

HOUSE BILL No. 6475

November 7, 2018, Introduced by Rep. Albert and referred to the Committee on Financial Liability Reform.

A bill to amend 1986 PA 182, entitled "State police retirement act of 1986," by amending the title and sections 3, 4, 13, 14, 14a, 15, 23, 24, 25, 26, 27, 28, 32, 40b, and 42 (MCL 38.1603, 38.1604, 38.1613, 38.1614, 38.1614a, 38.1615, 38.1623, 38.1624, 38.1625, 38.1626, 38.1627, 38.1628, 38.1632, 38.1640b, and 38.1642), the title as amended by 2015 PA 168, section 3 as amended by 2010 PA 220, section 4 as amended by 2004 PA 83, sections 14 and 42 as amended by 2004 PA 50, section 14a as amended by 2008 PA 366, and sections 25 and 26 as amended and section 40b as added by 2000 PA 374, and by adding sections 15a, 24b, 42a, 42b, 42c, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 72, 73, 74, and 75.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

1 An act to provide for the Michigan department of state police
2 retirement system; to create certain reserves and certain funds for
3 this retirement system; to provide for the creation of a retirement
4 board within the department of technology, management, and budget;
5 to prescribe the powers and duties of the retirement board; to
6 prescribe the powers and duties of the department of state police,
7 the department of technology, management, and budget, and certain
8 state officers; **TO AUTHORIZE AND MAKE APPROPRIATIONS FOR THE**
9 **RETIREMENT SYSTEM**; and to repeal certain acts and parts of acts.

10 Sec. 3. (1) "Banked leave time program" means the part B
11 annual leave hours within the state's annual and sick leave program
12 approved by a ruling of the ~~internal revenue service~~ **INTERNAL**
13 **REVENUE SERVICE** on September 5, 2003, in which a pay reduction or
14 other concessions are applied to a member in exchange for
15 additional part B annual leave hours.

16 (2) "Credited service" means the sum of the prior service and
17 membership service credited to a member's account.

18 (3) "Deferred member" means a member who separates from
19 service with entitlement to a deferred retirement allowance as
20 provided in section 30, but who is not a retirant.

21 (4) "Department" means the department of **TECHNOLOGY**,
22 management, and budget.

23 (5) "Direct rollover" means a payment by the retirement system
24 to the eligible retirement plan specified by the distributee.

25 (6) "Distributee" includes a member or deferred member.
26 Distributee also includes the member's or deferred member's
27 surviving spouse or the member's or deferred member's spouse or

1 former spouse under an eligible domestic relations order, with
2 regard to the interest of the spouse or former spouse.

3 (7) "DROP participant" means an officer who participates in
4 the deferred retirement option plan established in section 24a.

5 (8) Beginning January 1, 2002, except as otherwise provided in
6 this subsection, "eligible retirement plan" means 1 or more of the
7 following:

8 (a) An individual retirement account described in section
9 408(a) of the internal revenue code, 26 USC 408.

10 (b) An individual retirement annuity described in section
11 408(b) of the internal revenue code, 26 USC 408.

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

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

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

18 (f) An eligible plan under section 457(b) of the internal
19 revenue code, 26 USC 457, ~~which~~**THAT** is maintained by a state,
20 political subdivision of a state, or an agency or instrumentality
21 of a state or political subdivision of a state and ~~which~~**THAT**
22 agrees to separately account for amounts transferred into the
23 eligible plan under section 457(b) of the internal revenue code, 26
24 USC 457, from this retirement system, that accepts the
25 distributee's eligible rollover distribution.

26 (g) Beginning January 1, 2008, a Roth individual retirement
27 account as described in section 408A of the internal revenue code,

1 26 USC 408A, subject to the rules that apply to rollovers from a
2 traditional individual retirement account to a Roth individual
3 retirement account.

4 (9) Beginning January 1, 2007, "eligible rollover
5 distribution" means a distribution of all or any portion of the
6 balance to the credit of the distributee. Eligible rollover
7 distribution does not include any of the following:

8 (a) A distribution made for the life or life expectancy of the
9 distributee or the joint lives or joint life expectancies of the
10 distributee and the distributee's designated beneficiary.

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

12 (c) A distribution to the extent that the distribution is
13 required under section 401(a)(9) of the internal revenue code, 26
14 USC 401.

15 (d) The portion of any distribution that is not includable in
16 federal gross income, except to the extent ~~such~~**THE** portion of the
17 distribution is paid to either of the following:

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

20 (ii) A qualified plan described in section 401(a) of the
21 internal revenue code, 26 USC 401, or an annuity contract described
22 in section 403(b) of the internal revenue code, 26 USC 403, and the
23 plan providers agree to separately account for the amounts paid,
24 including any portion of the distribution that is includable in
25 federal gross income, and the portion of the distribution ~~which~~
26 **THAT** is not so includable.

27 (10) "Final average compensation" means, **EXCEPT AS OTHERWISE**

1 **PROVIDED IN THIS SUBSECTION**, the average annual salary for the last
2 2 years of service with the department of state police for which
3 the member was compensated as defined in subsection (13). ~~In the~~
4 ~~ease of~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, FOR** a
5 nonclassified member of the department holding the rank of colonel,
6 final average compensation means the same average annual salary as
7 that computed for the highest salaried classified member of the
8 department, or at the average annual salary for the last 2 years of
9 service with the department of state police for which the member
10 was compensated, whichever is greater. **BEGINNING WITH THE EFFECTIVE**
11 **DATE OF THE AMENDATORY ACT THAT ADDED SECTION 42A, FOR A MEMBER WHO**
12 **FIRST BECAME A MEMBER ON OR AFTER JUNE 10, 2012, FINAL AVERAGE**
13 **COMPENSATION MEANS THE AVERAGE SALARY FOR THE LAST 5 YEARS OF**
14 **SERVICE FOR WHICH THE MEMBER WAS COMPENSATED AS DEFINED IN**
15 **SUBSECTION (14).** Average annual salary includes only the following
16 compensation items:

17 **(A) BEGINNING WITH THE EFFECTIVE DATE OF THE AMENDATORY ACT**
18 **THAT ADDED SECTION 42A, FOR A MEMBER WHO FIRST BECAME A MEMBER**
19 **BEFORE JUNE 10, 2012, ONLY THE FOLLOWING COMPENSATION ITEMS:**

20 **(i)** ~~(a)~~ Regular salary paid for the last 2 years of service,
21 including, but not limited to, that salary that is deferred
22 pursuant to a state deferred compensation program.

23 **(ii)** ~~(b)~~ Overtime, shift differential, and shift differential
24 overtime paid for the last 2 years of service.

25 **(iii)** ~~(c)~~ Gross pay adjustments paid affecting the last 2
26 years of service, including compensatory time and emergency
27 response compensation.

1 (iv) ~~(d)~~ Up to a maximum of 240 hours of accumulated annual
2 leave, paid at the time of retirement separation excluding part B
3 annual leave hours paid at the time of retirement separation.

4 (v) ~~(e)~~ Deferred hours under Plan B of the fiscal years ending
5 September 30, 1981, and September 30, 1982, that are paid at the
6 time of retirement separation.

7 (vi) ~~(f)~~ Longevity pay equal to 2 full years.

8 (vii) ~~(g)~~ Bomb squad pay paid for the last 2 years of service.

9 (viii) ~~(h)~~ Post 29 freeway premium paid for the last 2 years
10 of service.

11 (ix) ~~(i)~~ On-call pay paid for the last 2 years of service.

12 (x) ~~(j)~~ Beginning October 1, 2003, the value of any unpaid
13 furlough hours or the value of any unpaid hours exchanged for part
14 B annual leave hours, calculated at the member's then-current
15 hourly rate or rates of pay, for a period during which a member is
16 participating in the banked leave time program.

17 (xi) ~~(k)~~ Beginning May 1, 2009, the value of temporary layoff
18 hours. As used in this ~~subdivision~~, **SUBPARAGRAPH**, "temporary layoff
19 hours" means hours attributable to the layoff of a member if the
20 layoff does not exceed 1 month and has a fixed, predetermined, and
21 announced recall date.

22 **(B) BEGINNING WITH THE EFFECTIVE DATE OF THE AMENDATORY ACT**
23 **THAT ADDED SECTION 42A, FOR A MEMBER WHO FIRST BECAME A MEMBER ON**
24 **OR AFTER JUNE 10, 2012, ONLY THE FOLLOWING COMPENSATION ITEMS:**

25 **(i) REGULAR SALARY PAID FOR THE LAST 5 YEARS OF SERVICE,**
26 **INCLUDING, BUT NOT LIMITED TO, THAT SALARY THAT IS DEFERRED**
27 **PURSUANT TO A STATE DEFERRED COMPENSATION PROGRAM.**

1 (ii) GROSS PAY ADJUSTMENTS PAID AFFECTING THE LAST 5 YEARS OF
2 SERVICE, INCLUDING COMPENSATORY TIME AND EMERGENCY RESPONSE
3 COMPENSATION.

4 (iii) UP TO A MAXIMUM OF 240 HOURS OF ACCUMULATED ANNUAL
5 LEAVE, PAID AT THE TIME OF RETIREMENT SEPARATION EXCLUDING PART B
6 ANNUAL LEAVE HOURS PAID AT THE TIME OF RETIREMENT SEPARATION.

7 (iv) LONGEVITY PAY EQUAL TO 5 FULL YEARS.

8 (v) BOMB SQUAD PAY PAID FOR THE LAST 5 YEARS OF SERVICE.

9 (vi) POST 29 FREEWAY PREMIUM PAID FOR THE LAST 5 YEARS OF
10 SERVICE.

11 (vii) ON-CALL PAY PAID FOR THE LAST 5 YEARS OF SERVICE.

12 (viii) THE VALUE OF ANY UNPAID FURLOUGH HOURS OR THE VALUE OF
13 ANY UNPAID HOURS EXCHANGED FOR PART B ANNUAL LEAVE HOURS,
14 CALCULATED AT THE MEMBER'S THEN-CURRENT HOURLY RATE OR RATES OF
15 PAY, FOR A PERIOD DURING WHICH A MEMBER IS PARTICIPATING IN THE
16 BANKED LEAVE TIME PROGRAM.

17 (ix) THE VALUE OF TEMPORARY LAYOFF HOURS. AS USED IN THIS
18 SUBPARAGRAPH, "TEMPORARY LAYOFF HOURS" MEANS HOURS ATTRIBUTABLE TO
19 THE LAYOFF OF A MEMBER IF THE LAYOFF DOES NOT EXCEED 1 MONTH AND
20 HAS A FIXED, PREDETERMINED, AND ANNOUNCED RECALL DATE.

21 (11) "Furlough hours" means unworked hours incurred in
22 conjunction with the banked leave time program.

23 (12) "Internal revenue code" means the United States internal
24 revenue code of 1986.

25 (13) "Last 2 years of service" means the 2-year period
26 immediately preceding the member's last day of service or that
27 period of 2 consecutive years of service with the department of

1 state police immediately preceding the date the duty disability
2 occurred according to the medical examinations conducted pursuant
3 ~~to~~ **UNDER** section 29 or, if the officer participated in the deferred
4 retirement option plan, the 2-year period immediately preceding
5 participation in the deferred retirement option plan.

6 **(14) "LAST 5 YEARS OF SERVICE" MEANS THE 5-YEAR PERIOD**
7 **IMMEDIATELY PRECEDING THE MEMBER'S LAST DAY OF SERVICE OR THAT**
8 **PERIOD OF 5 CONSECUTIVE YEARS OF SERVICE WITH THE DEPARTMENT OF**
9 **STATE POLICE IMMEDIATELY PRECEDING THE DATE THE DUTY DISABILITY**
10 **OCCURRED ACCORDING TO THE MEDICAL EXAMINATIONS CONDUCTED UNDER**
11 **SECTION 29.**

12 Sec. 4. (1) "Member", except where the context otherwise
13 requires, means an employee of the ~~Michigan~~ department of state
14 police who has subscribed to the constitutional oath of office.

15 (2) "Officer" means a nonexclusively represented member of the
16 retirement system.

17 **(3) "QUALIFIED PARTICIPANT" MEANS AN INDIVIDUAL WHO FIRST**
18 **BECOMES A MEMBER ON OR AFTER JUNE 10, 2012 AND WHO IS ALSO A**
19 **PARTICIPANT OF TIER 2.**

20 **(4) "REGULAR INTEREST" MEANS A RATE OR RATES PER ANNUM,**
21 **COMPOUNDED ANNUALLY, AS THE RETIREMENT BOARD DETERMINES. FOR THE**
22 **PURPOSES OF EMPLOYEE REFUNDS, THE INTEREST RATE PAYABLE MUST NOT**
23 **EXCEED 4% PER ANNUM, COMPOUNDED ANNUALLY.**

24 **(5) ~~(3)~~"Retirant"** means a member who separates from service
25 and retires with a retirement allowance payable from the
26 appropriate reserve of the retirement system.

27 **(6) ~~(4)~~"Retirement allowance"** means the annual amount,

1 payable monthly, to which a retirant, retirement allowance
2 beneficiary, or refund beneficiary is entitled ~~pursuant to~~ **UNDER**
3 this act.

4 (7) ~~(5)~~—"Retirement allowance beneficiary" means a person who
5 is being paid or has entitlement to the payment of a retirement
6 allowance in the event of the death of a member, deferred member,
7 or retirant.

8 (8) ~~(6)~~—"Retirement board" means the retirement board created
9 in section 6.

10 (9) ~~(7)~~—"Retirement system" means the system of benefits for
11 members **AND QUALIFIED PARTICIPANTS** of the department of state
12 police and their survivors and beneficiaries provided by this act.

13 (10) ~~(8)~~—"Surviving spouse" means the spouse at the time of
14 death of the member or retirant.

15 (11) **"TIER 1" MEANS THE RETIREMENT PLAN AVAILABLE TO A MEMBER**
16 **UNDER THIS ACT.**

17 (12) **"TIER 2" MEANS THE RETIREMENT PLAN ESTABLISHED PURSUANT**
18 **TO SECTION 401(K) OF THE INTERNAL REVENUE CODE, 26 USC 401, THAT IS**
19 **AVAILABLE TO QUALIFIED PARTICIPANTS UNDER SECTIONS 62 TO 74.**

20 Sec. 13. (1) By April 15 of each year, the department shall
21 furnish to the governor, the legislature, each retirant or
22 beneficiary of a deceased retirant, and each member, a summary of
23 the fiscal transactions of the retirement system for the last
24 completed fiscal year. The summary ~~shall~~ **MUST** contain at least the
25 following information from the actuarial and financial statements:

26 (a) A statement of assets and liabilities.

27 (b) A statement of investments by, and amount earned in, each

1 category.

2 (c) A statement of revenues and expenditures.

3 (d) A statement of the estimated number of members having
4 vested pension benefits for which the retirement system is liable.

5 (e) Other information the department or retirement board
6 considers necessary.

7 (2) THE RETIREMENT BOARD AND THE DEPARTMENT SHALL CONDUCT AND
8 REVIEW AN EXPERIENCE INVESTIGATION STUDY AND ADOPT RISK ASSUMPTIONS
9 ON WHICH ACTUARIAL VALUATIONS ARE TO BE BASED AFTER CONSULTATION
10 WITH THE ACTUARY AND THE STATE TREASURER. THE EXPERIENCE
11 INVESTIGATION STUDY MUST BE COMPLETED AND RISK ASSUMPTIONS MUST BE
12 PERIODICALLY REVIEWED AT LEAST ONCE EVERY 5 YEARS.

13 (3) EVERY APRIL 1 FOLLOWING A PERIODIC REVIEW OF RISK
14 ASSUMPTIONS UNDER SUBSECTION (2), THE OFFICE OF RETIREMENT SERVICES
15 ON BEHALF OF THE DEPARTMENT AND THE STATE TREASURER SHALL
16 COLLABORATE TO SUBMIT A REPORT TO THE SENATE MAJORITY LEADER, THE
17 SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE SENATE AND HOUSE OF
18 REPRESENTATIVES APPROPRIATIONS COMMITTEES, AND THE SENATE AND HOUSE
19 FISCAL AGENCIES. A REPORT REQUIRED UNDER THIS SUBSECTION MUST BE
20 PUBLISHED ON THE OFFICE OF RETIREMENT SERVICES'S WEBSITE AND
21 INCLUDE AT LEAST ALL OF THE FOLLOWING:

22 (A) FORECASTED RATE OF RETURN ON INVESTMENTS AT ALL OF THE
23 FOLLOWING PROBABILITY LEVELS:

24 (i) 5%.

25 (ii) 25%.

26 (iii) 50%

27 (iv) 75%.

1 (v) 95%.

2 (B) THE ACTUAL RATE OF RETURN ON INVESTMENTS FOR 10-, 15-, AND
3 20-YEAR TIME INTERVALS.

4 (C) MORTALITY ASSUMPTIONS.

5 (D) RETIREMENT AGE ASSUMPTIONS.

6 (E) PAYROLL GROWTH ASSUMPTIONS.

7 (F) ANY OTHER ASSUMPTIONS THAT HAVE A MATERIAL IMPACT ON THE
8 FINANCIAL STATUS OF THE RETIREMENT SYSTEM.

9 Sec. 14. (1) The funding objective of the retirement system is
10 to establish and receive contributions during each fiscal year that
11 are sufficient to fully cover the actuarial cost of benefits likely
12 to be paid on account of services rendered by members during the
13 fiscal year, the normal cost requirements of the retirement system,
14 and finance the unfunded actuarial costs of benefits likely to be
15 paid on account of service rendered ~~prior to~~ **BEFORE** the fiscal
16 year, the unfunded actuarial accrued liability of the retirement
17 system, and health, dental, and vision insurance.

18 (2) ~~The~~ **SUBJECT TO SUBSECTIONS (5) TO (7), THE** annual level
19 percentage of payroll contribution rate ~~shall~~ **MUST** be actuarially
20 determined using experience assumptions and level percent of
21 payroll actuarial cost methods adopted by the retirement board and
22 the department pursuant to an annual actuarial valuation, which
23 ~~shall~~ **MUST** be sufficient to finance benefits being provided and to
24 be provided by the retirement system.

25 (3) ~~For~~ **SUBJECT TO SUBSECTIONS (5) TO (7), FOR** differences
26 occurring in fiscal years beginning on or after October 1, 2001, a
27 minimum of 20% of the difference between the estimated and the

1 actual aggregate compensation and the estimated and the actual
2 contribution rate described in subsection (2), if any, may be
3 submitted in the executive budget to the legislature for
4 appropriation in the next succeeding state fiscal year and a
5 minimum of 25% of the remaining difference ~~shall~~**MUST** be submitted
6 in the executive budget to the legislature for appropriation in
7 each of the following 4 state fiscal years, or until 100% of the
8 remaining difference is submitted, whichever first occurs. In
9 addition, interest ~~shall~~**MUST** be included for each year that a
10 portion of the remaining difference is carried forward. The
11 interest rate ~~shall~~**MUST** equal the actuarially assumed rate of
12 investment return for the state fiscal year in which payment is
13 made.

14 (4) For each fiscal year that begins on or after October 1,
15 2003, if the actuarial valuation prepared ~~pursuant to~~**UNDER** this
16 section for each fiscal year demonstrates that as of the beginning
17 of a fiscal year, and after all credits and transfers required by
18 this act for the previous fiscal year have been made, the sum of
19 the actuarial value of assets and the actuarial present value of
20 future normal cost contributions exceeds the actuarial present
21 value of benefits, the amount based on the annual level percent of
22 payroll contribution rate ~~pursuant to~~**UNDER** subsections (1) and (2)
23 may be deposited into the health advance funding subaccount created
24 by section 42.

25 **(5) BEGINNING WITH THE STATE FISCAL YEAR ENDING SEPTEMBER 30,**
26 **2022 UNTIL THE PENSION AND RETIREE HEALTH CARE PAYROLL GROWTH**
27 **ASSUMPTION RATE IS ZERO, THE PAYROLL GROWTH ASSUMPTION RATE MUST BE**

1 REDUCED BY 50 BASIS POINTS. BEGINNING WITH THE STATE FISCAL YEAR
2 ENDING SEPTEMBER 30, 2022, THE OFFICE OF RETIREMENT SERVICES WITHIN
3 THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET AND THE
4 RETIREMENT BOARD MAY AGREE TO REDUCE THE RATE DESCRIBED IN THIS
5 SUBSECTION BY ANY NUMBER OF ADDITIONAL BASIS POINTS.

6 (6) BEGINNING WITH THE STATE FISCAL YEAR ENDING SEPTEMBER 30,
7 2019 AND FOR EACH SUBSEQUENT FISCAL YEAR, THE NORMAL COST
8 CONTRIBUTION RATE MUST NOT BE LESS THAN THE NORMAL COST
9 CONTRIBUTION RATE IN THE IMMEDIATELY PRECEDING FISCAL YEAR.
10 ADDITIONALLY, THE EMPLOYER PORTION OF THE CONTRIBUTION RATE MUST
11 NOT BE LESS THAN THE EMPLOYER PORTION OF THE CONTRIBUTION RATE IN
12 THE IMMEDIATELY PRECEDING FISCAL YEAR.

13 (7) SUBJECT TO THIS SUBSECTION, BEGINNING WITH THE STATE
14 FISCAL YEAR ENDING SEPTEMBER 30, 2019 AND FOR EACH SUBSEQUENT
15 FISCAL YEAR UNTIL THE UNFUNDED ACTUARIAL ACCRUED LIABILITY IS PAID
16 OFF, THE UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION SUM AND
17 DUE PAYABLE MUST NOT BE LESS THAN THE UNFUNDED ACTUARIAL ACCRUED
18 LIABILITY CONTRIBUTION SUM AND DUE PAYABLE IN THE IMMEDIATELY
19 PRECEDING FISCAL YEAR. THE UNFUNDED ACTUARIAL ACCRUED LIABILITY
20 MUST BE PAID OFF NO LATER THAN SEPTEMBER 30, 2038. ADDITIONALLY,
21 THE EMPLOYER PORTION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY
22 CONTRIBUTION SUM AND DUE PAYABLE MUST NOT BE LESS THAN THE EMPLOYER
23 PORTION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION
24 SUM AND DUE PAYABLE IN THE IMMEDIATELY PRECEDING FISCAL YEAR.

25 (8) ~~(5)~~—Notwithstanding any other provision of this act, if
26 the retirement board establishes an arrangement and fund as
27 described in section 6 of the public employee retirement benefit

1 protection act, 2002 PA 100, MCL 38.1686, the benefits that are
2 required to be paid from that fund ~~shall~~**MUST** be paid from a
3 portion of the employer contributions described in this section or
4 other eligible funds. The retirement board shall determine the
5 amount of the employer contributions or other eligible funds that
6 must be allocated to that fund and deposit that amount in that fund
7 before it deposits any remaining employer contributions or other
8 eligible funds in the pension fund.

9 Sec. 14a. (1) This section is enacted ~~pursuant to~~**UNDER**
10 section 401(a) of the internal revenue code, **26 USC 401**, that
11 imposes certain administrative requirements and benefit limitations
12 for qualified governmental plans. This state intends that the
13 retirement system be a qualified pension plan created in trust
14 under section 401 of the internal revenue code, **26 USC 401**, and
15 that the trust be an exempt organization under section 501 of the
16 internal revenue code, **26 USC 501**. The department shall administer
17 the retirement system to fulfill this intent.

18 (2) The retirement system ~~shall~~**MUST** be administered in
19 compliance with section 415 of the internal revenue code, 26 USC
20 415, and regulations under that section that are applicable to
21 governmental plans and, beginning January 1, 2010, applicable
22 provisions of the final regulations issued by the ~~internal revenue~~
23 ~~service~~**INTERNAL REVENUE SERVICE** on April 5, 2007. Employer-
24 financed benefits provided by the retirement system under this act
25 ~~shall~~**MUST** not exceed the applicable limitations set forth in
26 section 415 of the internal revenue code, 26 USC 415, as adjusted
27 by the commissioner of internal revenue under section 415(d) of the

1 internal revenue code, 26 USC 415, to reflect cost of living
2 increases, and the retirement system ~~shall~~**MUST** adjust the
3 benefits, including benefits payable to retirants and retirement
4 allowance beneficiaries, subject to the limitation each calendar
5 year to conform with the adjusted limitation. For purposes of
6 section 415(b) of the internal revenue code, 26 USC 415, the
7 applicable limitation ~~shall apply~~**APPLIES** to aggregated benefits
8 received from all qualified pension plans for which the office of
9 retirement services coordinates administration of that limitation.
10 If there is a conflict between this section and another section of
11 this act, this section prevails.

12 (3) The assets of the retirement system ~~shall~~**MUST** be held in
13 trust and invested for the sole purpose of meeting the legitimate
14 obligations of the retirement system and ~~shall~~**MUST** not be used for
15 any other purpose. The assets ~~shall~~**MUST** not be used for or
16 diverted to a purpose other than for the exclusive benefit of the
17 members, deferred members, retirants, and beneficiaries before
18 satisfaction of all retirement system liabilities.

19 (4) The retirement system shall return post-tax member
20 contributions made by a member and received by the retirement
21 system to a member upon retirement, pursuant to ~~internal revenue~~
22 ~~service~~**INTERNAL REVENUE SERVICE** regulations and approved ~~internal~~
23 ~~revenue service~~**INTERNAL REVENUE SERVICE** exclusion ratio tables.

24 (5) The required beginning date for retirement allowances and
25 other distributions ~~shall~~**MUST** not be later than April 1 of the
26 calendar year following the calendar year in which the employee
27 attains age 70-1/2 or April 1 of the calendar year following the

1 calendar year in which the employee retires. The required minimum
2 distribution requirements imposed by section 401(a)(9) of the
3 internal revenue code, 26 USC 401, ~~shall~~ apply to this act and **MUST**
4 be administered in accordance with a reasonable and good faith
5 interpretation of the required minimum distribution requirements
6 for all years to which the required minimum distribution
7 requirements apply to this act.

8 (6) If the retirement system is terminated, the interest of
9 the members, deferred members, retirants, and beneficiaries in the
10 retirement system is nonforfeitable to the extent funded as
11 described in section 411(d)(3) of the internal revenue code, 26 USC
12 411, and related internal revenue service regulations applicable to
13 governmental plans.

14 (7) Notwithstanding any other provision of this act to the
15 contrary that would limit a distributee's election under this act,
16 a distributee may elect, at the time and in the manner prescribed
17 by the retirement board, to have any portion of an eligible
18 rollover distribution paid directly to an eligible retirement plan
19 specified by the distributee in a direct rollover. This subsection
20 applies to distributions made on or after January 1, 1993.

21 **BEGINNING OCTOBER 1, 2010, A NONSPOUSE BENEFICIARY MAY ELECT TO**
22 **HAVE ANY PORTION OF AN AMOUNT PAYABLE UNDER THIS ACT THAT IS AN**
23 **ELIGIBLE ROLLOVER DISTRIBUTION TREATED AS A DIRECT ROLLOVER THAT**
24 **WILL BE PAID IN A DIRECT TRUSTEE-TO-TRUSTEE TRANSFER TO AN**
25 **INDIVIDUAL RETIREMENT ACCOUNT OR INDIVIDUAL RETIREMENT ANNUITY**
26 **DESCRIBED IN SECTION 408(A) OR (B) OF THE INTERNAL REVENUE CODE, 26**
27 **USC 408, THAT IS ESTABLISHED FOR THE PURPOSE OF RECEIVING A**

1 DISTRIBUTION ON BEHALF OF THE BENEFICIARY AND THAT WILL BE TREATED
2 AS AN INHERITED INDIVIDUAL RETIREMENT ACCOUNT OR INDIVIDUAL
3 RETIREMENT ANNUITY PURSUANT TO SECTION 402(C) (11) OF THE INTERNAL
4 REVENUE CODE, 26 USC 402.

5 (8) Notwithstanding any other provision of this act, the
6 compensation of a member of the retirement system ~~shall~~**MUST** be
7 taken into account for any year under the retirement system only to
8 the extent that it does not exceed the compensation limit
9 established in section 401(a)(17) of the internal revenue code, 26
10 USC 401, as adjusted by the commissioner of internal revenue. This
11 subsection applies to any person who first becomes a member of the
12 retirement system on or after October 1, 1996.

13 (9) Notwithstanding any other provision of this act,
14 contributions, benefits, and service credit with respect to
15 qualified military service will be provided under the retirement
16 system in accordance with section 414(u) of the internal revenue
17 code, 26 USC 414. This subsection applies to all qualified military
18 service on or after December 12, 1994. Effective January 1, 2007,
19 in accordance with section 401(a)(37) of the internal revenue code,
20 26 USC 401, if a member dies while performing qualified military
21 service for purposes of determining any death benefits payable
22 under this act, the member ~~shall be~~**IS** treated as having resumed
23 and then terminated employment on account of death.

24 Sec. 15. (1) The reserve for employee contributions is the
25 account in which member contributions are accumulated and from
26 which ~~shall~~**MUST** be made refunds and transfers of accumulated
27 member contributions. The retirement system shall maintain 1 or

1 more separate subaccounts for each person having an interest in
2 this account. **MEMBER CONTRIBUTIONS MUST BE ACCUMULATED AT REGULAR**
3 **INTEREST TO THE SUBACCOUNTS OF THE MEMBERS.**

4 (2) Accumulated member contributions ~~shall~~**MUST** be transferred
5 from the reserve for employee contributions to the reserve for
6 retired benefit payments ~~upon~~**ON** the retirement or death of a
7 member or deferred member.

8 **SEC. 15A. (1) BEGINNING WITH HIS OR HER FIRST PAY DATE AND**
9 **ENDING ON THE MEMBER'S TERMINATION OF EMPLOYMENT, EACH MEMBER FIRST**
10 **EMPLOYED ON OR AFTER JUNE 10, 2012 SHALL CONTRIBUTE AN AMOUNT EQUAL**
11 **TO 4% OF HIS OR HER COMPENSATION TO THE RESERVE FOR EMPLOYEE**
12 **CONTRIBUTIONS TO PROVIDE FOR THE AMOUNT OF RETIREMENT ALLOWANCE**
13 **THAT IS CALCULATED ONLY ON THE CREDITED SERVICE AND COMPENSATION**
14 **RECEIVED BY THAT MEMBER.**

15 (2) BEGINNING ON OCTOBER 1, 2012, AND ENDING ON THE MEMBER'S
16 TERMINATION OF EMPLOYMENT, EACH MEMBER HIRED BEFORE JUNE 10, 2012
17 WHO, ON OCTOBER 1, 2012, WAS A BARGAINING UNIT EMPLOYEE COVERED BY
18 THE STATE POLICE DEFINED BENEFIT RETIREMENT PLAN SHALL CONTRIBUTE
19 AN AMOUNT EQUAL TO 1% OF HIS OR HER COMPENSATION TO THE RESERVE FOR
20 EMPLOYEE CONTRIBUTIONS. BEGINNING ON OCTOBER 1, 2013, MEMBERS
21 DESCRIBED IN THIS SUBSECTION SHALL CONTRIBUTE AN ADDITIONAL AMOUNT
22 EQUAL TO 1% OF HIS OR HER COMPENSATION TO THE RESERVE FOR EMPLOYEE
23 CONTRIBUTIONS.

24 (3) THE RETIREMENT SYSTEM AND STATE BUDGET DIRECTOR SHALL
25 DETERMINE A METHOD OF DEDUCTING THE CONTRIBUTIONS PROVIDED FOR IN
26 THIS SECTION FROM THE COMPENSATION OF EACH MEMBER FOR EACH PAYROLL
27 AND EACH PAYROLL PERIOD.

1 (4) THE STATE SHALL PICK UP THE MEMBER CONTRIBUTIONS REQUIRED
2 UNDER SUBSECTIONS (1) AND (2). CONTRIBUTIONS PICKED UP MUST BE
3 TREATED AS EMPLOYER CONTRIBUTIONS IN DETERMINING TAX TREATMENT
4 UNDER THE INTERNAL REVENUE CODE. THE STATE SHALL PAY THESE MEMBER
5 CONTRIBUTIONS FROM THE SAME SOURCE OF FUNDS THAT IS USED IN PAYING
6 COMPENSATION TO THE MEMBER.

7 (5) A MEMBER IS ENTITLED TO THE BENEFIT OF ALL CONTRIBUTIONS
8 MADE UNDER THIS SECTION IN THE SAME MANNER AS PROVIDED UNDER
9 SECTION 15.

10 Sec. 23. (1) Except as otherwise provided by ~~Act No. 59 of the~~
11 ~~Public Acts of 1935, being sections 28.1 to 28.15 of the Michigan~~
12 ~~Compiled Laws, every~~ **UNDER 1935 PA 59, MCL 28.1 TO 28.16, AN**
13 employee of the department of state police who has subscribed to
14 the constitutional oath of office ~~shall be~~ **IS** a member of this
15 retirement system.

16 (2) **A MEMBER OF THIS RETIREMENT SYSTEM WHO FIRST BECOMES A**
17 **MEMBER ON OR AFTER JUNE 12, 2012 IS A MEMBER OF THE TIER 1 PLAN AND**
18 **ALSO PARTICIPATES IN THE TIER 2 PLAN UNTIL THE MEMBER TERMINATES**
19 **EMPLOYMENT OR RETIRES AND RECEIVES A RETIREMENT ALLOWANCE**
20 **CALCULATED UNDER SECTION 24.**

21 (3) ~~(2)~~—A member who resigns, dies, is transferred to a
22 position not covered by the retirement system, or is dismissed for
23 a reason other than his or her retirement or breach of the public
24 trust, ~~upon~~ **ON** application is entitled to receive in a lump sum,
25 payable to him or her or his or her legal representative if the
26 member dies or is legally disabled, 100% of the contributions made
27 into the reserve for employee contributions. **ANY UNCLAIMED**

1 **CONTRIBUTIONS MUST BE TRANSFERRED FROM THE RESERVE FOR EMPLOYEE**
 2 **CONTRIBUTIONS TO THE RESERVE FOR RETIRED BENEFIT PAYMENTS.**

3 Sec. 24. (1) ~~A~~**EXCEPT AS PROVIDED IN SECTION 24B AND SUBJECT**
 4 **TO SUBSECTION (14), A** member who **FIRST BECAME A MEMBER BEFORE JUNE**
 5 **10, 2012 AND WHO** has 25 years or more of credited service under
 6 this act or former Act No. ~~1935 PA 251, of the Public Acts of 1935,~~
 7 or both, may retire ~~upon~~**ON** his or her written application to the
 8 retirement board, stating a date, not less than 30 nor more than 90
 9 days after the execution and filing of the application, he or she
 10 desires to retire. However, a member **DESCRIBED IN THIS SUBSECTION**
 11 who becomes 56 years of age shall retire. A member retiring under
 12 this subsection ~~shall be~~**IS** entitled to receive a retirement
 13 allowance equal to 60% of his or her final average compensation.

14 (2) ~~If~~**SUBJECT TO SUBSECTION (4), IF** a retirant receiving a
 15 retirement allowance under subsection (1) dies, the retirement
 16 allowance ~~shall~~**MUST** continue to be paid to the surviving spouse of
 17 the retirant for the rest of the spouse's life. If there is not a
 18 surviving spouse or ~~upon~~**ON** the spouse's death, ~~then~~the retirement
 19 allowance ~~shall~~**MUST** be paid to the children under the age of 18 of
 20 the retirant, share and share alike. If the surviving spouse dies
 21 and there are not eligible children, ~~there shall be paid~~**THE**
 22 **RETIREMENT SYSTEM SHALL PAY** to the retirant's estate or his or her
 23 legal representative any residual accumulated contributions and
 24 interest made by the retirant into the fund.

25 (3) If the director of the department of state police orders
 26 the retirement of any member eligible to retire for reason or
 27 reasons other than having become 56 years of age, and that member

1 is aggrieved by the order, the member ~~so affected shall be~~ **AFFECTED**
2 **BY AN ORDER DESCRIBED IN THIS SUBSECTION IS** entitled to appeal to
3 the retirement board. An appeal ~~shall~~ **MUST** be in writing and filed
4 with the retirement board within 30 days after receipt of the order
5 of retirement. The retirement board shall set the appeal for
6 hearing within 30 days after the filing of the appeal and shall
7 review the facts as presented and determine whether the order of
8 retirement ~~shall~~ **WILL** continue or be revoked.

9 (4) A MEMBER WHO FIRST BECOMES A MEMBER ON OR AFTER JULY 1,
10 2006 AS A NEW BARGAINING UNIT EMPLOYEE SHALL ELECT TO RECEIVE HIS
11 OR HER RETIREMENT ALLOWANCE UNDER 1 OF THE PAYMENT OPTIONS PROVIDED
12 IN THIS SUBSECTION. THE ELECTION MUST BE IN WRITING AND FILED WITH
13 THE RETIREMENT BOARD AT LEAST 15 DAYS BEFORE THE EFFECTIVE DATE OF
14 THE RETIREMENT ALLOWANCE EXCEPT AS PROVIDED FOR A DISABILITY
15 RETIRANT UNDER SECTIONS 26, 27, AND 28. THE AMOUNT OF RETIREMENT
16 ALLOWANCE UNDER SUBDIVISION (B), (C), OR (D) IS THE ACTUARIAL
17 EQUIVALENT OF THE AMOUNT OF RETIREMENT ALLOWANCE UNDER SUBDIVISION
18 (A). THE OPTIONS ARE AS FOLLOWS:

19 (A) THE RETIRANT WILL BE PAID A STRAIGHT RETIREMENT ALLOWANCE
20 FOR LIFE COMPUTED UNDER SECTION 24. AN ADDITIONAL RETIREMENT
21 ALLOWANCE PAYMENT WILL NOT BE MADE ON THE RETIRANT'S DEATH.

22 (B) THE RETIRANT WILL BE PAID A REDUCED RETIREMENT ALLOWANCE
23 FOR LIFE WITH A PROVISION THAT ON THE RETIRANT'S DEATH, PAYMENT OF
24 THE REDUCED RETIREMENT ALLOWANCE WILL BE CONTINUED THROUGHOUT THE
25 LIFETIME OF THE RETIREMENT ALLOWANCE BENEFICIARY WHOM THE MEMBER OR
26 DEFERRED MEMBER DESIGNATED IN A WRITING FILED WITH THE RETIREMENT
27 BOARD AT THE TIME OF ELECTION OF THIS OPTION. A MEMBER OR DEFERRED

1 MEMBER MAY ELECT THIS OPTION AND DESIGNATE A RETIREMENT ALLOWANCE
2 BENEFICIARY UNDER THE CONDITIONS SET FORTH IN SUBSECTION (5) .

3 (C) A RETIRANT MUST BE PAID A REDUCED RETIREMENT ALLOWANCE FOR
4 LIFE WITH THE PROVISION THAT ON THE RETIRANT'S DEATH, PAYMENT OF
5 1/2 OF THE REDUCED RETIREMENT ALLOWANCE IS CONTINUED THROUGHOUT THE
6 LIFETIME OF THE RETIREMENT ALLOWANCE BENEFICIARY WHOM THE MEMBER
7 DESIGNATED IN A WRITING FILED WITH THE RETIREMENT BOARD AT THE TIME
8 OF ELECTION OF THE OPTION.

9 (D) A RETIRANT MUST BE PAID A REDUCED RETIREMENT ALLOWANCE FOR
10 LIFE WITH THE PROVISION THAT ON THE RETIRANT'S DEATH, PAYMENT OF
11 75% OF THE REDUCED RETIREMENT ALLOWANCE IS CONTINUED THROUGHOUT THE
12 LIFETIME OF THE RETIREMENT ALLOWANCE BENEFICIARY WHOM THE MEMBER
13 DESIGNATED IN A WRITING FILED WITH THE RETIREMENT BOARD AT THE TIME
14 OF ELECTION OF THE OPTION.

15 (5) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE
16 RETIREMENT ALLOWANCE BENEFICIARY SELECTED UNDER SUBSECTION (4) (B) ,
17 (C) , OR (D) MUST NOT BE CHANGED ON OR AFTER THE EFFECTIVE DATE OF
18 THE RETIREMENT ALLOWANCE AND MUST BE EITHER A SPOUSE , BROTHER ,
19 SISTER , PARENT , OR CHILD , INCLUDING AN ADOPTED CHILD , OF THE
20 MEMBER , DEFERRED MEMBER , RETIRING MEMBER , OR RETIRING DEFERRED
21 MEMBER ENTITLED TO MAKE THE ELECTION UNDER THIS ACT . ANOTHER
22 RETIREMENT ALLOWANCE BENEFICIARY MUST NOT BE SELECTED . IF A MEMBER ,
23 DEFERRED MEMBER , RETIRING MEMBER , OR RETIRING DEFERRED MEMBER IS
24 MARRIED AT THE RETIREMENT ALLOWANCE EFFECTIVE DATE , AN ELECTION
25 UNDER SUBSECTION (4) , OTHER THAN AN ELECTION UNDER SUBSECTION
26 (4) (B) , NAMING THE SPOUSE AS RETIREMENT ALLOWANCE BENEFICIARY , IS
27 NOT EFFECTIVE UNLESS THE ELECTION IS SIGNED BY THE SPOUSE , EXCEPT

1 THAT THIS REQUIREMENT MAY BE WAIVED BY THE BOARD IF THE SIGNATURE
2 OF A SPOUSE CANNOT BE OBTAINED BECAUSE OF EXTENUATING
3 CIRCUMSTANCES. FOR PURPOSES OF THIS SUBSECTION, "SPOUSE" MEANS THE
4 INDIVIDUAL TO WHOM THE MEMBER, DEFERRED MEMBER, RETIRING MEMBER, OR
5 RETIRING DEFERRED MEMBER IS MARRIED AT THE RETIREMENT ALLOWANCE
6 EFFECTIVE DATE. PAYMENT TO A RETIREMENT ALLOWANCE BENEFICIARY MUST
7 START THE FIRST DAY OF THE MONTH FOLLOWING THE RETIRANT'S DEATH.

8 (6) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (9), IF THE
9 RETIREMENT ALLOWANCE BENEFICIARY SELECTED UNDER SUBSECTION (4) (B),
10 (C), OR (D) PREDECEASES THE RETIRANT, THE RETIRANT'S BENEFIT MUST
11 REVERT TO A STRAIGHT RETIREMENT ALLOWANCE INCLUDING POSTRETIREMENT
12 ADJUSTMENTS, IF ANY; IS EFFECTIVE THE FIRST OF THE MONTH FOLLOWING
13 THE DEATH; AND MUST BE PAID DURING THE REMAINDER OF THE RETIRANT'S
14 LIFE.

15 (7) IF A RETIRANT RECEIVING A REDUCED RETIREMENT ALLOWANCE
16 UNDER SUBSECTION (4) (B), (C), OR (D) IS DIVORCED FROM THE SPOUSE
17 WHO HAD BEEN DESIGNATED AS THE RETIRANT'S RETIREMENT ALLOWANCE
18 BENEFICIARY UNDER SUBSECTION (4) (B), (C), OR (D), THE ELECTION OF A
19 REDUCED RETIREMENT ALLOWANCE PAYMENT OPTION IS CONSIDERED VOID BY
20 THE RETIREMENT SYSTEM IF THE JUDGMENT OF DIVORCE OR AWARD OR ORDER
21 OF THE COURT, OR AN AMENDED JUDGMENT OF DIVORCE OR AWARD OR ORDER
22 OF THE COURT, DESCRIBED IN THE PUBLIC EMPLOYEE RETIREMENT BENEFIT
23 PROTECTION ACT, 2002 PA 100, MCL 38.1681 TO 38.1689, AND DATED
24 AFTER JUNE 27, 1991 PROVIDES THAT THE ELECTION OF A REDUCED
25 RETIREMENT ALLOWANCE PAYMENT OPTION UNDER SUBSECTION (4) (B), (C),
26 OR (D) IS TO BE CONSIDERED VOID BY THE RETIREMENT SYSTEM AND THE
27 RETIRANT PROVIDES A CERTIFIED COPY OF THE JUDGMENT OF DIVORCE OR

1 AWARD OR ORDER OF THE COURT, OR AN AMENDED JUDGMENT OF DIVORCE OR
2 AWARD OR ORDER OF THE COURT, TO THE RETIREMENT SYSTEM. IF THE
3 ELECTION OF A REDUCED RETIREMENT ALLOWANCE PAYMENT OPTION UNDER
4 SUBSECTION (4) (B), (C), OR (D) IS CONSIDERED VOID BY THE RETIREMENT
5 SYSTEM UNDER THIS SUBSECTION, THE RETIRANT'S RETIREMENT ALLOWANCE
6 MUST REVERT TO A STRAIGHT RETIREMENT ALLOWANCE, INCLUDING
7 POSTRETIREMENT ADJUSTMENTS, IF ANY, SUBJECT TO AN AWARD OR ORDER OF
8 THE COURT AS DESCRIBED IN THE PUBLIC EMPLOYEE RETIREMENT BENEFIT
9 PROTECTION ACT, 2002 PA 100, MCL 38.1681 TO 38.1689. THE RETIREMENT
10 ALLOWANCE MUST REVERT TO A STRAIGHT RETIREMENT ALLOWANCE UNDER THIS
11 SUBSECTION EFFECTIVE THE FIRST OF THE MONTH AFTER THE DATE THE
12 RETIREMENT SYSTEM RECEIVES A CERTIFIED COPY OF THE JUDGMENT OF
13 DIVORCE OR AWARD OR ORDER OF THE COURT. THIS SUBSECTION DOES NOT
14 SUPERSEDE A JUDGMENT OF DIVORCE OR AWARD OR ORDER OF THE COURT IN
15 EFFECT ON JUNE 27, 1991. THIS SUBSECTION DOES NOT REQUIRE THE
16 RETIREMENT SYSTEM TO DISTRIBUTE OR PAY RETIREMENT ASSETS ON BEHALF
17 OF A RETIRANT IN AN AMOUNT THAT EXCEEDS THE ACTUARIALLY DETERMINED
18 AMOUNT THAT WOULD OTHERWISE BECOME PAYABLE IF A JUDGMENT OF DIVORCE
19 HAD NOT BEEN RENDERED.

20 (8) A RETIRANT, WHO IS DIVORCED AFTER PAYMENT OF HIS OR HER
21 RETIREMENT ALLOWANCE BEGINS AND WHOSE FORMER SPOUSE IS HIS OR HER
22 RETIREMENT ALLOWANCE BENEFICIARY, MAY CHANGE HIS OR HER SURVIVOR
23 OPTION TO THE STRAIGHT LIFE OPTION ONLY IF AN ORDER OF THE COURT
24 STATES THAT THE ELECTION OF A SURVIVOR OPTION UNDER SUBSECTION (4)
25 IS CONSIDERED VOID BY THE RETIREMENT SYSTEM. A RETIRANT WHO
26 SUBSEQUENTLY REMARRIES MAY ELECT A SURVIVOR RETIREMENT ALLOWANCE
27 OPTION FOR HIS OR HER SPOUSE OF 100%, 75%, OR 50% OF HIS OR HER

1 ACTUARIALLY REDUCED MONTHLY PAYMENTS, UNLESS OTHERWISE PRECLUDED BY
2 COURT ORDER.

3 (9) IF THE RETIREMENT ALLOWANCE PAYMENTS TERMINATE BEFORE AN
4 AGGREGATE AMOUNT EQUAL TO THE RETIRANT'S ACCUMULATED CONTRIBUTIONS
5 HAS BEEN PAID, THE DIFFERENCE BETWEEN THE RETIRANT'S ACCUMULATED
6 CONTRIBUTIONS AND THE AGGREGATE AMOUNT OF RETIREMENT ALLOWANCE
7 PAYMENTS MADE MUST BE PAID TO THE PERSON DESIGNATED IN A WRITING
8 FILED WITH THE RETIREMENT BOARD ON A FORM PROVIDED BY THE
9 RETIREMENT BOARD. IF THE DESIGNATED PERSON DOES NOT SURVIVE THE
10 RETIRANT OR RETIREMENT ALLOWANCE BENEFICIARY, THE DIFFERENCE MUST
11 BE PAID TO THE DECEASED RECIPIENT'S ESTATE OR TO THE LEGAL
12 REPRESENTATIVE OF THE DECEASED RECIPIENT.

13 (10) A RETIRANT WHO SELECTED A RETIREMENT ALLOWANCE
14 BENEFICIARY UNDER SUBSECTION (4) (B), (C), OR (D) MAY CHANGE HIS OR
15 HER RETIREMENT ALLOWANCE BENEFICIARY IF ALL OF THE FOLLOWING APPLY:

16 (A) THE FIRST RETIREMENT ALLOWANCE BENEFICIARY IS A SPOUSE.

17 (B) THE FIRST RETIREMENT ALLOWANCE BENEFICIARY PREDECEASES THE
18 RETIRANT AFTER THE RETIREMENT ALLOWANCE EFFECTIVE DATE.

19 (C) THE RETIRANT MARRIES ANOTHER SPOUSE AFTER THE RETIREMENT
20 ALLOWANCE EFFECTIVE DATE.

21 (D) EXCEPT AS OTHERWISE PROVIDED IN AN APPLICABLE COLLECTIVE
22 BARGAINING AGREEMENT, THE RETIRANT FILES A WRITTEN REQUEST WITH THE
23 RETIREMENT SYSTEM TO NAME HIS OR HER CURRENT SPOUSE AS A RETIREMENT
24 ALLOWANCE BENEFICIARY NOT EARLIER THAN 180 DAYS AND NOT LATER THAN
25 1 YEAR AFTER THE MARRIAGE OF THE RETIRANT AND THE CURRENT SPOUSE,
26 EXCEPT THAT A RETIRANT WHOSE FIRST RETIREMENT ALLOWANCE BENEFICIARY
27 PREDECEASES THE RETIRANT AFTER THE RETIREMENT ALLOWANCE EFFECTIVE

1 DATE AND BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED
2 THIS SUBSECTION HAS 180 DAYS FROM THE EFFECTIVE DATE OF THE
3 AMENDATORY ACT THAT ADDED THIS SUBSECTION TO FILE A WRITTEN REQUEST
4 WITH THE RETIREMENT SYSTEM.

5 (11) A RETIRANT WHO WAS NOT MARRIED ON HIS OR HER RETIREMENT
6 ALLOWANCE EFFECTIVE DATE AND WHO DID NOT SELECT A PAYMENT OPTION
7 PROVIDED IN THIS SECTION MAY SELECT AN OPTIONAL FORM OF BENEFIT
8 PAYMENT UNDER SUBSECTION (4) (B), (C), OR (D) AND DESIGNATE A
9 RETIREMENT ALLOWANCE BENEFICIARY SUBJECT TO ALL OF THE FOLLOWING:

10 (A) THE RETIRANT MARRIES AFTER HIS OR HER RETIREMENT ALLOWANCE
11 EFFECTIVE DATE.

12 (B) THE RETIREMENT ALLOWANCE BENEFICIARY IS THE RETIRANT'S
13 SPOUSE.

14 (C) THE RETIREMENT ALLOWANCE BENEFICIARY IS ONLY DESIGNATED AS
15 THE RETIREMENT ALLOWANCE BENEFICIARY FOR THAT PORTION OF THE
16 RETIRANT'S RETIREMENT ALLOWANCE THAT IS NOT SUBJECT TO AN ELIGIBLE
17 DOMESTIC RELATIONS ORDER ASSIGNING A PREVIOUS SPOUSE A REDUCED
18 BENEFIT UNDER SECTION 4(B) OF THE ELIGIBLE DOMESTIC RELATIONS ORDER
19 ACT, 1991 PA 46, MCL 38.1704.

20 (D) EXCEPT AS OTHERWISE PROVIDED IN AN APPLICABLE COLLECTIVE
21 BARGAINING AGREEMENT, THE RETIRANT FILES A WRITTEN REQUEST WITH THE
22 RETIREMENT SYSTEM TO SELECT THE OPTIONAL FORM OF BENEFIT PAYMENT
23 UNDER SUBSECTION (4) (B), (C), OR (D) AND TO DESIGNATE HIS OR HER
24 SPOUSE AS THE RETIREMENT ALLOWANCE BENEFICIARY, NOT EARLIER THAN
25 180 DAYS AND NOT LATER THAN 1 YEAR AFTER THE RETIRANT'S MARRIAGE
26 EXCEPT THAT A RETIRANT WHO MARRIES AFTER THE RETIREMENT ALLOWANCE
27 EFFECTIVE DATE AND BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT

1 THAT ADDED THIS SUBSECTION HAS 180 DAYS FROM THE EFFECTIVE DATE OF
2 THE AMENDATORY ACT THAT ADDED THIS SUBSECTION TO FILE A WRITTEN
3 REQUEST WITH THE RETIREMENT SYSTEM.

4 (E) A SPOUSE WHO IS ADDED AS A SURVIVOR UNDER THIS SUBSECTION
5 IS NOT ELIGIBLE FOR THE PAYMENT OF INSURANCE PREMIUMS UNDER SECTION
6 42.

7 (12) THE RETIREMENT ALLOWANCE OF THE RETIRANT WHO MAKES AN
8 ELECTION UNDER SUBSECTION (10) OR (11) MUST NOT BE GREATER THAN THE
9 ACTUARIAL EQUIVALENT OF THE RETIREMENT ALLOWANCE AS DETERMINED BY
10 THE RETIREMENT BOARD THAT THE RETIRANT WOULD OTHERWISE BE ENTITLED
11 TO UNDER SUBSECTION (4) (A) AND MUST BECOME EFFECTIVE THE FIRST DAY
12 OF THE MONTH FOLLOWING THE FILING OF THE WRITTEN REQUEST WITH THE
13 RETIREMENT SYSTEM.

14 (13) FOR PURPOSES OF DETERMINING ACTUARIAL EQUIVALENT
15 RETIREMENT ALLOWANCES UNDER THIS SECTION, THE ACTUARIALLY ASSUMED
16 INTEREST RATE IS DETERMINED BY THE DIRECTOR OF THE DEPARTMENT AND
17 THE RETIREMENT BOARD IN CONSULTATION WITH THE ACTUARY WITH
18 UTILIZATION OF THE MORTALITY TABLES ADOPTED BY THE DEPARTMENT AND
19 THE RETIREMENT BOARD.

20 (14) IF THE RETIRANT DIES NO LATER THAN 12 MONTHS AFTER THE
21 EFFECTIVE DATE OF HIS OR HER ELECTION UNDER SUBSECTION (8), (10),
22 OR (11), THE RETIREMENT ALLOWANCE FOR THE SURVIVING SPOUSE
23 ESTABLISHED UNDER SUBSECTION (8), (10), OR (11) MUST TERMINATE 12
24 MONTHS AFTER THE DEATH OF THE RETIRANT.

25 (15) UNLESS OTHERWISE PROVIDED IN AN APPLICABLE COLLECTIVE
26 BARGAINING AGREEMENT, OR BY ORDER OF THE DIRECTOR OF THE DEPARTMENT
27 OF STATE POLICE, A RETIREMENT ALLOWANCE MUST NOT BE PAID UNDER THIS

1 SECTION IF AT THE TIME THE MEMBER SUBMITS HIS RETIREMENT
2 APPLICATION THE MEMBER IS ON SUSPENSION WITHOUT PAY FOR CONDUCT
3 INVOLVING THE BREACH OF THE PUBLIC TRUST.

4 SEC. 24B. THE CALCULATION OF A RETIREMENT ALLOWANCE UNDER THIS
5 ACT FOR A MEMBER WHO FIRST BECOMES A MEMBER ON OR AFTER JUNE 10,
6 2012 INCLUDES ONLY THE FOLLOWING, AS APPLICABLE:

7 (A) 2% OF 5-YEAR FINAL AVERAGE COMPENSATION, EXCLUDING
8 OVERTIME, MULTIPLIED BY YEARS OF SERVICE THAT DO NOT EXCEED 25
9 YEARS.

10 (B) FOR EACH YEAR OF SERVICE THAT EXCEEDS 25 YEARS, THE 2%
11 PROVIDED UNDER THIS SECTION MUST BE REDUCED BY 40 BASIS POINTS FOR
12 THAT APPLICABLE YEAR UNTIL THE PERCENTAGE REACHES 0% AFTER YEARS OF
13 SERVICE HAVE EXCEEDED 30 YEARS.

14 Sec. 25. (1) ~~A-EXCEPT AS PROVIDED IN SECTION 24(4) AND SUBJECT~~
15 ~~TO SUBSECTION (4), THE RETIREMENT SYSTEM SHALL PAY A~~ retirement
16 allowance ~~shall be paid to the surviving spouse of a member of the~~
17 ~~retirement system who, while in the discharge of his or her duty,~~
18 is killed or receives injuries or contracts a disease or illness,
19 by reason of his or her occupation, ~~which-THAT~~ results in his or
20 her death. The retirement allowance ~~shall-MUST~~ be equal to 60% of
21 the member's final average compensation. ~~Upon-ON~~ the death of the
22 surviving spouse, or if there is no surviving spouse at the time of
23 the death of the member, the ~~pension shall-~~**RETIREMENT ALLOWANCE**
24 **MUST** be paid to the children of the member under the age of 18
25 years, share and share alike. When each respective child attains
26 the age of 18 years, payment to him or her ~~shall-MUST~~ cease and his
27 or her share ~~shall-MUST~~ be prorated among the remaining children

1 under 18 years of age. If there is a retirement allowance payable
2 to a surviving spouse under this section, a retirement allowance of
3 \$100.00 per month ~~shall~~**MUST** be paid to each of the children under
4 the age of 18 years, if any, of the deceased member, and all
5 payments to the children ~~shall~~**MUST** continue until each respective
6 child reaches the age of 18 years. If there is not a surviving
7 spouse, nor children under the age of 18 years, ~~then~~a retirement
8 allowance equal to 60% of the member's final average compensation
9 ~~shall~~**MUST** be paid to the mother or father, or both, of the member,
10 if dependent on him or her for support, until the dependency
11 ceases. If there is not a dependent mother or father, a retirement
12 allowance of \$100.00 per month ~~shall~~**MUST** be paid to each of the
13 sisters or brothers, if there are any under 18 years of age
14 dependent upon the member for support. If there are not any
15 dependents, ~~then~~there ~~shall~~**MUST** be paid to the deceased member's
16 estate any residual accumulated contributions and interest made by
17 him or her into the reserve for employee contributions, or
18 \$1,500.00, whichever is greater.

19 (2) The supplements to retirement allowances and minimum
20 annual retirement allowance provisions of this act ~~shall~~**DO** not
21 apply to the special \$100.00 per month allowance to children and
22 the allowance to dependent parents and siblings.

23 ~~—— (3) When an active or retired member is killed or dies from~~
24 ~~injuries, disease, or illness, contracted by reason of his or her~~
25 ~~occupation as a member of the department of state police, the~~
26 ~~retirement board shall provide a sum not to exceed \$1,500.00 from~~
27 ~~the reserve for casualty experience for funeral expenses.~~

1 (3) ~~(4)~~The retirement allowance payable under this section,
2 when added to the statutory worker's compensation benefits
3 applicable in the case, shall ~~shall~~**MUST** not exceed the average annual
4 salary paid to the member for the member's last 2 years of service
5 with the department of state police ~~prior to~~**BEFORE** his or her
6 death.

7 (4) **FOR A MEMBER WHO FIRST BECOMES A MEMBER ON OR AFTER JUNE**
8 **10, 2012, WHO WHILE IN THE DISCHARGE OF HIS OR HER DUTY IS KILLED**
9 **OR RECEIVES INJURIES OR CONTRACTS A DISEASE OR ILLNESS, BY REASON**
10 **OF HIS OR HER OCCUPATION, THAT RESULTS IN HIS OR HER DEATH, A**
11 **RETIREMENT ALLOWANCE MUST BE PAID IN THE SAME MANNER AS PROVIDED**
12 **FOR A DUTY DISABLED RETIRANT UNDER SECTION 26. THE RETIREMENT**
13 **ALLOWANCE PAYABLE UNDER THIS SECTION TO A DULY DESIGNATED SURVIVOR**
14 **BENEFICIARY OF A MEMBER WHO FIRST BECOMES A MEMBER ON OR AFTER JUNE**
15 **10, 2012 MUST BE OFFSET BY THE ACTUARIALLY DETERMINED VALUE OF THE**
16 **EMPLOYER-FUNDED PORTION PLUS THE ASSOCIATED INVESTMENT GROWTH OF**
17 **THE EMPLOYER-FUNDED PORTION OF THE MEMBER'S DEFINED CONTRIBUTION**
18 **ACCOUNT BALANCE.**

19 (5) **A MEMBER, FORMER MEMBER, OR BENEFICIARY OF A DECEASED**
20 **MEMBER, WHICH MEMBER FIRST BECOMES A MEMBER ON OR AFTER JUNE 10,**
21 **2012 AND WHO IS ELIGIBLE FOR A RETIREMENT ALLOWANCE UNDER THIS**
22 **SECTION, IS ELIGIBLE FOR HEALTH INSURANCE COVERAGE UNDER SECTION 42**
23 **IN ALL RESPECTS AND UNDER THE SAME TERMS AS WOULD BE A MEMBER WHO**
24 **FIRST BECOMES A MEMBER BEFORE JUNE 10, 2012.**

25 Sec. 26. (1) ~~A~~**EXCEPT AS PROVIDED IN SECTION 24(4) AND SUBJECT**
26 **TO SUBSECTION (5), A** member who retires due to duty incurred
27 disability after September 30, 1986, is entitled to receive a

1 retirement allowance equal to 60% of the member's final average
2 compensation.

3 (2) If a retirant receiving a retirement allowance under this
4 section dies, the **RETIREMENT SYSTEM SHALL CONTINUE TO PAY THE**
5 retirement allowance ~~shall continue to be paid~~ to the surviving
6 spouse of the deceased retirant for the rest of the spouse's life.

7 (3) For purposes of this section, if there is no surviving
8 spouse or ~~upon~~**ON** the spouse's death, the retirement allowance
9 ~~shall~~**MUST** be paid to the children under the age of 18 of the
10 member, share and share alike. If there are no eligible children
11 remaining after the spouse's death, there ~~shall~~**MUST** be paid to the
12 deceased member's estate any residual accumulated contributions and
13 interest made by him or her into the reserve for employee
14 contributions.

15 (4) The retirement allowance payable under this section, when
16 added to the statutory worker's compensation benefits applicable in
17 the case, ~~shall~~**MUST** not exceed the average annual salary paid to
18 the member for the member's last 2 years of service with the
19 department of state police before the duty disability retirement
20 allowance effective date.

21 **(5) THE RETIREMENT ALLOWANCE PAYABLE UNDER THIS SECTION TO A**
22 **MEMBER WHO FIRST BECOMES A MEMBER ON OR AFTER JUNE 10, 2012 MUST BE**
23 **OFFSET BY THE ACTUARIALLY DETERMINED VALUE OF THE EMPLOYER-FUNDED**
24 **PORTION PLUS THE ASSOCIATED INVESTMENT GROWTH OF THE EMPLOYER-**
25 **FUNDED PORTION OF THE MEMBER'S DEFINED CONTRIBUTION ACCOUNT**
26 **BALANCE.**

27 **(6) A MEMBER, FORMER MEMBER, OR BENEFICIARY OF A DECEASED**

1 MEMBER, WHICH MEMBER FIRST BECOMES A MEMBER ON OR AFTER JUNE 10,
2 2012 AND WHO IS ELIGIBLE FOR A RETIREMENT ALLOWANCE UNDER THIS
3 SECTION, IS ELIGIBLE FOR HEALTH INSURANCE COVERAGE UNDER SECTION 42
4 IN ALL RESPECTS AND UNDER THE SAME TERMS AS WOULD BE A MEMBER WHO
5 FIRST BECOMES A MEMBER BEFORE JUNE 10, 2012.

6 Sec. 27. (1) ~~IF~~**EXCEPT AS PROVIDED IN SECTION 24(4) AND**
7 **SUBJECT TO SUBSECTION (3), IF** a member continues as a member of the
8 retirement system on or after the date he or she acquires 10 years
9 of service credit and suffers a nonduty related death leaving a
10 surviving spouse ~~prior to~~**BEFORE** the effective date of the member's
11 retirement, while a member of the retirement system, the surviving
12 spouse ~~shall be~~**IS** entitled to receive a retirement allowance equal
13 to 2.4% of the member's final average compensation times the number
14 of years, including any fraction of a year, of service credited to
15 the member ~~pursuant to~~**UNDER** this act or former Act No. 251 of the
16 Public Acts of 1935, **1935 PA 251**, or both, but not to exceed 25
17 years, as if the member had retired effective the day preceding the
18 date of death and nominated the spouse as beneficiary. If there is
19 not a surviving spouse, or ~~upon~~**ON** the spouse's death, ~~then~~ the
20 retirement allowance ~~shall~~**MUST** be paid to the children under the
21 age of 18 years of the member, share and share alike. ~~Upon~~**ON** the
22 spouse's death, if there are not eligible children, there ~~shall~~
23 **MUST** be paid to the deceased member's estate any residual
24 accumulated contributions and interest made by him or her into the
25 reserve for employee contributions. A retirement allowance ~~shall~~**IS**
26 not ~~be~~ payable under this section if a retirement allowance is
27 payable under any other section of this act.

1 (2) Payment of the retirement allowance ~~shall~~**MUST** begin the
2 first day of the calendar month next following the month in which
3 the member died.

4 **(3) THE RETIREMENT ALLOWANCE PAYABLE UNDER THIS SECTION TO A**
5 **MEMBER WHO FIRST BECOMES A MEMBER ON OR AFTER JUNE 10, 2012 MUST BE**
6 **OFFSET BY THE ACTUARIALLY DETERMINED VALUE OF THE EMPLOYER-FUNDED**
7 **PORTION PLUS THE ASSOCIATED INVESTMENT GROWTH OF ANY EMPLOYER**
8 **CONTRIBUTIONS MADE UNDER SECTION 15A AND FORFEITS THE CONTRIBUTIONS**
9 **AND EARNINGS ON THE CONTRIBUTIONS.**

10 **(4) A MEMBER, FORMER MEMBER, OR BENEFICIARY OF A DECEASED**
11 **MEMBER, WHICH MEMBER FIRST BECOMES A MEMBER ON OR AFTER JUNE 10,**
12 **2012 AND WHO IS ELIGIBLE FOR A RETIREMENT ALLOWANCE UNDER THIS**
13 **SECTION, IS ELIGIBLE FOR HEALTH INSURANCE COVERAGE UNDER SECTION 42**
14 **IN ALL RESPECTS AND UNDER THE SAME TERMS AS WOULD BE A MEMBER WHO**
15 **FIRST BECOMES A MEMBER BEFORE JUNE 10, 2012.**

16 Sec. 28. (1) ~~A~~**EXCEPT AS PROVIDED IN SECTION 24(4) AND SUBJECT**
17 **TO SUBSECTION (3), A** member who retires due to nonduty incurred
18 disability on or after the effective date of this act and after
19 completing 10 years of credited service under this act or former
20 ~~Act No. 251 of the Public Acts of 1935,~~**1935 PA 251,** or both, ~~shall~~
21 ~~be~~**IS** entitled to receive a retirement allowance equal to 2.4% of
22 the member's final average compensation times the number of years,
23 including any fraction of a year, of service credited to the member
24 pursuant to this act or former ~~Act No. 251 of the Public Acts of~~
25 ~~1935,~~**1935 PA 251,** or both, but not to exceed 25 years, during the
26 period of disability. ~~It~~**EXCEPT AS PROVIDED IN SECTION 24(4), IF** a
27 retirant receiving a retirement allowance under this section dies,

1 the retirement allowance ~~shall~~**MUST** continue to be paid to the
2 surviving spouse for the rest of the spouse's life in an amount
3 equal to the retirement allowance ~~which~~**THAT** the member was
4 receiving on the date of his or her death.

5 (2) For purposes of this section, if there is no surviving
6 spouse or ~~upon~~**ON** the spouse's death, ~~then~~the retirement allowance
7 ~~shall~~**MUST** be paid to the children under the age of 18 of the
8 member, share and share alike. If there are no eligible children
9 remaining after the spouse's death, ~~then~~there ~~shall~~**MUST** be paid
10 to the deceased member's estate any residual accumulated
11 contributions and interest made by him or her into the reserve for
12 employee contributions.

13 **(3) THE RETIREMENT ALLOWANCE PAYABLE UNDER THIS SECTION MUST**
14 **BE OFFSET BY THE ACTUARIALLY DETERMINED VALUE OF THE EMPLOYER-**
15 **FUNDED PORTION PLUS THE ASSOCIATED INVESTMENT GROWTH**
16 **AND EMPLOYER CONTRIBUTIONS MADE UNDER SECTION 15A AND EARNINGS ON**
17 **THE CONTRIBUTIONS.**

18 **(4) A MEMBER, FORMER MEMBER, OR BENEFICIARY OF A DECEASED**
19 **MEMBER, WHICH MEMBER FIRST BECOMES A MEMBER ON OR AFTER JUNE 10,**
20 **2012 AND WHO IS ELIGIBLE FOR A RETIREMENT ALLOWANCE UNDER THIS**
21 **SECTION, IS ELIGIBLE FOR HEALTH INSURANCE COVERAGE UNDER SECTION 42**
22 **IN ALL RESPECTS AND UNDER THE SAME TERMS AS WOULD BE A MEMBER WHO**
23 **FIRST BECOMES A MEMBER BEFORE JUNE 10, 2012.**

24 Sec. 32. (1) A member of ~~this~~**THE** retirement system who has
25 accumulated 10 or more years of retirement system service credit
26 under this act or former ~~Act No. 251 of the Public Acts of 1935,~~
27 **1935 PA 251**, or both, and who, while an employee of the department

1 of state police, was or is drafted, enlisted, inducted, or
2 commissioned into active duty with the military, naval, marine, or
3 other armed service of the United States government and who is
4 accepted for reemployment as an employee of the department of state
5 police who subscribes to the constitutional oath of office within 6
6 months following discharge from active service, or if hospitalized
7 at date of discharge, is accepted for reemployment as an employee
8 of the department who subscribes to the constitutional oath of
9 office within 6 months following release from the military
10 facility, ~~shall have~~ **HAS** not more than 2 years of the active
11 service credited as a member of the retirement system, in the same
12 manner as if the member had served uninterruptedly. During the
13 period of active service, and until reemployment, the member's
14 contributions to the reserve for employee contributions ~~shall~~ **MUST**
15 be suspended and the member's balance in his or her account
16 standing to the member's credit as of the last payroll date
17 preceding the member's leave of absence ~~shall~~ **MUST** be accumulated
18 at regular interest. If the member withdraws all or part of the
19 accumulated contributions from his or her account, the active
20 service ~~shall~~ **MUST** not be credited until the member returns to the
21 reserve for employee contributions those amounts withdrawn,
22 together with regular interest computed from the date of withdrawal
23 to the date of repayment.

24 (2) A member of this retirement system who does not meet the
25 requirements of subsection (1) and who was drafted, enlisted,
26 inducted, or commissioned into active duty with the military or
27 other armed service of the United States government may elect to

1 receive service credit for not more than 2 years of active duty
 2 upon request and payment to the retirement system of an amount
 3 equal to 5% of the member's full-time compensation for the fiscal
 4 year in which the payment is made multiplied by the years and
 5 months the member elects to purchase up to the maximum. **FOR THE**
 6 **PURPOSES OF COMPUTING PAYMENT UNDER THIS SUBSECTION, THE**
 7 **COMPENSATION AMOUNT USED MUST NOT BE LESS THAN THE HIGHEST FISCAL**
 8 **YEAR COMPENSATION PREVIOUSLY RECEIVED BY THE MEMBER.** Service ~~shall~~
 9 **MUST** not be credited if the service is or would be credited under
 10 any other federal, state, or local publicly supported retirement
 11 system, but this restriction ~~shall~~**DOES** not apply to those persons
 12 who have or will have acquired retirement eligibility under the
 13 federal government for service in the reserve. Armed service ~~shall~~
 14 **MUST** not be credited under this subsection until the member has
 15 accumulated 10 years of credited service, of which the last 5 are
 16 continuous.

17 (3) Service credit may be purchased under this section instead
 18 of, but not in addition to, purchasing service credit under section
 19 33.

20 Sec. 40b. (1) ~~The~~**BEGINNING WITH THE EFFECTIVE DATE OF THE**
 21 **AMENDATORY ACT THAT ADDED SECTION 42A, FOR A MEMBER WHO FIRST**
 22 **BECAME A MEMBER BEFORE JUNE 10, 2012, THE** retirement system shall
 23 recalculate **THE RETIREMENT ALLOWANCE OF** each ~~retirant's or~~
 24 ~~beneficiary's retirement allowance~~**RETIRANT** who retired under
 25 section 26, **OR OF A BENEFICIARY OF THE RETIRANT,** based ~~upon~~**ON** the
 26 ~~definition of last 2 years of service. added under section 3(10) by~~
 27 ~~the amendatory act that added this section.~~

1 (2) BEGINNING WITH THE EFFECTIVE DATE OF THE AMENDATORY ACT
2 THAT ADDED SECTION 42A, FOR A MEMBER WHO FIRST BECAME A MEMBER ON
3 OR AFTER JUNE 10, 2012, THE RETIREMENT SYSTEM SHALL RECALCULATE THE
4 RETIREMENT ALLOWANCE OF EACH RETIRANT WHO RETIRED UNDER SECTION 26,
5 OR OF A BENEFICIARY OF THE RETIRANT, BASED ON THE LAST 5 YEARS OF
6 SERVICE.

7 (3) If ~~the~~ ~~A~~ recalculation **UNDER THIS SECTION** results in an
8 increased retirement allowance, the retirant or beneficiary is
9 eligible to receive the recalculated retirement allowance beginning
10 ~~the first day of the month following the month that this section~~
11 ~~takes effect.~~ **FEBRUARY 1, 2001.**

12 Sec. 42. (1) Hospitalization and medical coverage insurance
13 premiums payable by a retirant or his or her retirement allowance
14 beneficiary and his or her dependents under any group health plan
15 authorized by the Michigan civil service commission and the
16 department ~~shall~~ **MUST** be paid in amounts provided by this
17 subsection from appropriations for this purpose made to the
18 retirement system. Until October 1, 1989, the amount payable by the
19 retirement system ~~shall~~ **MUST** be 90% of the entire monthly premium
20 payable for hospitalization and medical coverage insurance.
21 Beginning October 1, 1989, the amount payable by the retirement
22 system ~~shall~~ **MUST** be 95% of the entire monthly premium payable for
23 hospitalization and medical coverage insurance.

24 (2) Effective October 1, 1989, dental coverage and vision
25 coverage insurance premiums payable by a retirant or his or her
26 retirement allowance beneficiary and his or her dependents under
27 any group health plan authorized by the Michigan civil service

1 commission and the department ~~shall~~**MUST** be paid in amounts
2 provided by this subsection from appropriations for this purpose
3 made to the retirement system. The amount payable by the retirement
4 system ~~shall~~**MUST** be 90% of the entire monthly premium payable for
5 dental coverage and vision coverage insurance.

6 (3) The health-dental-vision benefits fund is created and
7 ~~shall be~~**IS** the fund into which appropriations of ~~the~~**THIS** state
8 for health, dental, and vision benefits are paid. Benefits payable
9 ~~pursuant to~~**UNDER** subsections (1) and (2) ~~shall be~~**ARE** payable from
10 the health-dental-vision benefits fund. The assets and any earnings
11 on the assets contained in the health-dental-vision benefits fund
12 and the health advance funding subaccount are not to be treated as
13 pension assets. ~~for any purpose.~~

14 (4) The health advance funding subaccount is the account to
15 which amounts transferred ~~pursuant to~~**UNDER** section 14(3) are
16 credited. Any amounts received from the health advance funding
17 subaccount and accumulated earnings on those amounts ~~shall~~**MUST** not
18 be expended until the actuarial accrued liability for health
19 benefits under this section is at least 100% funded. The department
20 may expend funds or transfer funds to another account to expend for
21 health benefits under this section if the actuarial accrued
22 liability for health benefits under this section is at least 100%
23 funded.

24 (5) Notwithstanding any other provision of this section, the
25 department may transfer amounts from the health advance funding
26 subaccount to the reserve for employer contributions created by
27 section 16 if the actuarial valuation prepared ~~pursuant to~~**UNDER**

1 section 14 demonstrates that, as of the beginning of a fiscal year,
2 and after all credits and transfers required by this act for the
3 previous fiscal year have been made, the sum of the actuarial value
4 of assets and the actuarial present value of future normal cost
5 contributions does not exceed the actuarial present value of
6 benefits.

7 (6) EXCEPT AS OTHERWISE PROVIDED IN SECTIONS 25 TO 28, THIS
8 SECTION DOES NOT APPLY TO A MEMBER WHO FIRST BECOMES A MEMBER ON OR
9 AFTER JUNE 10, 2012.

10 SEC. 42A. AS PART OF COLLECTIVE BARGAINING WITH EMPLOYEES OF
11 THE DEPARTMENT OF STATE POLICE WHO HAVE SUBSCRIBED TO THE
12 CONSTITUTIONAL OATH OF OFFICE, THIS STATE SHALL OFFER A DEFINED
13 CONTRIBUTION PLAN, IN ADDITION TO THE DEFINED BENEFIT PLAN OFFERED
14 UNDER THIS ACT. THIS SECTION DOES NOT REQUIRE EMPLOYEES OF THE
15 DEPARTMENT OF STATE POLICE WHO HAVE SUBSCRIBED TO THE
16 CONSTITUTIONAL OATH OF OFFICE TO ACCEPT THE OFFER DESCRIBED IN THIS
17 SECTION AS PART OF COLLECTIVE BARGAINING WITH THIS STATE.

18 SEC. 42B. (1) A MEMBER WHO FIRST BECOMES A MEMBER ON OR AFTER
19 JUNE 10, 2012 MUST NOT RECEIVE ANY HEALTH INSURANCE COVERAGE
20 PREMIUM FROM THE RETIREMENT SYSTEM UNDER SECTION 42. IN LIEU OF ANY
21 HEALTH INSURANCE COVERAGE PREMIUM THAT MIGHT HAVE BEEN PAID BY THE
22 RETIREMENT SYSTEM UNDER SECTION 42, A MEMBER'S EMPLOYER SHALL MAKE
23 A MATCHING CONTRIBUTION UP TO 2% OF THE MEMBER'S COMPENSATION TO
24 THE TIER 2 PLAN FOR EACH MEMBER WHO FIRST BECOMES A MEMBER ON OR
25 AFTER JUNE 10, 2012. A MATCHING CONTRIBUTION UNDER THIS SUBSECTION
26 MUST NOT BE USED AS THE BASIS FOR A LOAN FROM AN EMPLOYEE'S TIER 2
27 ACCOUNT.

1 (2) A MEMBER WHO FIRST BECOMES A MEMBER ON OR AFTER JUNE 10,
2 2012 MAY MAKE A CONTRIBUTION UP TO 2% OF THE MEMBER'S COMPENSATION
3 TO A TIER 2 ACCOUNT. A MEMBER DESCRIBED IN THIS SUBSECTION MAY MAKE
4 ADDITIONAL CONTRIBUTIONS TO HIS OR HER TIER 2 ACCOUNT AS PERMITTED
5 BY THE DEPARTMENT AND THE INTERNAL REVENUE CODE.

6 (3) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A MEMBER
7 IS VESTED IN EMPLOYER CONTRIBUTIONS MADE TO HIS OR HER TIER 2
8 ACCOUNT UNDER SUBSECTIONS (1) AND (2) ACCORDING TO THE VESTING
9 PROVISIONS UNDER SECTION 42C(2). A MEMBER WHO IS ELIGIBLE FOR
10 HEALTH INSURANCE COVERAGE UNDER SECTION 42 OR AS A RESULT OF
11 BENEFITS PROVIDED UNDER SECTIONS 25 TO 28 IS NOT VESTED IN ANY
12 EMPLOYER CONTRIBUTIONS UNDER SUBSECTION (1) AND FORFEITS THE
13 CONTRIBUTIONS AND EARNINGS ON THE CONTRIBUTIONS.

14 (4) THE CONTRIBUTIONS DESCRIBED IN THIS SECTION MUST BEGIN
15 WITH THE FIRST PAYDAY AFTER THE MEMBER IS EMPLOYED AND END ON HIS
16 OR HER TERMINATION OF EMPLOYMENT.

17 (5) AN INDIVIDUAL WHO WAS A FORMER MEMBER ON JUNE 9, 2012 AND
18 WHO IS REEMPLOYED BY THE DEPARTMENT OF STATE POLICE AND WHO
19 SUBSCRIBES TO THE CONSTITUTIONAL OATH OF OFFICE AFTER JUNE 10, 2012
20 IS TREATED IN A MANNER AS DETERMINED BY THE RETIREMENT SYSTEM IN
21 CONSULTATION WITH THE OFFICE OF STATE EMPLOYER.

22 (6) IN LIEU OF ANY OTHER HEALTH INSURANCE COVERAGE THAT MIGHT
23 HAVE BEEN PAID BY THE RETIREMENT SYSTEM, A CREDIT TO A HEALTH
24 REIMBURSEMENT ACCOUNT WITHIN THE TRUST CREATED UNDER THE PUBLIC
25 EMPLOYEE RETIREMENT HEALTH CARE FUNDING ACT, 2010 PA 77, MCL
26 38.2731 TO 38.2747, MUST BE MADE BY THE EMPLOYER FOR A MEMBER WHO
27 FIRST BECOMES A MEMBER ON OR AFTER JUNE 10, 2012 AS FOLLOWS:

1 (A) TWO THOUSAND DOLLARS TO AN INDIVIDUAL WHO IS 50 YEARS OF
2 AGE OR OLDER AND WHO HAS AT LEAST 10 YEARS OF SERVICE AT HIS OR HER
3 FIRST TERMINATION OF EMPLOYMENT.

4 (B) ONE THOUSAND DOLLARS TO AN INDIVIDUAL WHO IS LESS THAN 56
5 YEARS OF AGE AND WHO HAS AT LEAST 10 YEARS OF SERVICE AT HIS OR HER
6 FIRST TERMINATION OF EMPLOYMENT.

7 (7) THE RETIREMENT SYSTEM SHALL DETERMINE A METHOD TO
8 IMPLEMENT SUBSECTIONS (5) AND (6), INCLUDING A METHOD FOR CREDITING
9 THE AMOUNTS IN SUBSECTION (6) TO COMPLY WITH ANY AGREEMENTS BETWEEN
10 THE OFFICE OF STATE EMPLOYER AND MEMBERS, AND THE INTERNAL REVENUE
11 CODE, AS APPLICABLE.

12 SEC. 42C. (1) A QUALIFIED PARTICIPANT IS IMMEDIATELY 100%
13 VESTED IN HIS OR HER CONTRIBUTIONS MADE TO TIER 2.

14 (2) A QUALIFIED PARTICIPANT WHO IS A MEMBER OF TIER 1 VESTS IN
15 THE EMPLOYER CONTRIBUTIONS MADE ON HIS OR HER BEHALF TO TIER 2
16 ACCORDING TO THE FOLLOWING SCHEDULE:

17 (A) ON COMPLETION OF 2 YEARS OF SERVICE, 50%.

18 (B) ON COMPLETION OF 3 YEARS OF SERVICE, 75%.

19 (C) ON COMPLETION OF 4 YEARS OF SERVICE, 100%.

20 SEC. 60. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE
21 DEPARTMENT SHALL IMPLEMENT THE TIER 2 PLAN AS SOON AS
22 ADMINISTRATIVELY FEASIBLE, BUT NOT LATER THAN SEPTEMBER 30, 2019.

23 SEC. 61. FOR THE PURPOSES OF THIS SECTION AND SECTIONS 62 TO
24 74, THE WORDS AND PHRASES DEFINED IN SECTIONS 62 TO 64 HAVE THE
25 MEANINGS ASCRIBED TO THEM IN THOSE SECTIONS.

26 SEC. 62. (1) "ACCUMULATED BALANCE" MEANS THE TOTAL BALANCE IN
27 A QUALIFIED PARTICIPANT'S, FORMER QUALIFIED PARTICIPANT'S, OR

1 REFUND BENEFICIARY'S INDIVIDUAL ACCOUNT IN TIER 2.

2 (2) "COMPENSATION" MEANS THE REMUNERATION PAID TO A
3 PARTICIPANT ON ACCOUNT OF THE PARTICIPANT'S SERVICES RENDERED TO
4 HIS OR HER EMPLOYER EQUAL TO THE SUM OF THE FOLLOWING:

5 (A) A PARTICIPANT'S W-2 EARNINGS FOR SERVICES PERFORMED FOR
6 THE EMPLOYER.

7 (B) ANY AMOUNT CONTRIBUTED OR DEFERRED AT THE ELECTION OF THE
8 PARTICIPANT THAT IS EXCLUDED FROM GROSS INCOME UNDER SECTION 125,
9 132(F) (4) , 401(K) , 403(B) , OR 457 OF THE INTERNAL REVENUE CODE, 26
10 USC 125, 132, 401, 403, AND 457.

11 SEC. 63. (1) "EMPLOYER" MEANS THIS STATE.

12 (2) "FORMER QUALIFIED PARTICIPANT" MEANS AN INDIVIDUAL WHO WAS
13 A QUALIFIED PARTICIPANT AND WHO TERMINATES THE EMPLOYMENT ON WHICH
14 HIS OR HER PARTICIPATION IS BASED FOR ANY REASON.

15 SEC. 64. (1) "PLAN DOCUMENT" MEANS THE DOCUMENT THAT CONTAINS
16 THE PROVISIONS AND PROCEDURES OF TIER 2 IN CONFORMITY WITH THIS ACT
17 AND THE INTERNAL REVENUE CODE.

18 (2) "REFUND BENEFICIARY" MEANS AN INDIVIDUAL NOMINATED BY A
19 QUALIFIED PARTICIPANT OR A FORMER QUALIFIED PARTICIPANT UNDER
20 SECTION 72 TO RECEIVE A DISTRIBUTION OF THE PARTICIPANT'S
21 ACCUMULATED BALANCE IN THE MANNER PRESCRIBED IN SECTION 73.

22 SEC. 65. (1) THE DEPARTMENT SHALL ADMINISTER TIER 2 AND SHALL
23 BE THE FIDUCIARY AND TRUSTEE OF TIER 2. THE DEPARTMENT MAY APPOINT
24 AN ADVISORY BOARD TO ASSIST THE DEPARTMENT IN CARRYING OUT ITS
25 DUTIES AS FIDUCIARY AND TRUSTEE. THE DEPARTMENT AND THE STATE
26 TREASURER SHALL COMPLY WITH EXECUTIVE REORGANIZATION ORDER NO.
27 1999-5, MCL 38.2721, IN THE ADMINISTRATION OF TIER 2.

1 (2) THE DEPARTMENT SHALL DETERMINE THE PROVISIONS AND
2 PROCEDURES OF TIER 2 AND THE PLAN DOCUMENT IN CONFORMITY WITH THIS
3 ACT AND THE INTERNAL REVENUE CODE.

4 (3) THE DEPARTMENT HAS THE EXCLUSIVE AUTHORITY AND
5 RESPONSIBILITY TO EMPLOY OR CONTRACT WITH PERSONNEL AND FOR
6 SERVICES THAT THE DEPARTMENT DETERMINES NECESSARY FOR THE PROPER
7 ADMINISTRATION OF AND INVESTMENT OF ASSETS OF TIER 2, INCLUDING,
8 BUT NOT LIMITED TO, MANAGERIAL, PROFESSIONAL, LEGAL, CLERICAL,
9 TECHNICAL, AND ADMINISTRATIVE PERSONNEL OR SERVICES.

10 SEC. 66. (1) A QUALIFIED PARTICIPANT, FORMER QUALIFIED
11 PARTICIPANT, OR REFUND BENEFICIARY MAY REQUEST A HEARING ON A CLAIM
12 INVOLVING HIS OR HER RIGHTS UNDER TIER 2. ON WRITTEN REQUEST, THE
13 DEPARTMENT SHALL PROVIDE FOR A HEARING THAT MUST BE CONDUCTED UNDER
14 CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA
15 306, MCL 24.271 TO 24.288. AN INDIVIDUAL MAY BE REPRESENTED BY
16 COUNSEL OR OTHER AUTHORIZED AGENT AT A HEARING CONDUCTED UNDER THIS
17 SECTION.

18 (2) CHAPTERS 2, 3, AND 5 OF THE ADMINISTRATIVE PROCEDURES ACT
19 OF 1969, 1969 PA 306, MCL 24.224 TO 24.266 AND 24.291 TO 24.292, DO
20 NOT APPLY TO THE ESTABLISHMENT, IMPLEMENTATION, ADMINISTRATION,
21 OPERATION, INVESTMENT, OR DISTRIBUTION OF TIER 2.

22 SEC. 67. EACH QUALIFIED PARTICIPANT, FORMER QUALIFIED
23 PARTICIPANT, AND REFUND BENEFICIARY SHALL DIRECT THE INVESTMENT OF
24 THE INDIVIDUAL'S ACCUMULATED EMPLOYER AND EMPLOYEE CONTRIBUTIONS
25 AND EARNINGS TO 1 OR MORE INVESTMENT CHOICES WITHIN AVAILABLE
26 CATEGORIES OF INVESTMENT PROVIDED BY THE DEPARTMENT. THE
27 LIMITATIONS ON THE PERCENTAGE OF TOTAL ASSETS FOR INVESTMENTS

1 PROVIDED IN THE PUBLIC EMPLOYEE RETIREMENT SYSTEM INVESTMENT ACT,
2 1965 PA 314, MCL 38.1132 TO 38.1141, DO NOT APPLY TO TIER 2.

3 SEC. 68. THE ADMINISTRATIVE EXPENSES OF TIER 2 MUST BE PAID BY
4 THE QUALIFIED PARTICIPANTS, FORMER QUALIFIED PARTICIPANTS, AND
5 REFUND BENEFICIARIES WHO HAVE NOT CLOSED THEIR ACCOUNTS IN A MANNER
6 DETERMINED BY THE DEPARTMENT.

7 SEC. 69. A QUALIFIED PARTICIPANT SHALL NOT PARTICIPATE IN ANY
8 OTHER PUBLIC SECTOR RETIREMENT BENEFITS PLAN FOR SIMULTANEOUS
9 SERVICE RENDERED TO THE SAME PUBLIC SECTOR EMPLOYER. EXCEPT AS
10 OTHERWISE PROVIDED IN THIS ACT OR BY THE DEPARTMENT, THIS SECTION
11 DOES NOT PROHIBIT A QUALIFIED PARTICIPANT FROM PARTICIPATING IN A
12 RETIREMENT PLAN ESTABLISHED BY THIS STATE OR OTHER PUBLIC SECTOR
13 EMPLOYER UNDER THE INTERNAL REVENUE CODE. FOR THE PURPOSES OF THIS
14 SECTION, "PUBLIC SECTOR EMPLOYER" INCLUDES, BUT IS NOT LIMITED TO,
15 A REPORTING UNIT.

16 SEC. 70. (1) THIS SECTION IS SUBJECT TO THE VESTING
17 REQUIREMENTS OF SECTION 42C.

18 (2) UNLESS THE QUALIFIED PARTICIPANT AFFIRMATIVELY ELECTS NOT
19 TO CONTRIBUTE OR ELECTS TO CONTRIBUTE A LESSER AMOUNT, THE
20 QUALIFIED PARTICIPANT SHALL CONTRIBUTE 2% OF HIS OR HER
21 COMPENSATION TO HIS OR HER TIER 2 ACCOUNT. THE QUALIFIED
22 PARTICIPANT'S EMPLOYER SHALL MAKE A CONTRIBUTION TO THE QUALIFIED
23 PARTICIPANT'S TIER 2 ACCOUNT IN AN AMOUNT EQUAL TO 50% OF THE FIRST
24 2% OF COMPENSATION CONTRIBUTION MADE BY THE QUALIFIED PARTICIPANT
25 UNDER THIS SUBSECTION.

26 (3) A QUALIFIED PARTICIPANT MAY MAKE CONTRIBUTIONS IN ADDITION
27 TO CONTRIBUTIONS MADE UNDER SUBSECTION (2) TO HIS OR HER TIER 2

1 ACCOUNT AS PERMITTED BY THE DEPARTMENT AND THE INTERNAL REVENUE
2 CODE.

3 SEC. 72. A QUALIFIED PARTICIPANT OR FORMER QUALIFIED
4 PARTICIPANT MAY NOMINATE 1 OR MORE INDIVIDUALS AS A REFUND
5 BENEFICIARY BY FILING WRITTEN NOTICE OF NOMINATION WITH THE
6 DEPARTMENT. IF THE QUALIFIED PARTICIPANT OR FORMER QUALIFIED
7 PARTICIPANT IS MARRIED AT THE TIME OF THE NOMINATION AND THE
8 PARTICIPANT'S SPOUSE IS NOT THE REFUND BENEFICIARY FOR 100% OF THE
9 ACCOUNT, THE NOMINATION IS NOT EFFECTIVE UNLESS THE NOMINATION IS
10 SIGNED BY THE PARTICIPANT'S SPOUSE IF THE SIGNATURE OF THE
11 PARTICIPANT'S SPOUSE IS REQUIRED BY THE PLAN DOCUMENT. HOWEVER, THE
12 DEPARTMENT MAY WAIVE THIS REQUIREMENT IF THE SPOUSE'S SIGNATURE
13 CANNOT BE OBTAINED BECAUSE OF EXTENUATING CIRCUMSTANCES.

14 SEC. 73. (1) A QUALIFIED PARTICIPANT IS ELIGIBLE TO RECEIVE
15 DISTRIBUTION OF HIS OR HER ACCUMULATED BALANCE IN TIER 2 UPON
16 BECOMING A FORMER QUALIFIED PARTICIPANT.

17 (2) UPON THE DEATH OF A QUALIFIED PARTICIPANT OR FORMER
18 QUALIFIED PARTICIPANT, THE ACCUMULATED BALANCE OF THAT DECEASED
19 PARTICIPANT IS CONSIDERED TO BELONG TO THE REFUND BENEFICIARY, IF
20 ANY, OF THAT DECEASED PARTICIPANT. IF A VALID NOMINATION OF REFUND
21 BENEFICIARY IS NOT ON FILE WITH THE DEPARTMENT, THE DEPARTMENT, IN
22 A LUMP SUM DISTRIBUTION, SHALL DISTRIBUTE THE ACCUMULATED BALANCE
23 IN ACCORDANCE WITH THE PLAN DOCUMENT.

24 (3) A FORMER QUALIFIED PARTICIPANT OR REFUND BENEFICIARY MAY
25 ELECT 1 OR A COMBINATION OF SEVERAL OF THE FOLLOWING METHODS OF
26 DISTRIBUTION OF THE ACCUMULATED BALANCE:

27 (A) A LUMP SUM DISTRIBUTION TO THE RECIPIENT.

1 (B) A LUMP SUM DIRECT ROLLOVER TO ANOTHER QUALIFIED PLAN, TO
2 THE EXTENT ALLOWED BY FEDERAL LAW.

3 (C) PERIODIC DISTRIBUTIONS, AS AUTHORIZED BY THE DEPARTMENT.

4 (D) NO CURRENT DISTRIBUTION, IN WHICH CASE THE ACCUMULATED
5 BALANCE SHALL REMAIN IN TIER 2 UNTIL THE FORMER QUALIFIED
6 PARTICIPANT OR REFUND BENEFICIARY ELECTS A METHOD OR METHODS OF
7 DISTRIBUTION UNDER SUBDIVISIONS (A) TO (C), TO THE EXTENT ALLOWED
8 BY FEDERAL LAW.

9 SEC. 74. (1) THE DEPARTMENT HAS THE RIGHT OF SETOFF TO RECOVER
10 OVERPAYMENTS MADE UNDER THIS ACT AND TO SATISFY ANY CLAIMS ARISING
11 FROM EMBEZZLEMENT OR FRAUD COMMITTED BY A QUALIFIED PARTICIPANT,
12 FORMER QUALIFIED PARTICIPANT, REFUND BENEFICIARY, OR OTHER PERSON
13 WHO HAS A CLAIM TO A DISTRIBUTION OR ANY OTHER BENEFIT FROM TIER 2.

14 (2) THE DEPARTMENT SHALL CORRECT ERRORS IN THE RECORDS AND
15 ACTIONS IN TIER 2 UNDER THIS ACT, AND SHALL SEEK TO RECOVER
16 OVERPAYMENTS AND SHALL MAKE UP UNDERPAYMENTS.

17 SEC. 75. (1) THERE IS APPROPRIATED FOR THE FISCAL YEAR ENDING
18 SEPTEMBER 30, 2019, \$535,000.00 TO THE OFFICE OF RETIREMENT
19 SERVICES IN THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
20 FOR ADMINISTRATION OF THE CHANGES UNDER THE AMENDATORY ACT THAT
21 ADDED THIS SECTION.

22 (2) THE APPROPRIATION AUTHORIZED IN SUBSECTION (1) IS A WORK
23 PROJECT APPROPRIATION AND ANY UNENCUMBERED OR UNALLOTTED FUNDS ARE
24 CARRIED FORWARD INTO THE FOLLOWING FISCAL YEAR. THE FOLLOWING IS IN
25 COMPLIANCE WITH SECTION 451A(1) OF THE MANAGEMENT AND BUDGET ACT,
26 1984 PA 431, MCL 18.1451A:

27 (A) THE PURPOSE OF THE PROJECT IS TO ADMINISTER CHANGES UNDER

1 THE AMENDATORY ACT THAT ADDED THIS SECTION.

2 (B) THE WORK PROJECT WILL BE ACCOMPLISHED THROUGH A PLAN
3 UTILIZING INTERAGENCY AGREEMENTS, EMPLOYEES, AND CONTRACTS.

4 (C) THE TOTAL ESTIMATED COMPLETION COST OF THE WORK PROJECT IS
5 \$535,000.00.

6 (D) THE ESTIMATED COMPLETION DATE FOR THE WORK PROJECT IS
7 SEPTEMBER 30, 2019.