

# SENATE BILL NO. 911

February 24, 2022, Introduced by Senators MCCANN, HOLLIER, ALEXANDER, HERTEL, BAYER, MOSS, GEISS, CHANG, MCMORROW, POLEHANKI, BULLOCK, BRINKS and WOJNO and referred to the Committee on Government Operations.

A bill to amend 1943 PA 240, entitled  
"State employees' retirement act,"  
by amending section 55 (MCL 38.55), as amended by 2011 PA 264, and  
by adding sections 50b and 64a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 50b. (1) Subject to subsection (4), the retirement system  
2 shall provide an opportunity for each conservation officer  
3 qualified participant on October 1, 2023 to elect in writing to

1 terminate being a qualified participant and elect to become a  
2 member of the Michigan state police retirement system created under  
3 the state police retirement act of 1986, 1986 PA 182, MCL 38.1601  
4 to 38.1674. An election made by a conservation officer qualified  
5 participant under this subsection is irrevocable. The retirement  
6 system shall accept written elections under this subsection from  
7 conservation officer qualified participants during the period  
8 beginning on January 1, 2023 and ending on 5 p.m. Eastern Daylight  
9 Saving Time, May 28, 2023. A conservation officer qualified  
10 participant who does not make a written election or who does not  
11 file the election during the period specified in this subsection  
12 continues to be a qualified participant. A conservation officer  
13 qualified participant who makes and files a written election under  
14 this subsection elects to do all of the following:

15 (a) Cease to be a qualified participant effective 11:59 p.m.  
16 Eastern Daylight Saving Time, May 29, 2024.

17 (b) Become a member of the Michigan state police retirement  
18 system created under the state police retirement act of 1986, 1986  
19 PA 182, MCL 38.1601 to 38.1674.

20 (2) After consultation with the retirement board, the  
21 department of technology, management, and budget shall determine  
22 the method by which a conservation officer qualified participant  
23 may make a written election under this section. If the conservation  
24 officer qualified participant is married at the time of the  
25 election, the election is not effective unless the election is  
26 signed by the individual's spouse. However, the retirement board  
27 may waive this requirement if the spouse's signature cannot be  
28 obtained because of extenuating circumstances.

29 (3) An election under this section is subject to the eligible

domestic relations order act, 1991 PA 46, MCL 38.1701 to 38.1711.

(4) A conservation officer qualified participant that is described in section 55(2) (b) or (d) is not eligible to make an election under this section.

(5) "Conservation officer qualified participant" is a qualified participant who is a conservation officer.

Sec. 55. (1) "Plan document" means the document that contains the provisions and procedures of Tier 2 in conformity with this act and the internal revenue code.

(2) "Qualified participant" means an individual who is a participant of Tier 2 and who meets 1 of the following requirements:

(a) Is first employed and entered ~~upon~~ **on** the payroll of his or her employer on or after March 31, 1997, and who before March 31, 1997 would have been eligible to be a member of Tier 1.

(b) Elects to terminate membership in Tier 1 and elects to participate in Tier 2 in the manner prescribed in section 50.

(c) Is an adjutant general or an assistant adjutant general under the Michigan military act, 1967 PA 150, MCL 32.501 to 32.851, and who is first employed as an adjutant general or assistant adjutant general ~~on or after January 1, 2011.~~ **December 31, 2010.**

(d) Was a member who did not make the election under section 50a.

(e) Was a member who made the election under section 50a(1) and the designation under section 50a(2) and who has attained 30 years of credited service or who has terminated employment and has been reemployed by this state.

(f) Was a member as described in section 50a(6), (7), or (8).

(3) "Qualified participant" does not include either of the

1 following:

2 (a) A conservation officer, other than a conservation officer  
3 described in section 48, to whom all of the following apply:

4 (i) Is first employed and entered on the payroll before October  
5 1, 2021.

6 (ii) Is a qualified participant.

7 (iii) Elects to terminate being a qualified participant under  
8 section 50b.

9 (b) A conservation officer who is first employed and entered  
10 on the payroll on or after October 1, 2023.

11 (4) ~~(3)~~—"Refund beneficiary" means an individual nominated by  
12 a qualified participant or a former qualified participant under  
13 section 66 to receive a distribution of the participant's  
14 accumulated balance in the manner prescribed in section 67.

15 (5) ~~(4)~~—"State treasurer" means the treasurer of this state.

16 (6) ~~(5)~~—"Tax-deferred account" means an account or accounts of  
17 existing deferred compensation plans or plans established by the  
18 retirement system, for which the retirement system has the  
19 authority to determine the membership, eligibility, terms,  
20 conditions, and other administrative and operational features. Tax-  
21 deferred account does not include a health reimbursement account  
22 for purposes other than complying with the contribution limits  
23 described in section 68b(12).

24 (7) ~~(6)~~—Except as otherwise provided in this subsection, "year  
25 of service" means each period during which a qualified participant  
26 is employed by the employer and is credited with 2,080 hours of  
27 service. The Tier 2 plan administrator and the plan document may  
28 provide for a lesser number of annual hours and a maximum number of  
29 hours per pay period for any classification of employees, ~~provided~~

1 ~~that no~~ **but a** participant ~~shall~~ **may not** receive credit for more  
 2 than 1 year of service for any 12-month period of employment.  
 3 Beginning January 1, 2003, full service credit ~~shall~~ **must** also be  
 4 given to a participant for furlough hours, for required 1-day  
 5 layoffs, for required and designated temporary layoffs, for a year  
 6 in which a participant temporarily leaves employment to enter  
 7 active military duty and then dies during that active military  
 8 duty, and for participation in the banked leave time program. ~~In~~  
 9 ~~the event~~ **If** a terminated participant is reemployed, ~~such the~~  
 10 individual ~~shall~~ **must** retain credit for all full and partial years  
 11 of service completed ~~prior to such~~ **before the** reemployment, for  
 12 purposes of determining his or her vesting percentage in any  
 13 employer contributions made pursuant to section 63(2) and (3) after  
 14 ~~his or her the~~ reemployment.

15       **Sec. 64a. A conservation officer who elects to terminate being**  
 16 **a qualified participant under section 50b may transfer part or all**  
 17 **of his or her contributions made to Tier 2 and, subject to the**  
 18 **vesting schedule under section 64, transfer part or all of employer**  
 19 **contributions made on his or her behalf to Tier 2 to purchase**  
 20 **service credit under the state police retirement act of 1986, 1986**  
 21 **PA 182, MCL 38.1601 to 38.1674, as provided in section 24c of the**  
 22 **state police retirement act of 1986, 1986 PA 182, MCL 38.1624c.**

23       Enacting section 1. This amendatory act does not take effect  
 24 unless Senate Bill No. 906 of the 101st Legislature is enacted into  
 25 law.