

SENATE BILL No. 279

April 16, 2015, Introduced by Senators KNOLLENBERG, SHIRKEY, JONES, HANSEN, COLBECK, PAVLOV, ROBERTSON, SCHUITMAKER, MARLEAU, BOOHER, HILDENBRAND, CASPERSON, PROOS, HUNE and EMMONS and referred to the Committee on Appropriations.

A bill to amend 1980 PA 300, entitled
"The public school employees retirement act of 1979,"
by amending section 71 (MCL 38.1371), as amended by 1996 PA 268.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 71. (1) The retirement board shall grant service credit
2 for the time a member is on a sabbatical leave authorized by a
3 reporting unit, if the member returns to regular employment with
4 the same reporting unit and acquires 1 year or more of subsequent
5 service credit with that same reporting unit and if the member
6 acquired 5 or more years of credited service with the reporting
7 unit immediately before the sabbatical leave.

8 (2) If the sabbatical leave described in subsection (1) is
9 granted before July 1, 1981, the reporting unit, if the reporting
10 unit had a noncontributory plan at the time the sabbatical leave is

1 granted, or the member, if the reporting unit has a contributory
2 plan at the time the sabbatical leave is granted, shall pay to the
3 system for each year of sabbatical leave credit an amount equal to
4 5% of the member's compensation earned in the school fiscal year
5 immediately before the school fiscal year in which the sabbatical
6 leave is granted, together with regular interest from the end of
7 the school fiscal year in which the sabbatical leave was or is
8 granted to the earlier of the following dates following the date of
9 payment, the first day of the school fiscal year beginning after
10 the date of payment or the first day of the seventh month of the
11 school fiscal year in which the payment is made. If the reporting
12 unit makes the payment required by this subsection, the reporting
13 unit also shall pay the required interest. If the member makes the
14 payment required by this subsection, the member also shall pay the
15 required interest.

16 (3) If the sabbatical leave described in subsection (1) is
17 granted after June 30, 1981, the member shall pay an amount equal
18 to 5% of the member's full-time or equated full-time compensation
19 earned in the school fiscal year immediately before the school
20 fiscal year in which payment is made for each year of service
21 credit the member elects to purchase. In computing payment under
22 this subsection, the compensation amount used, except as otherwise
23 provided in this subsection, shall not be less than the highest
24 school fiscal year compensation the member earned from the
25 reporting unit that granted the sabbatical leave. If the
26 compensation amount used for computing payment under this
27 subsection exceeds the member's final average compensation

determined at the time of retirement, the payment required under this subsection ~~shall~~**MUST** be recomputed using the member's final average compensation and a refund ~~shall~~**MUST** be made based ~~upon~~**ON** the recomputation.

(4) If, before October 31, 1980, either the reporting unit or the member has contributed 5% of the member's compensation for the school fiscal year in which the sabbatical leave was granted ~~in order to purchase service credit for that~~**THE** sabbatical leave, a further payment for the purchase of service credit for that sabbatical leave ~~shall~~**IS** not ~~be~~ required. If a member has paid the amount required under subsection (2) for the purchase of service credit for sabbatical leave, but later receives a refund of that amount, the member, not the reporting unit, shall repay the amount with regular interest as required by subsection (2) if the member elects to purchase service credit for the sabbatical leave.

(5) Effective October 1, 1981, the retirement board shall grant service credit for the time a member is on either an employee organization professional services leave or employee organization professional services released time authorized by a reporting unit if all of the following conditions are satisfied, as applicable:

(a) ~~For~~**UNTIL THE EFFECTIVE DATE OF THE 2015 AMENDATORY ACT THAT AMENDED THIS SUBDIVISION**, a member who is on either a professional services leave or professional services released time that first began before October 1, 1996, which leave or released time is renewed annually by the reporting unit, the member is included on the reporting unit's reports required by section 42(6) and compensation, service, contribution, and other requirements are

1 reported on the same basis as for those members of the reporting
2 unit who were not granted an employee organization professional
3 services leave or employee organization professional services
4 released time.

5 (b) For a member who is on either a professional services
6 leave or professional services released time, which leave or
7 released time does not meet the requirements of subdivision (a),
8 the member is included on the reporting unit's reports in the
9 manner required by subdivision (a), except that compensation is
10 reported at the rate of compensation paid to the member by the
11 reporting unit immediately preceding the date the member commenced
12 the professional services leave or professional services released
13 time along with the normal and customary compensation increases
14 that would have been paid to the member by the reporting unit had
15 the member remained in the same position held at the reporting unit
16 immediately preceding the date the member commenced the leave or
17 released time. However, if the member was not working a full 12-
18 month period for the reporting unit immediately preceding the date
19 the member commenced the professional services leave or
20 professional services released time and is working a full 12-month
21 period for the public school employee organization, the rate of
22 compensation paid to the member by the reporting unit immediately
23 preceding the date the member commenced the leave or released time
24 may be increased proportionately to reflect the additional time
25 worked for the public school employee organization. That adjusted
26 compensation, along with the normal and customary compensation
27 increases otherwise allowed in this subdivision, ~~shall~~**MUST** then be

1 reported as required in this subdivision.

2 (c) ~~For~~ **UNTIL THE EFFECTIVE DATE OF THE 2015 AMENDATORY ACT**
3 **THAT AMENDED THIS SUBDIVISION, FOR** a member who is on either a
4 professional services leave or professional services released time
5 that first began before October 1, 1996, which leave or released
6 time is renewed annually by the reporting unit, the reporting unit
7 remits the amount required by section 42 and the percentage of
8 aggregate annual compensation provided from the state school aid
9 fund for current service, if any, the percentage determined for
10 unfunded accrued service as required by section 41, and the
11 employer's share of social security contributions if the reporting
12 unit is responsible for remitting the employee's share of social
13 security contributions.

14 (d) For a member who is on either a professional services
15 leave or professional services released time, which professional
16 services leave or professional services released time does not meet
17 the requirements of subdivision (c), the reporting unit remits the
18 amounts required by subdivision (c) based ~~upon~~ **ON** the rate of
19 compensation paid to the member by the reporting unit immediately
20 preceding the date the member commenced the professional services
21 leave or professional services released time along with the normal
22 and customary compensation increases that would have been paid to
23 the member by the reporting unit had the member remained in the
24 same position held at the reporting unit immediately preceding the
25 date the member commenced the leave or released time. However, if
26 the member was not working a full 12-month period for the reporting
27 unit immediately preceding the date the member commenced the

1 professional services leave or professional services released time
 2 and is working a full 12-month period for the public school
 3 employee organization, the rate of compensation paid to the member
 4 by the reporting unit immediately preceding the date the member
 5 commenced the leave or released time may be increased
 6 proportionately to reflect the additional time worked for the
 7 public school employee organization. That adjusted compensation,
 8 along with the normal and customary compensation increases
 9 otherwise allowed in this subdivision, ~~shall~~ **MUST** then be reported
 10 as required in this subdivision.

11 (6) The ~~reporting unit shall be reimbursed those sums paid to~~
 12 ~~the retirement board pursuant to subsection (5) by the member or~~
 13 the public school employee organization **SHALL**, on a current basis,
 14 **REIMBURSE THE REPORTING UNIT THE AMOUNTS PAID TO THE RETIREMENT**
 15 **BOARD UNDER SUBSECTION (5)**. A member who has credited service as an
 16 employee of a school district of the first class, as described in
 17 part 6 of the revised school code, ~~Act No. 451 of the Public Acts~~
 18 ~~of 1976, being sections 380.401 to 380.485 of the Michigan Compiled~~
 19 ~~Laws, 1976 PA 451, MCL 380.401 TO 380.485~~, for a leave of absence
 20 effective before October 1, 1981, ~~shall continue~~ **CONTINUES** to
 21 receive credit based ~~upon the provisions of the law~~ **ON THE LAWS** of
 22 this state in effect at the time the leave of absence was initially
 23 effective.

24 Enacting section 1. This amendatory act takes effect 90 days
 25 after the date it is enacted into law.