

# SENATE BILL No. 121

February 6, 2001, Introduced by Senator JAYE and referred to the Committee on Appropriations.

A bill to amend 1943 PA 240, entitled  
"State employees' retirement act,"  
(MCL 38.1 to 38.69) by adding section 18a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 18A. (1) BEGINNING ON THE EFFECTIVE DATE OF THIS SEC-  
2 TION, THE RETIREMENT SYSTEM SHALL NOT PAY A RETIREMENT ALLOWANCE  
3 TO A MEMBER OR DEFERRED MEMBER WHO BECOMES ELIGIBLE FOR A RETIRE-  
4 MENT ALLOWANCE WHILE THAT INDIVIDUAL IS A STATE SENATOR OR STATE  
5 REPRESENTATIVE. THE RETIREMENT SYSTEM SHALL BEGIN PAYMENT OF A  
6 RETIREMENT ALLOWANCE NOT PAID UNDER THIS SUBSECTION ON THE FIRST  
7 DAY OF THE CALENDAR MONTH THAT FOLLOWS THE DATE THE INDIVIDUAL NO  
8 LONGER HOLDS THE OFFICE OF STATE SENATOR OR STATE  
9 REPRESENTATIVE. THE RETIREMENT SYSTEM SHALL BEGIN PAYMENT OF THE  
10 RETIREMENT ALLOWANCE WITHOUT CHANGE IN AMOUNT OR CONDITIONS AS  
11 OTHERWISE PRESCRIBED IN THIS ACT.

1           (2) THE RETIREMENT SYSTEM SHALL SUSPEND PAYMENT OF A  
2 RETIREMENT ALLOWANCE TO A RETIRANT WHO FIRST BECOMES A RETIRANT  
3 ON OR AFTER THE EFFECTIVE DATE OF THIS SECTION AND WHO BECOMES A  
4 STATE SENATOR OR STATE REPRESENTATIVE. THE RETIREMENT SYSTEM  
5 SHALL SUSPEND PAYMENT OF THE RETIREMENT ALLOWANCE EFFECTIVE THE  
6 FIRST DAY OF THE CALENDAR MONTH THAT FOLLOWS THE DATE THE RETIR-  
7 ANT TAKES THE OFFICE OF STATE SENATOR OR STATE REPRESENTATIVE.  
8 THE RETIREMENT SYSTEM SHALL RESUME PAYMENT OF A SUSPENDED RETIRE-  
9 MENT ALLOWANCE ON THE FIRST DAY OF THE CALENDAR MONTH THAT FOL-  
10 LOWS THE DATE THE RETIRANT NO LONGER HOLDS THE OFFICE OF STATE  
11 SENATOR OR STATE REPRESENTATIVE. THE RETIREMENT SYSTEM SHALL  
12 RESUME PAYMENT OF THE RETIREMENT ALLOWANCE WITHOUT CHANGE IN  
13 AMOUNT OR CONDITIONS AS OTHERWISE PRESCRIBED IN THIS ACT.

14           (3) THE RETIREMENT SYSTEM SHALL NOT PROVIDE ANY OTHER BENE-  
15 FIT UNDER THIS ACT TO AN INDIVIDUAL WHO IS NOT ELIGIBLE TO  
16 RECEIVE A RETIREMENT ALLOWANCE UNDER SUBSECTION (1) OR (2),  
17 INCLUDING HEALTH BENEFITS AND LIFE INSURANCE. AN INDIVIDUAL IS  
18 ELIGIBLE FOR THE BENEFITS DESCRIBED IN THIS SUBSECTION WHEN HIS  
19 OR HER RETIREMENT ALLOWANCE IS PAYABLE UNDER SUBSECTION (1) OR  
20 (2).

21           (4) AS A CONDITION OF RECEIVING A RETIREMENT ALLOWANCE UNDER  
22 THIS ACT, A MEMBER, DEFERRED MEMBER, OR RETIRANT SHALL NOTIFY THE  
23 RETIREMENT SYSTEM IF HE OR SHE BECOMES A STATE SENATOR OR STATE  
24 REPRESENTATIVE. A MEMBER, DEFERRED MEMBER, OR RETIRANT WHO FAILS  
25 TO NOTIFY THE RETIREMENT SYSTEM OF BECOMING A STATE SENATOR OR  
26 STATE REPRESENTATIVE AS REQUIRED UNDER THIS SECTION IS LIABLE TO  
27 THE RETIREMENT SYSTEM FOR AMOUNTS PAID OR BENEFITS RECEIVED IN

1 VIOLATION OF THIS SECTION, INCLUDING INTEREST ON THOSE AMOUNTS AS  
2 DETERMINED BY THE RETIREMENT BOARD.