

PSERS: SERVICE CREDIT FOR SERVICE ON MILITARY BASES AND AT DEFENSE DEPT. SCHOOLS

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Senate Bill 180

Sponsor: Sen. Tony Stamas
House Committee: Education
Senate Committee: Education

Complete to 6-7-05

A SUMMARY OF SENATE BILL 180 AS PASSED BY THE SENATE 4-21-05

The bill would amend the Public School Employees Retirement Act's definition of "out of system public education service" to include, beginning October 1, 2005, 1) service performed as an elementary or secondary teacher at a United States armed forces military base in the United States or a foreign country; and 2) service performed as a teacher or administrator of American nationals in overseas public elementary or secondary schools operated by the U. S. Department of Defense. In both cases, the bill would apply only if service was performed before January 31, 1991.

This would permit some members of the system to purchase service at a lower cost than through the universal buy-in method that would otherwise be required. System members had the ability to purchase the service described until January 31, 1991. The bill would restore that ability, but only for service performed before January 31, 1991.

MCL 38.1306

FISCAL IMPACT:

If the time being purchased is below actuarial rates, then there would be an indeterminate cost impact on PSERS. However, it would not appear that many members would be eligible.

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