

# HOUSE BILL No. 6497

September 29, 2010, Introduced by Reps. Nathan, Meadows, Slavens, Johnson, Jackson, Durhal, Cushingberry, Melton, Corriveau, Constan, Lipton and Rick Jones and referred to the Committee on Government Operations.

A bill to amend 1992 PA 234, entitled  
"The judges retirement act of 1992,"  
by amending section 105 (MCL 38.2105), as amended by 2008 PA 514.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 105. (1) Beginning January 1, 2002, except as otherwise  
2 provided in this subsection, "eligible retirement plan" means 1 or  
3 more of the following:

4       (a) An individual retirement account described in section  
5 408(a) of the internal revenue code, 26 USC 408.

6       (b) An individual retirement annuity described in section  
7 408(b) of the internal revenue code, 26 USC 408.

8       (c) An annuity plan described in section 403(a) of the  
9 internal revenue code, 26 USC 403.

1 (d) A qualified trust described in section 401(a) of the  
2 internal revenue code, 26 USC 401.

3 (e) An annuity contract described in section 403(b) of the  
4 internal revenue code, 26 USC 403.

5 (f) An eligible plan under section 457(b) of the internal  
6 revenue code, 26 USC 457, that is maintained by a state, political  
7 subdivision of a state, or an agency or instrumentality of a state  
8 or political subdivision of a state and that separately accounts  
9 for amounts transferred into such eligible plan under section  
10 457(b) of the internal revenue code, 26 USC 457, from this  
11 retirement system, that accepts the distributee's eligible rollover  
12 distribution.

13 (g) Beginning January 1, 2008, a Roth individual retirement  
14 account as described in section 408A of the internal revenue code,  
15 26 USC 408A, subject to the rules that apply to rollovers from a  
16 traditional individual retirement account to a Roth individual  
17 retirement account.

18 (2) Beginning January 1, 2007, "eligible rollover  
19 distribution" means a distribution of all or any portion of the  
20 balance to the credit of the distributee. Eligible rollover  
21 distribution does not include any of the following:

22 (a) A distribution made for the life or life expectancy of the  
23 distributee or the joint lives or joint life expectancies of the  
24 distributee and the distributee's designated beneficiary.

25 (b) A distribution for a specified period of 10 years or more.

26 (c) A distribution to the extent that the distribution is  
27 required under section 401(a)(9) of the internal revenue code, 26

1 USC 401.

2 (d) The portion of any distribution that is not includable in  
3 federal gross income, except to the extent such portion of the  
4 distribution is paid to either of the following:

5 (i) An individual retirement account or annuity described in  
6 section 408(a) or 408(b) of the internal revenue code, 26 USC 408.

7 (ii) A qualified plan described in section 401(a) of the  
8 internal revenue code, 26 USC 401, or an annuity contract described  
9 in section 403(b) of the internal revenue code, 26 USC 403, and the  
10 plan providers agree to separately account for the amounts paid,  
11 including any portion of the distribution that is includable in  
12 federal gross income, and the portion of the distribution which is  
13 not so includable.

14 (3) "Executive secretary" means the executive secretary of the  
15 retirement system as provided in section 205.

16 (4) Except as otherwise provided in this subsection, "final  
17 compensation" means the annual rate of compensation for the  
18 calendar year of retirement. For a member who retires on January 1,  
19 final compensation means the annual rate of compensation for the  
20 calendar year **OR YEARS** immediately preceding the date of  
21 retirement, **WHICHEVER IS APPLICABLE**. Final compensation does not  
22 include an amount that exceeds the maximum salary set forth for  
23 that particular member or vested former member in the revised  
24 judicature act, if applicable. For a member who is a judge and who  
25 performs judicial duties for a limited period or a specific  
26 assignment as authorized by the supreme court pursuant to section  
27 23 of article VI of the state constitution of 1963, **AND WHO RETIRES**

1 BEFORE OCTOBER 1, 2010, final compensation means the annual rate of  
2 compensation the member was being paid at the termination of his or  
3 her tenure in office as an elected judge. FOR A MEMBER WHO IS A  
4 JUDGE AND WHO RETIRES ON OR AFTER OCTOBER 1, 2010, FINAL  
5 COMPENSATION MEANS THE AVERAGE OF THE HIGHEST RATE OF COMPENSATION  
6 FOR A PERIOD OF 3 CONSECUTIVE YEARS OF EMPLOYMENT.

7 (5) "Former elected official" means a member who held a state  
8 elective office before membership in this retirement system, the  
9 former judges retirement system, or the former probate judges  
10 retirement system.

11 (6) "Former judges retirement system" means the state of  
12 Michigan judges' retirement system created by former 1951 PA 198.

13 (7) "Former probate judges retirement system" means the state  
14 of Michigan probate judges retirement system created by former 1954  
15 PA 165.