

# HOUSE BILL No. 5696

March 24, 2004, Introduced by Reps. Pumford, Moolenaar and Palmer and referred to the Committee on Senior Health, Security and Retirement.

A bill to amend 1980 PA 300, entitled  
"The public school employees retirement act of 1979,"  
by amending section 69f (MCL 38.1369f), as added by 1989 PA 194.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 69f. (1) A member may elect to purchase not more than  
2 5 years of service credit less the number of years of service  
3 credit purchased under sections 6(2)(c), (d), (e), and (f),  
4 64(3), (4), and (5), 69a, 69b, 69c(2), 69d, 69e, 74a, 74b, 77,  
5 and 78, upon request and payment to the retirement system of the  
6 actuarial cost.

7       (2) Service credit purchased under this section may not be  
8 used to satisfy the minimum of 10 years of service credit  
9 required to receive a retirement allowance under this act.

10       (3) Service credit purchased under this section shall not be  
11 used to satisfy the service credit requirement set forth in

1 section 81(1)(a) for a retirement allowance paid prior to age 46  
2 as provided by section 43b(a).

3 (4) If a member who made payment for service under this  
4 section dies and a retirement allowance is not payable, or if the  
5 member withdraws from service and a retirement allowance is not  
6 payable, the payment made by the member shall be refunded to the  
7 member or to the member's refund beneficiary upon request.

8 (5) If a member who became a member after June 30, 2004  
9 purchases service credit, the actuarial cost of the share of  
10 monthly premiums under section 91 paid by the retirement system  
11 for the years of service credit purchased for the member shall be  
12 included in the cost of the service credits. The retirement  
13 system shall calculate the actuarial cost of the monthly premium  
14 share separately, and the member may elect to pay the entire cost  
15 in a lump sum or pay the retirement system 5 equal payments over  
16 a 5-year period.

17 Enacting section 1. This amendatory act does not take  
18 effect unless Senate Bill No. \_\_\_\_\_ or House Bill No. 5682  
19 (request no. 00193'03) of the 92nd Legislature is enacted into  
20 law.