

# SENATE BILL No. 802

September 15, 2009, Introduced by Senator KUIPERS and referred to the Committee on Education.

A bill to amend 1980 PA 300, entitled  
"The public school employees retirement act of 1979,"  
by amending sections 6 and 7 (MCL 38.1306 and 38.1307), as amended  
by 1995 PA 272.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 6. (1) "Original member" means a member employed in  
2 Michigan public schools before July 1, 1945.

3           (2) "Out of system public education service" means service  
4 performed in public education meeting 1 or more of the following  
5 requirements:

6           (a) Performed in other states in the United States or its  
7 territorial possessions.

8           (b) Performed at the university of Michigan, Michigan state

1 university, Wayne state university, Grand Valley state university,  
2 Oakland university, or Saginaw Valley university.

3 (c) Service purchased before January 31, 1991 and performed in  
4 a juvenile training school operated by a county in this state.

5 (d) Service purchased before January 31, 1991 and performed in  
6 a community mental health service program operated under former ~~Act~~  
7 ~~No. 54 of the Public Acts of 1963~~ **PA 54** for the severely  
8 mentally retarded in day care programs, day training programs, or  
9 day care training programs that were transferred to an intermediate  
10 school district by direction of the department of education.

11 (e) Service purchased before January 31, 1991 and performed as  
12 an elementary or secondary teacher at a United States armed forces  
13 military base in the United States or a foreign country.

14 (f) Service purchased before January 31, 1991 and performed as  
15 a teacher or administrator of American nationals in overseas public  
16 elementary or secondary schools operated by the United States  
17 department of defense.

18 (g) Performed by a person who first becomes employed by an  
19 institution of higher education described in section 4, 5, or 6 of  
20 article VIII of the state constitution of 1963 on or after January  
21 1, 1996.

22 **(H) PERFORMED BY A PERSON WHO FIRST BECOMES EMPLOYED BY A**  
23 **QUALIFIED TAX SUPPORTED COMMUNITY OR JUNIOR COLLEGE ON OR AFTER**  
24 **JANUARY 1, 2010.**

25 (3) "Prior service" means service performed before July 1,  
26 1945.

27 (4) Except as otherwise provided in this subsection, "public

1 school academy" means a public school academy established under  
2 part 6a ~~or 6b~~ of the **REVISED** school code, ~~of 1976, Act No. 451 of~~  
3 ~~the Public Acts of 1976, being sections 380.501 to 380.507 and~~  
4 ~~380.511 to 380.518 of the Michigan Compiled Laws 1976 PA 451, MCL~~  
5 **380.501 TO 380.507**. Public school academy does not include any of  
6 the following:

7 (a) A public school academy operated by a state public  
8 university that is not subject to the optional retirement act of  
9 1967, ~~Act No. 156 of the Public Acts of 1967, being sections 38.381~~  
10 ~~to 38.388 of the Michigan Compiled Laws 1967 PA 156, MCL 38.381 TO~~  
11 **38.388**.

12 (b) A public school academy corporation formed by a state  
13 public university that is not subject to ~~Act No. 156 of the Public~~  
14 ~~Acts of 1967~~ **THE OPTIONAL RETIREMENT ACT OF 1967, 1967 PA 156, MCL**  
15 **38.381 TO 38.388**.

16 (5) Except as otherwise provided in this subsection, "public  
17 school employee" means an employee of a public local school  
18 district, intermediate school district, public school academy, tax  
19 supported community or junior college, eastern Michigan university,  
20 central Michigan university, northern Michigan university, western  
21 Michigan university, Ferris state university, Michigan  
22 technological university, Lake Superior state university, or  
23 district library as defined in section 69g if the conditions in  
24 section 69g(1) are met for that employee. Service at Michigan  
25 technological university shall be creditable only if the amount of  
26 the accumulated contributions in the state employees' retirement  
27 system created by the state employees' retirement act, ~~Act No. 240~~

1 ~~of the Public Acts of 1943, being sections 38.1 to 38.48 of the~~  
2 ~~Michigan Compiled Laws 1943 PA 240, MCL 38.1 TO 38.69,~~ for service  
3 is paid to the retirement system. Service at Ferris state  
4 university shall be creditable as prior service or membership  
5 service only if the employee was employed at Ferris state  
6 university on a full-time basis for 2 or more years after May 17,  
7 1949. Until January 1, 1988, public school employee also includes a  
8 person holding a Michigan teacher certificate and serving as an  
9 employee of the Michigan high school athletic association, other  
10 than a person whose effective date of employment with the Michigan  
11 high school athletic association is on or after December 31, 1986.  
12 Public school employee includes a public school employee on an  
13 approved leave of absence. Public school employee does not include  
14 a person who first becomes employed by a university described in  
15 this subsection on or after January 1, 1996. **PUBLIC SCHOOL EMPLOYEE**  
16 **DOES NOT INCLUDE A PERSON WHO FIRST BECOMES EMPLOYED BY A QUALIFIED**  
17 **TAX SUPPORTED COMMUNITY OR JUNIOR COLLEGE ON OR AFTER JANUARY 1,**  
18 **2010.**

19           (6) **"QUALIFIED TAX SUPPORTED COMMUNITY OR JUNIOR COLLEGE"**  
20 **MEANS A TAX SUPPORTED COMMUNITY OR JUNIOR COLLEGE THAT HAS**  
21 **SUBMITTED AN APPROPRIATE RESOLUTION TO WITHDRAW FROM THE RETIREMENT**  
22 **SYSTEM TO THE RETIREMENT BOARD NO LATER THAN DECEMBER 1, 2009.**

23           Sec. 7. (1) "Refund beneficiary" means 1 or more persons whom  
24 the member or former member nominates in writing and files with the  
25 retirement system for the purpose of being paid accumulated  
26 contributions in the event of the death of the member or former  
27 member. If a valid nomination is not on file, the retirement board

1 shall pay the accumulated contributions to the legal representative  
2 of the deceased member or deceased former member, if any, or to the  
3 estate of the deceased member or deceased former member.

4 (2) "Regular interest" means interest at 1 or more rates per  
5 annum determined by the retirement board and compounded annually.

6 (3) Except as otherwise provided in this subsection,  
7 "reporting unit" means a public school district, intermediate  
8 school district, public school academy, tax supported community or  
9 junior college, or university, or an agency having employees on its  
10 payroll who are members of this retirement system. The reporting  
11 unit shall be the employer for purposes of this act. On and after  
12 January 1, 1996, reporting unit does not include a university,  
13 except to the extent that university has employees on its payroll  
14 who are members of this retirement system. **ON AND AFTER JANUARY 1,**  
15 **2010, REPORTING UNIT DOES NOT INCLUDE A QUALIFIED TAX SUPPORTED**  
16 **COMMUNITY OR JUNIOR COLLEGE EXCEPT TO THE EXTENT THAT THE COMMUNITY**  
17 **OR JUNIOR COLLEGE HAS EMPLOYEES ON ITS PAYROLL WHO ARE MEMBERS OF**  
18 **THE SYSTEM.**

19 (4) "Retirant" means a member who retires with a retirement  
20 allowance payable from reserves of the retirement system.

21 (5) "Retirement allowance" means a payment for life or a  
22 temporary period provided for in this act to which a retirant,  
23 retirement allowance beneficiary, or refund beneficiary is  
24 entitled.

25 (6) "Retirement allowance beneficiary" means a person who is  
26 being paid or has entitlement to the payment of a retirement  
27 allowance in the event of the death of a member, deferred member,

1 or retirant.

2 (7) "Retirement board" means the board provided to administer  
3 this retirement system.

4 (8) "Retirement system" means the Michigan public school  
5 employees' retirement system provided for in this act.