
23 order of the court, or an amended judgment of divorce or award or
24 order of the court, to the retirement system. If the election of
25 a reduced retirement allowance form of payment is considered void
26 by the retirement system under this subsection, the retirant's
27 retirement allowance shall revert to a straight life retirement

1 allowance, including postretirement adjustments, if any, subject
2 to an award or order of the court. The retirement allowance
3 shall revert to a straight life retirement allowance under this
4 subsection effective the first of the month after the date the
5 retirement system receives a certified copy of the judgment of
6 divorce or award or order of the court. This subsection does not
7 supersede a judgment of divorce or award or order of the court in
8 effect on July 18, 1991. This subsection does not require the
9 retirement system to distribute or pay retirement assets on
10 behalf of a retirant in an amount that exceeds the actuarially
11 determined amount that would otherwise become payable if a
12 judgment of divorce had not been rendered.

13 (32) ~~—A—~~ **If a** county board of commissioners of a county
14 ~~—having—~~ **that has** a population of more than 400,000 but less than
15 800,000 ~~—, which county—~~ has an employee credit union organized
16 under ~~—1925 PA 285, MCL 490.1 to 490.31,—~~ **the credit union act or**
17 **former 1925 PA 285, the county board of commissioners** may include
18 as a member of a plan under this section a past or present
19 employee of the credit union, if that past or present employee
20 has 5 or more years of service credit with that credit union on
21 or before June 30, 1990.

22 (33) The county board of commissioners shall establish a
23 written policy to implement the provisions of this section in
24 order to provide uniform application of this section to all
25 members of the plan.

26 Enacting section 1. This amendatory act does not take
27 effect unless Senate Bill No. 496

1 of the 92nd Legislature is enacted into
2 law.