

HOUSE BILL No. 6081

November 30, 2016, Introduced by Rep. Poleski and referred to the Committee on Local Government.

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 2003 PA 219.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12a. (1) ~~A~~**SUBJECT TO SUBSECTION (34), A** county board of
2 commissioners at a lawfully held meeting may do 1 or more of the
3 following:

4 (a) Provide group life, health, accident and hospitalization,
5 and disability coverage for a county employee, **A** retired employee,
6 or an employee of an office, board, or department of the county,
7 including the board of county road commissioners, and a dependent
8 of an employee, either with or without cost participation by the
9 employee, and appropriate the necessary ~~funds~~**MONEY** for the

1 insurance. For a county with 100 employees or more, **THE COUNTY MAY**
2 **UNDER THIS SUBSECTION** self-insure for health, accident and
3 hospitalization, and group disability coverage for a county
4 employee, **A** retired employee, or an employee of an office, board,
5 or department of the county, including the board of county road
6 commissioners, and a dependent of an employee, either with or
7 without cost participation by the employee, and appropriate the
8 necessary funds.

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

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

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

8 (2) ~~In~~**SUBJECT TO SUBSECTION (34), IN** a plan adopted under
9 this section, at least 60% of the total pension or retirement
10 benefit granted to an employee from county funds ~~shall~~**MUST** consist
11 of a percentage not to exceed 2.5% of the employee's average final
12 compensation times the employee's years of service and ~~shall~~**MUST**
13 be granted to each employee eligible for retirement under the plan
14 uniformly and without restriction or limitation other than those
15 prescribed in this section. As 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 of
19 record subject to subsection (20) or a judge subject to subsection
20 (23), during a period of 5 consecutive years of service contained
21 within the employee's 10 years of service immediately before the
22 employee's retirement or a period of 5 years of service as
23 specified in the plan. In a county that adopts a plan for granting
24 longevity pay, the county board of commissioners may exclude this
25 longevity pay from average final compensation for the purpose of
26 computing the rate of employee contribution and the amount of
27 benefits payable to an employee ~~upon~~**ON** retirement.

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

5 (3) ~~A~~**SUBJECT TO SUBSECTION (34), A** circuit court stenographer
6 is eligible for membership in, and the benefits of, a pension or
7 retirement benefit under a plan established ~~pursuant to~~**UNDER** this
8 section, or a social security plan established by the county or 1
9 of the counties that pays a portion of the compensation of a
10 circuit court stenographer.

11 (4) ~~If~~**SUBJECT TO SUBSECTION (34), IF** the employment of a
12 county employee eligible to receive a pension or retirement benefit
13 under a plan established ~~pursuant to~~**UNDER** this section is
14 terminated after the employee has completed 8 or more years of
15 service in county employment, the employee ~~shall~~**MUST** receive the
16 amount of pension or retirement benefit to which the employee's
17 service would have entitled the employee under the plan
18 established, if the employee waives the employee's right to a
19 refund of the employee's total participation ~~upon~~**ON** the
20 termination of employment. The payment of pension or retirement
21 benefits ~~shall~~**MUST** begin, as provided in the plan, after the
22 employee would have become eligible for retirement under the plan
23 had the employee's employment not been terminated, but not later
24 than 90 days after the employee becomes 65 years of age. The
25 payment of pension or retirement benefits ~~shall~~**MUST** not begin
26 until the employee has applied for pension or retirement benefits
27 in the manner prescribed in the plan established.

1 (5) ~~A-SUBJECT TO SUBSECTION (34), A~~ plan established under
 2 this section may provide for pension or retirement benefits for a
 3 county employee who becomes totally disabled for work in the county
 4 service from any cause, after not less than 10 years of county
 5 employment, to the extent of the limitations provided in this
 6 section. ~~A-SUBJECT TO SUBSECTION (34), A~~ plan may also provide for
 7 pension or retirement benefits to the extent of the limitations
 8 provided in this section or \$400.00 per month, whichever is the
 9 greater ~~sum,~~ **AMOUNT**, for an employee who becomes totally disabled
 10 for work in the county service from causes that are the direct and
 11 proximate result of county employment, to continue for the duration
 12 of the disability or until the employee becomes eligible for
 13 retirement ~~pursuant to~~ **UNDER** other provisions of the plan
 14 authorized by this section. A plan may also provide for pension or
 15 retirement benefits, to the extent of the limitations provided in
 16 this section, for the actual dependents of a county employee who
 17 dies while still employed by the county after not less than 10
 18 years of county employment, or who dies after leaving county
 19 employment with not less than the number of years of service
 20 required to vest in the plan but before becoming eligible to
 21 receive a pension or retirement benefit. ~~A-SUBJECT TO SUBSECTION~~
 22 **(34), A** plan may also provide for pension or retirement benefits to
 23 the extent of the limitations provided in this section or \$400.00
 24 per month, whichever is greater, for the actual dependents of a
 25 deceased county employee whose death is the direct and proximate
 26 result of county employment. ~~The~~ **SUBJECT TO SUBSECTION (34), THE**
 27 plan may provide that the period from the end of the deceased or

1 disabled employee's period of service to the date that employee
2 would have become eligible for retirement ~~be~~**IS** used as service for
3 the sole purpose of computing the amount of disability or death
4 pension.

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

1 hours, work per year. A bailiff serving in the district court in
2 the thirty-sixth district is eligible to receive benefits under
3 this section if a plan has been established by law by which the
4 cost of benefits is payable from sources including charges on all
5 legal instruments in which the service of process by a bailiff is
6 required and earmarked by law for benefits, and contributions made
7 by the city of Detroit and each bailiff ~~pursuant to~~ **UNDER** section
8 8322(6) of the revised judicature act of 1961, 1961 PA 236, MCL
9 600.8322. The plan ~~shall include provisions by which~~ **MUST PROVIDE**
10 **THAT** a bailiff or former bailiff who served as bailiff as of
11 January 1, 1967, may retire after 25 years of service regardless of
12 age, with maximum benefits to be computed as follows: starting as
13 of January 1, 1969, the average of any 5 years of earnings of the
14 previous 10 years served in succession before retirement multiplied
15 by 1.9% times the years of service; starting as of June 1, 1975,
16 the average of any 5 years of earnings multiplied by 2% times the
17 years of service. As used in this subsection, "earnings" means the
18 salary and fees, other than mileage, received by a bailiff ~~pursuant~~
19 ~~to~~ **UNDER** section 8322(5) of the revised judicature act of 1961,
20 1961 PA 236, MCL 600.8322. ~~The~~ **SUBJECT TO SUBSECTION (34), THE** plan
21 ~~shall include provisions by which~~ **MUST PROVIDE THAT** health,
22 accident, and hospitalization insurance premiums may be paid out of
23 the earnings of this fund. These payments ~~shall~~ **MUST** be made at the
24 discretion of the pension board of trustees. A county that has a
25 retirement fund for bailiffs under this section shall annually
26 review the retirement fund and shall ensure that the fund is
27 maintained in an actuarially sound condition. Copies of the

1 actuarial reports ~~shall~~**MUST** be provided to the employer designated
2 under section 8274(2) or (3) of the revised judicature act of 1961,
3 1961 PA 236, MCL 600.8274, and to the state court administrator.

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

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

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

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

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

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

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

8 (d) The county employee deposits in the plan established under
9 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~~ **WHILE EMPLOYED BY** the county, plus
12 interest from the dates the contributions would have been made to
13 the date of 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~~ **IS VESTED** in the
19 county plan, and deposits in the county employees' retirement
20 system an amount equal to the aggregate amount of contributions the
21 employer would have made had the government service being credited
22 under this section been acquired ~~in the employ of~~ **WHILE EMPLOYED BY**
23 the county.

24 (10) A plan adopted under this section may provide for annual
25 or less frequent postretirement redetermination of a pension. The
26 redetermined amount of pension ~~shall~~ **MUST** 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, in
3 the period from the effective date of payments of the pension and
4 the date ~~as of which~~ **THAT** the redetermination is being made. The
5 redetermined amount ~~shall~~ **MUST** not be less than the amount of
6 pension otherwise payable. A provision of this section that limits
7 the amount of a pension ~~shall~~ **DOES** not apply to the operation of
8 this 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 this
11 subsection. The application of a provision redetermining pension
12 amounts may be restricted to pensions that have an effective date
13 of payment either before or after a specified date.

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

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

19 (12) If a county establishes a plan for the payment of pension
20 and retirement benefits to its employees ~~pursuant to~~**UNDER** this
21 section, the county board of commissioners may provide for a board
22 of trustees to administer the plan and for the manner of election
23 or appointment of the members of the board of trustees. The county
24 board of commissioners may grant authority to the board of trustees
25 to fully administer and operate the plan and to deposit, invest,
26 and reinvest the funds and reserves of the plan within the
27 limitations prescribed by the county board of commissioners in the

1 plan. The county board of commissioners may authorize the
 2 investment of funds of a county retirement plan established under
 3 this section in anything in which the funds of the state employees'
 4 retirement system or the funds of the municipal employees
 5 retirement system may be invested, ~~pursuant to~~ **UNDER** the state
 6 employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69, and the
 7 municipal employees retirement act of 1984, 1984 PA 427, MCL
 8 38.1501 to 38.1555. ~~A~~ **SUBJECT TO SUBSECTION (34), A** county
 9 retirement plan established under this section may provide for
 10 financing, funding, and the payment of benefits in the same manner
 11 and to the same extent as is provided for in the state employees'
 12 retirement act, 1943 PA 240, MCL 38.1 to 38.69, and the municipal
 13 employees retirement act of 1984, 1984 PA 427, MCL 38.1501 to
 14 38.1555, may provide for and require contributions by county
 15 employees, and may permit additional employee contributions on a
 16 voluntary basis.

17 (13) ~~Upon~~ **ON** the approval of the county board of
 18 commissioners, a member who entered the armed service of the United
 19 States before June 1, 1980 or who entered the armed service of the
 20 United States ~~on or after June 1,~~ **MAY 31,** 1980 during a time of war
 21 or emergency condition as described in section 1 of 1965 PA 190,
 22 MCL 35.61, **AS THAT SECTION READ ON SEPTEMBER 19, 2016,** may elect to
 23 receive credited service for not more than 5 years of active
 24 military service. Credit for military service ~~shall~~ **MUST** be given
 25 ~~upon~~ **ON** request and payment to the retirement system of an amount
 26 equal to 5% of the member's full-time or equated full-time annual
 27 compensation for the year in which payment is made multiplied by

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

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

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

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

24 (c) The member pays the plan 5% of the member's annual
25 compensation multiplied by the period of credited service being
26 purchased. As used in this subdivision, "annual compensation" means
27 the aggregate amount of compensation paid the member during the 4

1 most recent calendar quarters for each of which the member was
2 credited 3/12 of a year of credited service.

3 (d) Fractional months of armed service ~~shall~~**IS** not be
4 recognized for the purposes of this subsection.

5 (e) Armed service credited a member under subsection (13)
6 ~~shall~~**IS** not be the basis of credited service under this section.

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

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

16 (15) As used in this subsection, "transitional public
17 employment program" means a public service employment program in
18 the area of environmental quality, health care, education, public
19 safety, crime prevention and control, prison rehabilitation,
20 transportation, recreation, maintenance of parks, streets, and
21 other public facilities, solid waste removal, pollution control,
22 housing and neighborhood improvements, rural development,
23 conservation, beautification, veterans' outreach, or any other area
24 of human betterment and community improvement as part of a program
25 of comprehensive manpower services authorized, undertaken, and
26 financed ~~pursuant to~~**UNDER** the former comprehensive employment and
27 training act of 1973, Public Law 93-203. A person participating in

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

1 this section. If the ~~funds~~ **MONEY** provided under the former
2 comprehensive employment and training act of 1973, Public Law 93-
3 203, ~~are~~ **IS** insufficient, **THE PERSON'S CURRENT EMPLOYER SHALL PAY**
4 the remainder of the employer contributions. ~~shall be paid by the~~
5 ~~person's current employer.~~

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

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

14 (18) An employee of the circuit court in the third judicial
15 circuit, the common pleas court of the city of Detroit, or the
16 recorder's court of the city of Detroit who became an employee of
17 the state judicial council on September 1, 1981, and who was 44
18 years of age or older as of that date, and who will have
19 accumulated 25 or more years of service credit by September 1,
20 1987, ~~shall continue~~ **CONTINUES** to be eligible for membership in,
21 and the benefits of, a pension or retirement benefit plan
22 established ~~pursuant to~~ **UNDER** this section in the same manner as
23 the employee was eligible before September 1, 1981. A person who
24 was an employee of the circuit court in the third judicial circuit,
25 the common pleas court of the city of Detroit, or the recorder's
26 court of the city of Detroit on August 31, 1981, who last entered
27 county employment before November 2, 1956, who became an employee

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

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

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

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

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

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

1 sources at the time of his or her retirement. This subsection shall
2 not be construed to diminish or impair an accrued financial
3 benefit.

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

14 (24) Beginning January 1, 1983, the sum of the final salary
15 determined for ~~each~~ **A** 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~~ **UNDER** this section and the salary or compensation figure used as
19 the 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~~ **MUST** not exceed the
24 judge's total annual salary payable from all sources at the time of
25 his 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~~ **ON** the request of

1 a county employee, by not less than a 3/5 vote may credit ~~that~~ **THE**
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 employer-
10 funded retirement benefit plan, except for a retirement benefit
11 plan under the social security act, chapter 531, 49 Stat. 620, of
12 the United States government, a state, or a political subdivision
13 of a state ~~shall~~ **IS** not ~~be~~ credited if the county employee retired
14 under a retirement system of the United States government, a state,
15 or any of their political subdivisions or until the county employee
16 irrevocably forfeits the right to the deferred retirement
17 allowance.

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

26 (d) The county employee deposits in the county employees'
27 retirement system an amount equal to the aggregate amount of

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

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

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

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

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

26 (d) A person, not regularly employed by the county, who is
27 hired by the county to administer a program described in

1 subdivision (a), (b), or (c).

2 (27) ~~If~~ **SUBJECT TO SUBSECTION (34), IF** a county enters into a
 3 collective bargaining agreement ~~pursuant to~~ **UNDER** 1947 PA 336, MCL
 4 423.201 to 423.217, that provides for retirement benefits that are
 5 in excess of the retirement benefits otherwise authorized ~~to be~~
 6 ~~provided~~ under this section for employees of the county who are
 7 covered by a plan under this section, ~~then~~ the county board of
 8 commissioners may amend or adopt a plan under this section to
 9 provide those benefits to employees who are members of the
 10 bargaining unit covered by the agreement, and may, after December
 11 31, 1987, amend or adopt a plan under this section to provide those
 12 benefits to other employees of the county.

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

17 (a) Payment of the pension or retirement benefit to the
 18 retirant ~~shall~~ **MUST** be suspended if the retirant is employed by the
 19 county from which the retirant retired and the retirant does not
 20 meet the requirements of subdivision (b) or (d). Suspension of the
 21 payment of the pension or retirement benefit ~~shall become~~ **IS**
 22 effective the first day of the calendar month that follows the
 23 sixtieth day after the retirant is employed by the county. Payment
 24 of the pension or retirement benefit ~~shall~~ **MUST** resume on the first
 25 day of the calendar month that follows termination of the
 26 employment. Payment of the pension or retirement benefit ~~shall be~~
 27 ~~resumed~~ **MUST RESUME** without change in amount or conditions by

1 reason of the employment. The retirant ~~shall~~**MUST** not be a member
2 of the plan during the period of employment.

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

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

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

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

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

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

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

27 (iii) The retirant is not a member of the plan during the

1 period of reemployment, does not receive additional retirement
2 credits during the period of reemployment, and does not receive ~~any~~
3 **AN** increase in pension or retirement benefits because of the
4 employment under this subdivision.

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

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

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

1 to receive an adjusted pension or retirement benefit based ~~upon~~ **ON**
2 the recalculation effective the first day of the month following
3 the date the county increases the percentage of compensation or
4 earnings under this subsection.

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

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

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

11 (32) If a county board of commissioners of a county that has a
 12 population of more than 400,000 but less than 800,000 has an
 13 employee credit union organized under the credit union act, **2003 PA**
 14 **215, MCL 490.101 TO 490.601**, or former 1925 PA 285, the county
 15 board of commissioners may include as a member of a plan under this
 16 section a past or present employee of the credit union, if that
 17 past or present employee has 5 or more years of service credit with
 18 that credit union on or before June 30, 1990.

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

23 **(34) NOTWITHSTANDING ANYTHING IN THIS ACT TO THE CONTRARY, A**
 24 **COUNTY RETIREMENT PLAN ESTABLISHED UNDER THIS SECTION IS SUBJECT TO**
 25 **THE LOCAL UNIT OF GOVERNMENT RETIREMENT ACT.**

26 Enacting section 1. This amendatory act does not take effect
 27 unless Senate Bill No. _____ or House Bill No. 6074 (request no.

1 06264'16 *) of the 98th Legislature is enacted into law.