

HOUSE BILL No. 5108

October 2, 2001, Introduced by Reps. Vander Roest, Birkholz, Richardville, Patterson, DeWeese, Caul, Woronchak, Bovin, Stewart, Cameron Brown, Kolb, Minore, Sheltroun, Voorhees, Dennis, Pestka, Jelinek, Jacobs, Switalski, Bernero, Neumann, Richner, Kuipers, Gosselin, Murphy, Meyer, Rich Brown, Clark, Tabor, Wojno, Bogardus, Ruth Johnson, Shackleton, Allen, Vander Veen, Hansen, Rivet, Pappageorge, Spade, Middaugh, Mead, Drolet, Whitmer, Phillips, Daniels, George and Schauer and referred to the Committee on Appropriations.

A bill to protect certain rights that public employees have in retirement benefits under certain circumstances; and to prescribe the powers and duties of certain retirement systems, state departments, courts, public officials, and public employees.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "public employee retirement benefit protection act".

3 Sec. 2. As used in this act:

4 (a) "Member" means a member, vested former member, deferred
5 member, beneficiary, designated beneficiary, or refund benefi-
6 ciary of a retirement system.

7 (b) "Retirant" means a person who has retired with a retire-
8 ment benefit payable from a retirement system.

9 (c) "Retirement benefit" means an annuity, a retirement
10 allowance, an optional benefit, a postretirement benefit, a

1 benefit received from a defined contribution plan, defined
2 benefit plan, deferred compensation plan, disability plan, life
3 insurance plan, all money, investments and income of the various
4 funds created under a public employee retirement system, and any
5 other right accruing to a member under a retirement system.

6 (d) "Retirement system" means a public employee retirement
7 system established by this state or a political subdivision of
8 this state.

9 Sec. 3. The right of a member or retirant of a retirement
10 system to a retirement benefit shall not be subject to execution,
11 garnishment, attachment, the operation of bankruptcy or insol-
12 vency laws, or other process of law and shall be unassignable.

13 Sec. 4. (1) The right of a member or retirant to a retire-
14 ment benefit described in section 3 is subject to forfeiture
15 under the public employee retirement benefits forfeiture act,
16 1994 PA 350, MCL 38.2701 to 38.2705.

17 (2) The right of a member or retirant to a retirement bene-
18 fit described in section 3 is subject to an award by a court
19 under section 18 of 1846 RS 84, MCL 552.18, an eligible domestic
20 relations order under the eligible domestic relations order act,
21 1991 PA 46, MCL 38.1701 to 38.1711, and to any other domestic
22 relations order of a court pertaining to alimony or child
23 support.

24 Sec. 5. If an award or order described in section 4
25 requires a retirement system to withhold payment of a retirement
26 benefit or requires the retirement system to make payment or
27 requires the individual to request that the retirement system

1 make payment of a retirement benefit for the purposes of meeting
2 the member's or retirant's obligations to a spouse, former
3 spouse, or child, the withholding or payment provisions of the
4 award or order are effective only against amounts that become
5 payable to the member or retirant, unless otherwise provided in
6 an eligible domestic relations order under the eligible domestic
7 relations order act, 1991 PA 46, MCL 38.1701 to 38.1711. The
8 limitations contained in this section do not apply to the accumu-
9 lated contributions of a person who terminates employment before
10 acquiring a vested member status.

11 Sec. 6. The retirement system and retirement benefits shall
12 be subject to claims made under the state correctional facility
13 reimbursement act, 1935 PA 253, MCL 800.401 to 800.406.

14 Sec. 7. (1) This act is not intended to prohibit a member
15 or retirant from receiving a loan from the retirement system if
16 the retirement system concludes that the member or retirant is
17 otherwise eligible for a loan.

18 (2) Nothing in this act shall prevent a retirement system
19 administrator from correcting records and seeking to recover
20 overpayments that the retirement system made to a retirant or
21 member.

22 Enacting section 1. This act does not take effect unless
23 all of the following bills of the 91st Legislature are enacted
24 into law:

25 (a) Senate Bill No. _____ or House Bill No. 5109 (request
26 no. 02139'01 a **).

1 (b) Senate Bill No. _____ or House Bill No. 5110 (request
2 no. 02139'01 b **).

3 (c) Senate Bill No. _____ or House Bill No. 5111 (request
4 no. 02139'01 c **).

5 (d) Senate Bill No. _____ or House Bill No. 5112 (request
6 no. 02139'01 d **).

7 (e) Senate Bill No. _____ or House Bill No. 5113 (request
8 no. 02139'01 e **).

9 (f) Senate Bill No. _____ or House Bill No. 5114 (request
10 no. 02139'01 f **).