

# SENATE BILL No. 691

Introduced by Senator HILDENBRAND.

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 sections 12a, 12d, and 12e (MCL 46.12a, 46.12d, and 46.12e), section 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

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

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

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

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

10 (2) In a plan adopted under this section, at least 60% of the  
11 total pension or retirement benefit granted to an employee from  
12 county funds ~~shall~~ **MUST** consist of a percentage not to exceed 2.5%  
13 of the employee's average final compensation times the employee's  
14 years of service and ~~shall~~ **MUST** be granted to each employee  
15 eligible for retirement under the plan uniformly and without  
16 restriction or limitation other than those prescribed in this  
17 section. As used in this section:

18 (a) "Average final compensation" means the annual average of  
19 the highest actual compensation received by a county employee,  
20 other than a county employee who is a judge of a municipal court of  
21 record subject to subsection (20) or a judge subject to subsection  
22 (23), during a period of 5 consecutive years of service contained  
23 within the employee's 10 years of service immediately before the  
24 employee's retirement or a period of 5 years of service as  
25 specified in the plan. In a county that adopts a plan for granting  
26 longevity pay, the county board of commissioners may exclude this  
27 longevity pay from average final compensation for the purpose of

1 computing the rate of employee contribution and the amount of  
2 benefits payable to an employee ~~upon~~**ON** retirement.

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

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

12 (4) If the employment of a county employee eligible to receive  
13 a pension or retirement benefit under a plan established ~~pursuant~~  
14 ~~to~~**UNDER** this section is terminated after the employee has  
15 completed 8 or more years of service in county employment, the  
16 employee ~~shall~~**MUST** receive the amount of pension or retirement  
17 benefit to which the employee's service would have entitled the  
18 employee under the plan established, if the employee waives the  
19 employee's right to a refund of the employee's total participation  
20 ~~upon~~**ON** the termination of employment. The payment of pension or  
21 retirement benefits ~~shall~~**MUST** begin, as provided in the plan,  
22 after the employee would have become eligible for retirement under  
23 the plan had the employee's employment not been terminated, but not  
24 later 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 plan established under this section may provide for  
2 pension or retirement benefits for a county employee who becomes  
3 totally disabled for work in the county service from any cause,  
4 after not less than 10 years of county employment, to the extent of  
5 the limitations provided in this section. A plan may also provide  
6 for pension or retirement benefits to the extent of the limitations  
7 provided in this section or \$400.00 per month, whichever is the  
8 greater ~~sum,~~ **AMOUNT**, for an employee who becomes totally disabled  
9 for work in the county service from causes that are the direct and  
10 proximate result of county employment, to continue for the duration  
11 of the disability or until the employee becomes eligible for  
12 retirement ~~pursuant to~~ **UNDER** other provisions of the plan  
13 authorized by this section. A plan may also provide for pension or  
14 retirement benefits, to the extent of the limitations provided in  
15 this section, for the actual dependents of a county employee who  
16 dies while still employed by the county after not less than 10  
17 years of county employment, or who dies after leaving county  
18 employment with not less than the number of years of service  
19 required to vest in the plan but before becoming eligible to  
20 receive a pension or retirement benefit. A plan may also provide  
21 for pension or retirement benefits to the extent of the limitations  
22 provided in this section or \$400.00 per month, whichever is  
23 greater, for the actual dependents of a deceased county employee  
24 whose death is the direct and proximate result of county  
25 employment. The plan may provide that the period from the end of  
26 the deceased or disabled employee's period of service to the date  
27 that employee would have become eligible for retirement ~~be~~ **IS** used

1 as service for the sole purpose of computing the amount of  
2 disability or death pension.

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

1 this section if a plan has been established by law by which the  
2 cost of benefits is payable from sources including charges on all  
3 legal instruments in which the service of process by a bailiff is  
4 required and earmarked by law for benefits, and contributions made  
5 by the city of Detroit and each bailiff ~~pursuant to~~ **UNDER** section  
6 8322(6) of the revised judicature act of 1961, 1961 PA 236, MCL  
7 600.8322. The plan ~~shall include provisions by which~~ **MUST PROVIDE**  
8 **THAT** a bailiff or former bailiff who served as bailiff as of  
9 January 1, 1967, may retire after 25 years of service regardless of  
10 age, with maximum benefits to be computed as follows: starting as  
11 of January 1, 1969, the average of any 5 years of earnings of the  
12 previous 10 years served in succession before retirement multiplied  
13 by 1.9% times the years of service; starting as of June 1, 1975,  
14 the average of any 5 years of earnings multiplied by 2% times the  
15 years of service. As used in this subsection, "earnings" means the  
16 salary and fees, other than mileage, received by a bailiff ~~pursuant~~  
17 ~~to~~ **UNDER** section 8322(5) of the revised judicature act of 1961,  
18 1961 PA 236, MCL 600.8322. The plan ~~shall include provisions by~~  
19 ~~which~~ **MUST PROVIDE THAT** health, accident, and hospitalization  
20 insurance premiums may be paid out of the earnings of this fund.  
21 These payments ~~shall~~ **MUST** be made at the discretion of the pension  
22 board of trustees. A county that has a retirement fund for bailiffs  
23 under this section shall annually review the retirement fund and  
24 shall ensure that the fund is maintained in an actuarially sound  
25 condition. Copies of the actuarial reports ~~shall~~ **MUST** be provided  
26 to the employer designated under section 8274(2) or (3) of the  
27 revised judicature act of 1961, 1961 PA 236, MCL 600.8274, and to



1 the state court administrator.

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

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

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

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

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

23 (c) Service that is recognized for the purpose of a deferred  
24 retirement allowance under a retirement system or other employer-  
25 funded retirement benefit plan, except for a retirement benefit  
26 plan under the social security act, chapter 531, 49 Stat. 620, of  
27 the United States government, a state, or a political subdivision

1 of a state ~~shall~~ **IS** not be credited if the county employee retired  
2 under a retirement system of the United States government, a state,  
3 or any of their political subdivisions or until the county employee  
4 irrevocably forfeits the right to the deferred retirement  
5 allowance.

6 (d) The county employee deposits in the plan established under  
7 this section an amount equal to the aggregate amount of  
8 contributions the county employee would have made had the service  
9 been acquired ~~in the employ of~~ **WHILE EMPLOYED BY** the county, plus  
10 interest from the dates the contributions would have been made to  
11 the date of deposit, at rates determined by the county board of  
12 commissioners. If records are insufficient or unavailable to  
13 compute the exact amount of required deposit, the county board of  
14 commissioners may estimate the amount.

15 (e) The county employee has 8 or more years of credited  
16 service in county employment, ~~has legal vesting~~ **IS VESTED** in the  
17 county plan, and deposits in the county employees' retirement  
18 system an amount equal to the aggregate amount of contributions the  
19 employer would have made had the government service being credited  
20 under this section been acquired ~~in the employ of~~ **WHILE EMPLOYED BY**  
21 the county.

22 (10) A plan adopted under this section may provide for annual  
23 or less frequent postretirement redetermination of a pension. The  
24 redetermined amount of pension ~~shall~~ **MUST** be not greater than the  
25 amount of pension otherwise payable multiplied by the sum of 100%  
26 and the percentage the county board of commissioners determines  
27 appropriate for each full year, excluding a fraction of a year, in

1 the period from the effective date of payments of the pension and  
2 the date ~~as of which~~ **THAT** the redetermination is being made. The  
3 redetermined amount ~~shall~~ **MUST** not be less than the amount of  
4 pension otherwise payable. A provision of this section that limits  
5 the amount of a pension ~~shall~~ **DOES** not apply to the operation of  
6 this subsection redetermining the amount of a pension. As used in  
7 this subsection, "the amount of pension otherwise payable" means  
8 the amount of pension that would be payable without regard to this  
9 subsection. The application of a provision redetermining pension  
10 amounts may be restricted to pensions that have an effective date  
11 of payment either before or after a specified date.

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

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

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

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

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

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

8 (14) A member who enters or entered any ~~armed service~~**ARMED**  
9 **SERVICE** of the United States may purchase credited service for  
10 periods of continuous active duty lasting 30 days or more, subject  
11 to the following conditions:

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

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

21 (c) The member pays the plan 5% of the member's annual  
22 compensation multiplied by the period of credited service being  
23 purchased. As used in this subdivision, "annual compensation" means  
24 the aggregate amount of compensation paid the member during the 4  
25 most recent calendar quarters for each of which the member was  
26 credited 3/12 of a year of credited service.

27 (d) Fractional months of armed service ~~shall~~**IS** not be

1 recognized for the purposes of this subsection.

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

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

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

13 (15) As used in this subsection, "transitional public  
14 employment program" means a public service employment program in  
15 the area of environmental quality, health care, education, public  
16 safety, crime prevention and control, prison rehabilitation,  
17 transportation, recreation, maintenance of parks, streets, and  
18 other public facilities, solid waste removal, pollution control,  
19 housing and neighborhood improvements, rural development,  
20 conservation, beautification, veterans' outreach, or any other area  
21 of human betterment and community improvement as part of a program  
22 of comprehensive manpower services authorized, undertaken, and  
23 financed ~~pursuant to~~**UNDER** the former comprehensive employment and  
24 training act of 1973, Public Law 93-203. A person participating in  
25 a transitional public employment program ~~shall~~**IS** not ~~be~~ eligible  
26 for membership in a retirement system or pension plan established  
27 under this section. If the person later becomes a member of a

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



1 the remainder of the employer contributions. ~~shall be paid by the~~  
2 ~~person's current employer.~~

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

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

11 (18) An employee of the circuit court in the third judicial  
12 circuit, the common pleas court of the city of Detroit, or the  
13 recorder's court of the city of Detroit who became an employee of  
14 the state judicial council on September 1, 1981, and who was 44  
15 years of age or older as of that date, and who will have  
16 accumulated 25 or more years of service credit by September 1,  
17 1987, ~~shall continue~~**CONTINUES** to be eligible for membership in,  
18 and the benefits of, a pension or retirement benefit plan  
19 established ~~pursuant to~~**UNDER** this section in the same manner as  
20 the employee was eligible before September 1, 1981. A person who  
21 was an employee of the circuit court in the third judicial circuit,  
22 the common pleas court of the city of Detroit, or the recorder's  
23 court of the city of Detroit on August 31, 1981, who last entered  
24 county employment before November 2, 1956, who became an employee  
25 of the state judicial council on September 1, 1981, and who  
26 accumulated not less than 24 years of service credit by August 31,  
27 1981, ~~shall continue~~**CONTINUES** to be eligible for membership in,

1 and the benefits of, a pension or retirement benefit plan  
2 established ~~pursuant to~~ **UNDER** this section in the same manner as  
3 the employee was eligible before September 1, 1981. An election to  
4 continue to be a member of a pension or retirement benefit plan  
5 established ~~pursuant to~~ **UNDER** this section as authorized by section  
6 594(2) of the revised judicature act of 1961, 1961 PA 236, MCL  
7 600.594, as that section read on February 8, 1985, or ~~former~~  
8 section 36(2) of **FORMER** 1919 PA 369, is not effective unless the  
9 employee has made the election in the manner prescribed by those  
10 sections and has made the payments required by those sections.

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

21 (20) Beginning September 1, 1981, for determining the  
22 retirement benefit for a county employee who is a judge of a  
23 municipal court of record ~~pursuant to~~ **UNDER** subsection (2),  
24 "average final compensation" means the annual average of the  
25 highest actual compensation received by the judge as additional  
26 salary ~~pursuant to former~~ **UNDER** section 13(2) of **FORMER** 1919 PA  
27 369, or section 9932(3) of the revised judicature act of 1961, 1961

1 PA 236, MCL 600.9932, during a period of 5 years of service as  
2 specified in the plan. This subsection ~~shall~~**MUST** not be construed  
3 to diminish or impair an accrued financial benefit.

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

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

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

11           (24) Beginning January 1, 1983, the sum of the final salary  
12 determined for ~~each~~ **A** county employee who is a judge of the probate  
13 court used as the basis for determining the judge's retirement  
14 allowance as a member of a retirement system established ~~pursuant~~  
15 ~~to~~ **UNDER** this section and the salary or compensation figure used as  
16 the basis for determining the judge's retirement allowance as a  
17 member of the state of Michigan judges' retirement system created  
18 by former 1951 PA 198 or as a member of the Michigan judges  
19 retirement system created by the judges retirement act of 1992,  
20 1992 PA 234, MCL 38.2101 to 38.2670, ~~shall~~ **MUST** not exceed the  
21 judge's total annual salary payable from all sources at the time of  
22 his or her retirement. This subsection ~~shall~~ **MUST** not be construed  
23 to diminish or impair an accrued financial benefit.

24           (25) The county board of commissioners, ~~upon~~ **ON** the request of  
25 a county employee, by not less than a 3/5 vote may credit ~~that~~ **THE**  
26 county employee with the amount of membership service that the  
27 county employee was previously credited with by the retirement

1 system established under this section under the following  
2 conditions:

3 (a) The membership service previously credited to the county  
4 employee was service rendered for the same county.

5 (b) Service that is recognized for the purpose of a deferred  
6 retirement allowance under a retirement system or other employer-  
7 funded retirement benefit plan, except for a retirement benefit  
8 plan under the social security act, chapter 531, 49 Stat. 620, of  
9 the United States government, a state, or a political subdivision  
10 of a state ~~shall~~ **IS** not ~~be~~ credited if the county employee retired  
11 under a retirement system of the United States government, a state,  
12 or any of their political subdivisions or until the county employee  
13 irrevocably forfeits the right to the deferred retirement  
14 allowance.

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

23 (d) The county employee deposits in the county employees'  
24 retirement system an amount equal to the aggregate amount of  
25 contributions the employer made at the time of the previous  
26 membership service plus interest from the date of separation to the  
27 date of deposit, at rates determined by the county board of

1 commissioners.

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

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

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

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

23 (d) A person, not regularly employed by the county, who is  
24 hired by the county to administer a program described in  
25 subdivision (a), (b), or (c).

26 (27) If a county enters into a collective bargaining agreement  
27 ~~pursuant to~~ **UNDER** 1947 PA 336, MCL 423.201 to 423.217, that

1 provides for retirement benefits that are in excess of the  
2 retirement benefits otherwise authorized ~~to be provided~~ under this  
3 section for employees of the county who are covered by a plan under  
4 this section, ~~then~~ the county board of commissioners may amend or  
5 adopt a plan under this section to provide those benefits to  
6 employees who are members of the bargaining unit covered by the  
7 agreement, and may, after December 31, 1987, amend or adopt a plan  
8 under this section to provide those benefits to other employees of  
9 the county.

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

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

27 (b) Payment of the pension or retirement benefit to the

1   retirant ~~shall continue~~ **CONTINUES** without change in amount or  
2   conditions by reason of employment by the county from which the  
3   retirant retired if all of the following requirements are met:

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

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

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

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

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

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

24      (iii) The retirant is not a member of the plan during the  
25  period of reemployment, does not receive additional retirement  
26  credits during the period of reemployment, and does not receive ~~any~~  
27  **AN** increase in pension or retirement benefits because of the



1 employment under this subdivision.

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

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

17 (29) A county may increase the percentage of the highest  
18 average monthly compensation or earnings that was used to calculate  
19 the pension or retirement benefit under subsection (1)(b) of a  
20 ~~person~~**AN INDIVIDUAL** receiving a pension or retirement benefit  
21 under this section on the date the county increases the percentage  
22 of compensation or earnings. The county shall recalculate the  
23 pension or retirement benefit using the increased percentage of  
24 compensation or earnings. The person receiving the pension or  
25 retirement benefit is eligible to receive an adjusted pension or  
26 retirement benefit based ~~upon~~**ON** the recalculation effective the  
27 first day of the month following the date the county increases the

1 percentage of compensation or earnings under this subsection.

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

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

1 divorce or award or order of the court. This subsection does not  
 2 supersede a judgment of divorce or award or order of the court in  
 3 effect on July 18, 1991. This subsection does not require the  
 4 retirement system to distribute or pay retirement assets on behalf  
 5 of a retirant in an amount that exceeds the actuarially determined  
 6 amount that would otherwise become payable if a judgment of divorce  
 7 had not been rendered.

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

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

20 **(34) NOTWITHSTANDING ANYTHING IN THIS ACT TO THE CONTRARY, A**  
 21 **PENSION OR RETIREMENT BENEFIT UNDER THIS SECTION IS SUBJECT TO THE**  
 22 **PROTECTING LOCAL GOVERNMENT RETIREMENT AND BENEFITS ACT.**

23 Sec. 12d. ~~If~~ **SUBJECT TO THE PROTECTING LOCAL GOVERNMENT**  
 24 **RETIREMENT AND BENEFITS ACT, IF** the functions of a ~~department,~~  
 25 ~~board or commission of the state or of any political subdivision of~~  
 26 ~~the state, herein called a governmental unit ,~~ **is** **ARE** transferred  
 27 to the county, and if all or part of the employees of the functions

1 are transferred from the employ of a governmental unit to the  
 2 employ of the county, the board of supervisors may regard for the  
 3 purposes of retirement benefits as set forth in section 12a the  
 4 service rendered to the governmental unit by the employees  
 5 transferred as county service to the extent and under such  
 6 reasonable terms and conditions as are mutually agreeable between  
 7 the board of supervisors and the governing body of the governmental  
 8 unit. **AS USED IN THIS SECTION, "GOVERNMENTAL UNIT" MEANS A**  
 9 **DEPARTMENT, BOARD, OR COMMISSION OF THIS STATE, OR ANY POLITICAL**  
 10 **SUBDIVISION OF THIS STATE.**

11 Sec. 12e. ~~Whenever the employees~~ **SUBJECT TO THE PROTECTING**  
 12 **LOCAL GOVERNMENT RETIREMENT AND BENEFITS ACT, IF AN EMPLOYEE** of a  
 13 county department of a county ~~which~~ **THAT** has adopted a retirement  
 14 system providing for the payment of benefits in the event of a  
 15 nonduty disability or nonduty death ~~are~~ **IS** transferred to the  
 16 employ of ~~the~~ **THIS** state ~~by reason~~ **BECAUSE** of ~~the function or~~  
 17 ~~functions~~ **A FUNCTION** of the department ~~being~~ **IS** transferred to ~~the~~  
 18 **THIS** state, the ~~employees so transferred~~ **TRANSFERRED EMPLOYEE** who  
 19 ~~(1) do~~ **DOES** not withdraw ~~their~~ **HIS OR HER** accumulated contributions  
 20 from the county's retirement system, and ~~(2) who~~ **WHO** while ~~in the~~  
 21 ~~employ of the~~ **EMPLOYED BY THIS** state ~~sustain~~ **SUSTAINS** nonduty total  
 22 disability or nonduty death, ~~shall~~ **MUST** have the credited period of  
 23 service ~~in the employ of the~~ **WHILE EMPLOYED BY THIS** state added to  
 24 the credited period of service with the county ~~prior to such~~ **BEFORE**  
 25 **THE** transfer for the purpose of determining eligibility for nonduty  
 26 disability retirement pension or benefits or, for nonduty death  
 27 benefits payable to the dependents of deceased employees under the

1 plan adopted by the county. ~~All~~ **SUBJECT TO THE PROTECTING LOCAL**  
2 **GOVERNMENT RETIREMENT AND BENEFITS ACT, ALL** pension or retirement  
3 benefits of such ~~A~~ transferred employees **EMPLOYEE DESCRIBED IN THIS**  
4 **SECTION** or ~~their dependents shall~~ **HIS OR HER DEPENDENTS MUST** be  
5 based ~~upon~~ **ON** the service credit and compensation earned while ~~in~~  
6 ~~the employ of~~ **EMPLOYED BY** the county. ~~The~~ **SUBJECT TO THE PROTECTING**  
7 **LOCAL GOVERNMENT AND RETIREMENT BENEFITS ACT, THE** board of  
8 commissioners by ordinance may provide that all pension or  
9 retirement benefits of transferred employees or their dependents  
10 ~~shall~~ **MUST** be based on the highest 5 years of service credit and  
11 compensation earned while ~~in the employ of~~ **EMPLOYED BY** either the  
12 county or ~~the~~ **THIS** state.

13 Enacting section 1. This amendatory act does not take effect  
14 unless Senate Bill No. \_\_\_\_ or House Bill No. \_\_\_\_ (request no.  
15 00251'17 \*) of the 99th Legislature is enacted into law.