

STATE EMPLOYEES' RETIREMENT ACT (EXCERPT)
Act 240 of 1943

38.53 Meanings of words and phrases; definitions; A to C.

Sec. 53.

(1) For the purposes of this section and sections 54 to 69, the words and phrases defined in this section and sections 54 to 69 have the meanings ascribed to them in those sections.

(2) "Accumulated balance" means the total balance in a qualified participant's, former qualified participant's, or refund beneficiary's individual account in Tier 2.

(3) "Compensation" means the remuneration paid a participant on account of the participant's services rendered to his or her employer equal to the sum of the following:

(a) A participant's W-2 earnings for services performed for the employer excluding part B annual leave hours paid at separation.

(b) Any amount contributed or deferred at the election of the participant which is excluded from gross income under section 125, 132(f)(4), 401(k), 403(b), or 457 of the internal revenue code, 26 USC 125, 132, 401, 403, and 457.

(c) Beginning October 1, 2003, the value of any unpaid furlough hours and the value of any unpaid hours exchanged for part B annual leave hours calculated at the participant's then current hourly rate or rates of pay for a period during which a participant is participating in the banked leave time program.

(d) The value of hours not worked during which a participant is in a voluntary or involuntary pay reduction plan A or on 1-day layoff or designated temporary layoff calculated at the participant's then current hourly rate or rates of pay.

History: Add. 1996, Act 487, Eff. Mar. 31, 1997 ;-- Am. 2004, Act 33, Imd. Eff. Mar. 22, 2004

Compiler's Notes: Section 2 of Act 487 of 1996 provides: "If any section or part of a section of this act is for any reason held to be invalid or unconstitutional, the holding does not affect the validity of the remaining sections of this act or the act in its entirety."