ELECTION NOTICE

(Continued from Page 6)

(g). "Service" shall mean service rendered to the City as an employee of the City.

(h). "Prior service" shall mean service rendered prior to July 1, 1944.

(i). "Membership service" shall mean service rendered on and after July 1, 1944.

(j). "Regular interest" shall be interest at 3 per cent per annum, compounded annually, to July 1, 1954. For each subsequent 5 year period after July 1, 1954 regular interest shall be such rate of interest as the Board shall determine.

(k). "Accumulated contributions" shall mean the sum of all amounts deducted from the compensation of a member and credited to his individual account in the annuity savings fund, together with regular interest thereon.

(l). "Average final compensation" shall mean the average of the highest annual compensations received by a member during a period of 5 consecutive years of service contained within his 10 years of service immediately preceding his retirement. In the event he has less than 5 years of service credit, then his average final compensation shall be the average of the annual compensations received by him during his total period of service. In case a member's compensation is not all paid in money, the Board shall fix the value of that part of his compensation not paid in money.

(m). "Final compensation" shall mean the annual rate of compensation of a member at the date of termination of his last employment with the City.

(n). "Annuity" shall mean an annual amount payable in equal monthly installments for life derived from the accumulated contributions of a member.

(o). "Pension" shall mean an annual amount payable in equal monthly installments for life derived from money provided by the City or any instrumentality of the City.

(p). "Retirement allowance" shall mean the sum of the annuity and the pension.

(q). "Beneficiary" shall mean any person in receipt of an annuity, pension, retirement allowance, or other benefit provided by the Retirement System.

(r). "Annuity reserve" shall mean the present value of all payments to be made on account of any annuity, or benefit in lieu of any annuity, computed upon the basis of such mortality tables as the Board shall adopt and regular interest.

(s). "Pension reserve" shall mean the present value of all payments to be made on account of any pension, or benefit in lieu of any pension, computed upon the basis of such mortality tables as the Board shall adopt and regular interest.

(t). "Eligible retirement age" shall be age 60 years for members other than policemen and firemen; for policemen and firemen members eligible retirement age shall be age 55 years; provided, that subject to the provisions of Section 15 (a), the City Commission may, in the national interest during time of war engaged in by the United States, or other national emergency, extend the age at which any class of members may be eligible to retire.

(u). "Policeman" shall mean an employee of the Police Department holding the rank of patrolman (including probationary patrolman), or higher rank, but it shall not include (1) any privately employed policeman, nor (2) any person temporarily employed during an emergency, nor (3) any civilian employee of the Police Department.

(v). "Fireman" shall mean an employee of the Fire Department holding the rank of fire-fighter (including probationary fire-fighter) or higher rank, but it shall not include (1) any privately employed fireman, nor (2) any person temporarily employed during an emergency, nor (3) any civilian employee of the Fire Department.

(w). The masculine gender shall include the feminine gender and words of singular number in relation to persons shall include the plural number and vice versa.

Section 3. RETIREMENT BOARD. There is hereby created a Retirement Board in whom is vested the power to administer, manage, and properly operate the Retirement System and to make effective the provisions of this chapter. The Board shall consist of 7 members as follows:

(a). The Mayor of the City;

(b). A member of the City Commission to be selected by that body;

(c). The City Manager;

(d). A citizen, who is an elector and a freeholder of the City and who is not eligible to receive benefits under the provisions of the Retirement System, to be appointed by the Mayor by and with the consent of the City Commission;

(e). A policeman member of the Retirement System to be elected by the policemen members;

(f). A fireman member of the Retirement System to be elected by the firemen members;

(g). A member of the Retirement System, other than a policeman or fireman member, to be elected by the members of the Retirement System who are other than policemen and firemen members.

Section 4. ELECTION OF BOARD—TERM OF OFFICE. The members of the Retirement Board provided for in section 3, paragraphs (e), (f) and (g), shall be elected for terms as the rules and regulations as the Board shall adopt to govern such elections. The term of office of the Board members provided for in section 3, paragraphs (d), (e), (f) and (g) shall be 3 years and shall expire at the end of each 3 year period following July 1, 1946 for the citizen member of the Board member provided for in section 3 (d), July 1, 1947 for the policeman Board member provided for in section 3 (e), July 1, 1946 for the fireman Board member provided for in section 3 (f), and July 1, 1945 for the general City Board member provided for in section 3 (g). Each Board member shall within 10 days after his appointment or election, as the case may be, take an oath of office, on the form now prescribed by Charter, to be administered by the City Clerk.

Section 5. VACANCY ON BOARD. In the event an elected Board member shall cease to be an employee of the City, or in the event the appointed citizen member or any elected Board member shall fail to attend scheduled meetings of the Board for 3 consecutive meetings, unless in such case the reason for absence by the remaining Board members attending such meetings, he shall be considered to have resigned from the Board and the Board shall by resolution declare his office vacated as of the adoption of such resolution. If a vacancy occurs in the office of a Board member, the Mayor shall, within 30 days of the date of the vacancy, fill the vacancy by appointment for the unexpired term; said appointment to be made by and with the consent of the City Commission.

Section 6. MEETINGS OF BOARD. The Board shall hold meetings regularly, at least once in each quarter year, and shall designate the time and place thereof. Five members of the Board shall constitute a quorum at any meeting of the Board. Each Board member shall be entitled to one vote in the meetings of the Board and at least 5 concurring votes shall be necessary for a decision by the Board members at any meeting of the Board. The Board shall adopt its own rules of procedure and shall keep a record of its proceedings. All meetings of the Board shall be public. The Board members shall serve without compensation for their services as such.

Section 7. OFFICERS OF THE BOARD. (a). Officers of the Board shall be a Chairman and a Vice-Chairman elected from the membership of the Board.

(b). **Secretary.** The City Treasurer shall be Secretary of the Retirement System.

(c). **Treasurer.** The City Treasurer shall be Treasurer of the Retirement System and the custodian of its funds. All payments from the funds of the Retirement System shall be made by the City Treasurer, according to charter provisions, only upon City vouchers signed by 2 persons designated by the Board. A duly attested copy of a resolution designating such persons and bearing upon its face specimen signatures of such persons shall be filed with the City Treasurer as his authority for making payments upon such vouchers. No voucher shall be drawn nor shall it shall have been previously authorized by resolution of the Board.

(d). **Actuary.** The Board may appoint an actuary who shall be the technical advisor to the Board on matters regarding the operation of the Retirement System and who shall perform such other duties as are required in connection therewith.

(e). **Medical Director.** The Board shall appoint as Medical Director a physician who is not eligible for membership in the Retirement System. The Medical Director shall be responsible to and shall hold office at the pleasure of the Board. He shall arrange for and pass upon all medical examinations required under the provisions of this chapter; he shall investigate all essential statements and certificates of a medical nature made by or on behalf of a member or beneficiary in connection with an application for disability retirement or death in line of duty benefits; and he shall report in writing to the Board his conclusions on medical matters referred to him.

(f). **Employment of Professional and Clerical Services.** The Board may employ such professional and clerical services as are required for the proper operation of the Retirement System. Compensation for such services shall be fixed by the Board subject to the approval of the City Commission.

Section 8. (a) RECORDS—ANNUAL REPORT. The Secretary shall keep or cause to be kept, such data as shall be necessary for an actuarial valuation of the assets and liabilities of the Retirement System. The Board shall render a report to the City Commission, on or before the fifteenth day of November of each year, showing the fiscal transactions of the Retirement System for the year ending the preceding thirtieth day of June, and the last balance sheet showing the financial condition of the Retirement System by means of an actuarial valuation of the assets and liabilities of the Retirement System as of the preceding last day of June.

(b). **Mortality and Other Tables.** The Board shall adopt such mortality and other tables of experience as are necessary in the operation of the Retirement System on an actuarial basis.

Section 9. (a) MEMBERSHIP. The membership of the Retirement System shall include all persons now or hereafter employed by the City, but it shall not include (1) any person whose services are compensated on a contractual or fee basis, nor (2) any person whose compensation in a period of 3 consecutive years averages less than $800.00 a year, nor (3) the Medical Director and Actuary, nor (4) elective officials of the City.

(b). **Right of Board to Decide Membership.** In all cases of doubt, the Board shall decide who is a member within the meaning of the provisions of this chapter and the classification of the said member.

Section 10. TERMINATION OF MEMBERSHIP. Except as otherwise provided in this chapter, should any member have separated or become disabled from the service of the City, for reasons other than becoming a beneficiary, he shall thereupon cease to be a member and any prior service and membership service to which may be credited to his service account at the date of his last separation from City service shall be forfeited by him. In the event the said person is re-employed by the City within a period of 5 years following the date of his last separation from City service, any prior service and membership service which may have been forfeited by him, at the date of his last separation from City service, shall be restored to his credit. In the event a member becomes a beneficiary, by reason of retirement from service, he shall thereupon cease to be a member.

Section 11. SERVICE CREDITABLE. The Board shall fix and determine by appropriate rules and regulations how much service in any year is equivalent to a year of service, but in no case shall less than 90 days of service in a calendar month constitute a month of service, nor shall less than 10 months of service in a calendar year constitute a year of service, nor shall more than one year of service be creditable for all service rendered in one calendar year.

Section 12. WAR SERVICE CREDIT. Should an employee who was employed by the City was called to or who enlisted in any armed service of the United States, or a member who shall be called or who shall enlist in any armed service of the United States, and who has been or who shall be on active duty during time of war, or other national emergency in which the armed forces are engaged, and should such person be re-employed by the City within 90 days from the date of termination of his required service, then such war service shall be credited to him as City service; Provided, that in any case of doubt as to the period to be so credited, the Board shall have the power to determine such period. During the period of such service rendered by a member to the Federal Government and until his re-employment by the City, his contributions to the annuity savings fund shall be suspended and the balance in the annuity savings fund at the last payroll date preceding his leave of absence from the City service shall be accumulated at regular interest.

Section 13. MEMBER'S SERVICE ACCOUNTS. The Board shall credit each member's service account with the number of years and months of prior service and membership service to which he may be entitled.

Section 14. VOLUNTARY RETIREMENT. Any member who has attained or attains his eligible retirement age, as defined in Section 2 (t), may retire from City service upon his written application to the Board setting forth the date of his retirement, such date not more than 90 days subsequent thereto, he desires to be retired.

Section 15. (a). NORMAL RETIREMENT. Any policeman or fireman member who has attained or attains age 60 years and any member other than a policeman or fireman who has attained or attains age 65 years, shall be retired forthwith by the Board; Provided, that this paragraph (1) shall not apply to any member who is an appointive official of the City, appointed directly by the City Commission; and (2) shall be subject to the provisions of paragraph (b) of this section.

(b). **Extensions in Service.** Any member who has attained or attains his normal retirement age, as provided in paragraph (a) of this section, may be continued in service by the Board for periods of time not to extend beyond his attainment of 70 years; provided, that (1) he files a written application for an extension in service with the Secretary of the Retirement System, and (2) his application is approved by his department head and the City Manager.

Section 16. SERVICE RETIREMENT ALLOWANCE. Upon retirement from service, as provided in sections 14 and 15, a member shall receive a service retirement allowance which shall consist of the benefits provided in paragraphs (a), (b), (c) and (d) of this section, subject to the provisions of paragraph (e) of this section.

(a). **Annuity.** An annuity, which shall be the actuarial equivalent of his accumulated contributions standing to his credit in the annuity savings fund at the time of his retirement; and

(b). **Basic Pension.** A basic pension of $100.00 per annum; and

(c). **Membership Service Pension.** A membership service pension of one-one hundred thirty-fifth (1/135) of his average final compensation multiplied by the number of years (and fraction thereof) of membership service credited to his service account; and

(d). **Prior Service Pension.** A prior service pension of two-one hundred thirty-fifths (2/135) of his average final compensation multiplied by the number of years (and fraction thereof) of prior service credited to his service account, not to exceed 30 years.

(e). **Limitations.** (1) The sum of the annuity and pensions provided for in paragraphs (b), (c) and (d) of this section, payable to any person, exceed $1,800.00 per annum. To be eligible to receive the pensions provided for in paragraphs (b), (c) and (d) of this section, an original member who was in the employ of the City on July 1, 1944, must have 10 or more years of service credited to his service account; a new member, or an original member who re-enters the employment of the City after July 1, 1944, must have 10 or more years of service credited to his service account, provided, however, that the provisions contained in this paragraph shall not apply if a member becomes eligible for benefits provided for in section 21.

Section 17. DEFERRED SERVICE RETIREMENT ALLOWANCE. Should any member who either (1) has 25 or more years of service credited to his service account, or (2) has attained age 55 years and has 15 or more years of service credited to his service account, separate from the service of the City, in either case prior to his attainment of his eligible retirement age, for reasons other than becoming a beneficiary, he shall thereupon cease to be a member and upon his absence from City service for the exclusive purpose only of receiving a service retirement allowance provided for in Section 16, paragraphs (a), (b), (c), (d) and (e). The said service retirement allowance shall begin on the first day of the calendar month next following the date his application for same is filed with the Board on or after his attainment of age 60 years. In the event the said member withdraws all or part of his accumulated contributions from the annuity savings fund he shall thereupon cease to be a member and he shall forfeit all his rights in and to a deferred service retirement allowance.

Section 18. (a) OPTIONAL RETIREMENT ALLOWANCES. Within 90 days preceding the effective date of his service retirement, any member may elect to receive a reduced retirement allowance payable throughout his life (called a regular retirement allowance) or he may elect to receive the actuarial equivalent, at that time, of his regular retirement allowance in a reduced retirement allowance payable throughout his life in accordance with the provisions of Option I, II, or III as hereinafter set forth.

Option I. Cash Refund Annuity. If a beneficiary (retired member) dies before he has received in payment of the annuity portions of his reduced retirement allowance an aggregate amount equal to the amount of his accumulated contributions standing to him in the annuity savings fund at the date of his retirement, the remainder shall be paid to such person or persons, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Board. In the event there be no such designated person or persons surviving, such balance, if any, shall be paid to his (retired member) legal representative; or

Option II. Joint and Last Survivorship Allowance. If a beneficiary dies, his reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Board at the time of his retirement; or

Option III. Modified Joint and Last Survivorship Allowance. If a beneficiary dies, one-half of his reduced retirement allowance shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Board at the time of his retirement.

Section 19. ELECTION OF OPTION PRIOR TO RETIREMENT. Any member, with 10 or more years of service credited to his service account, who continues in the employ of the City on and after his attainment of his eligible retirement age, may, at any time within a period of 5 years immediately preceding his eligible retirement age, or prior to January 1, 1951, whichever is later, by written declaration duly executed and filed with the Board, in the manner and form prescribed by the Board, make any election provided for in Section 18, paragraph (a), in lieu of the retirement allowance provided for in Section 16, in the same manner as if he were then retiring from service. Any election so made may be revoked prior to the effective date of the said member's retirement only upon the death of, or divorce or legal separation from, the person nominated as joint beneficiary pursuant to the provisions of Option II or III of Section 18. In the event of the death of, or divorce or legal separation from, the said joint beneficiary, prior to the effective date of the said member's retirement, the said member may either finally revoke his previous election or substitute another person as joint beneficiary prior to the effective date of his retirement. If any member who shall have made an election and nominated a joint beneficiary, as provided in this section, shall die prior to the effective date of his retirement, then the said joint beneficiary shall immediately receive the retirement allowance as the said joint beneficiary would have been entitled to receive under the option elected if the said member had been regularly retired at that time, pursuant to the provisions of this chapter. If a member shall have made an election of an option under the provisions of this section subsequently repealed by the provisions of this chapter, his said election shall then take effect in the same manner in all respects as if at the time of his retirement his said election had been made pursuant to the provisions of Section 18. This section shall not apply in the event any benefits are payable under the provisions of Section 20 on account of the death of the said member.

Section 20. DUTY DISABILITY INCURRED. Upon the application of a member or his department head, a member who has become or becomes totally and permanently incapacitated for duty in the service of the City by reason of a personal injury or disease, which the Board finds to have occurred as the natural and proximate result of causing injury or disease, and in the course of his employment by the City, shall be retired by the Board; Provided, that (1) the injury sustained shall be one which is compensable as a permanent injury, and one for which permanent disability compensation would be paid under the Workmen's Compensation Law of the State of Michigan, and (2) after a medical examination of the said member, made by or under the direction of the Medical Director, the Medical Director certifies to the Board that the said member is mentally or physically totally incapacitated for duty in the service of the City and that such incapacity will probably be permanent, and (3) the report of the Medical Director is concurred in by the Board.

Section 21. (a). DUTY DISABILITY BENEFITS—RETIREMENT AFTER ELIGIBLE RETIREMENT AGE. A member who retires on or after his attainment of his eligible retirement age on account of disability as provided in section 20 shall receive a service retirement allowance according to the provisions of section 16, and he shall have the right to elect an option provided in section 18.

(b). **Benefits—Retirement Before Eligible Retirement Age.** Upon retirement for disability as provided in Section 20, a disability beneficiary who has not attained his eligible retirement age shall receive a disability pension equal to the sum of his basic pension and annuity; said disability pension shall begin as of the date of his disability, but in no case more than 6 months before the date his application for disability retirement was filed with the Board, or the date his name last appeared on a City payroll, whichever is later, and shall continue to his attainment of his eligible retirement age or prior recovery. Said disability pension shall be discontinued if the said disability beneficiary shall fail to return to active service in the City, any time prior to his attainment of his eligible retirement age or prior recovery. Said disability pension shall not exceed $1,800.00 per annum, and shall be subject to the provisions of sections 24 and 25.

(c). **Converting to Service Retirement.** Upon attaining his eligible retirement age, said disability beneficiary shall receive a service retirement pension as provided in section 16, paragraphs (b), (c), (d) and (e); Provided, that in computing his said pension he shall be given membership service credit for the time he was receiving a disability pension provided for in paragraph (b) of this section. In addition to his service retirement pension, said beneficiary, at his attainment of his eligible retirement age, shall receive an annuity equivalent to the annuity he would have had had he continued his contributions to the annuity savings fund; said contributions to be based upon his final compensation at the date of his disability retirement. Upon attaining his eligible retirement age said beneficiary shall have the right to elect an option provided in section 18.

(d). **Disability Beneficiary's Annuity Contributions.** During the time a disability beneficiary is receiving a disability pension as provided in paragraph (b) of this section, his contributions to the annuity savings fund shall be suspended and his balance in the annuity savings fund shall remain in the said fund and shall be accumulated at regular interest until his attainment of his eligible retirement age or prior death. Upon attaining his eligible retirement age his accumulated contributions shall be transferred from the annuity savings fund to the annuity reserve fund. Should he die before attaining his eligible retirement age his accumulated contributions standing to his credit in the annuity savings fund, at the date of his death, shall be paid in accordance with the provisions of section 27.

Section 22. NON-DUTY DISABILITY INCURRED. Upon the application of a member or his department head, a member who (1) has 10 or more years of service credited to his service account, and (2) becomes totally and permanently incapacitated for duty in the service of the City as the result of causes occurring otherwise than in the course of his actual performance of duty in the service of the City, may be retired by the Board; Provided, that after a medical examination of the said member, made by or under the direction of the Medical Director, the Medical Director certifies to the Board (1) that the said member is mentally or physically totally incapacitated for duty in the service of the City, and (2) that such incapacity will probably be permanent, and (3) that the said member should be retired.

Section 23. (a). NON-DUTY DISABILITY BENEFITS—RETIREMENT AFTER ELIGIBLE RETIREMENT AGE. A member who retires on or after his attainment of his eligible retirement age on account of disability as provided in section 22, a disability service retirement allowance according to the provisions of section 16, and he shall have the right to elect an option provided in section 18.

(b). **Benefits—Retirement Before Eligible Retirement Age.** Upon retirement for disability as provided in section 22, a disability beneficiary who has not attained his eligible retirement age shall receive benefits provided in sub-paragraphs (1), (2) and (3) of this paragraph:

(1). **Cash Refund Annuity.** A cash refund annuity which shall be the actuarial equivalent of his accumulated contributions standing to his credit in the annuity savings fund at the date of his retirement. In the event he dies before he has received in annuity payments an aggregate amount equal to the amount of his accumulated contributions credited to him in the annuity savings fund at the date of his retirement, the remainder shall be paid to such person or persons, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Board. In the event there be no such designated person or persons surviving, such balance, if any, shall be paid to his (retired member) legal representative; and

(2). **Disability Pension.** A disability pension consisting of one-one hundred thirty-fifth (1 135) of his average final compensation multiplied by the number of years (and fraction thereof) of service credited to his service account plus a basic pension of $100.00; said disability pension shall begin as of the date of his disability, but in no case more than 6 months before the date his application for disability retirement was filed with the Board, or the date his name last appeared on a City payroll, whichever is later, and shall continue to his attainment of his eligible retirement age or prior recovery. Said disability pension shall not exceed $1,800.00 per annum, and shall be subject to the provisions of sections 24 and 25.

(3). **Converting to Service Retirement.** Upon attaining his eligible retirement age, said beneficiary, in addition to his annuity, shall receive a service retirement pension as provided in section 16; paragraphs (b), (c), (d) and (e); Provided, that no service credit shall be given for the time he was receiving a disability pension provided for in sub-paragraph (2) of this paragraph. Upon attaining his eligible retirement age, he shall have the right to elect an option provided for in section 18.

Section 24 (a). PENSIONS OFFSET BY WORKMEN'S COMPENSATION BENEFITS. Any amounts which may be paid or payable under the provisions of any workmen's compensation, or pension or similar law, including any pensions allowed and payable by the Federal or State Governments on account of service performed in the armed forces of the United States, to a member who has not attained his eligible retirement age, or to a beneficiary or to the dependents of a member or beneficiary, on account of any disability or death shall be offset against and payable in lieu of any benefits provided for in of funds provided by the City under the provisions of this chapter on account of the same disability or death.

(b). **Subrogation Rights.** In the event any person becomes entitled to and receives as and when due, any benefits as the result of an accident or injury caused by the act of a third party, the City shall be subrogated to the rights of the said person against such third party to the extent of benefits which the City pays or becomes liable to pay. Acceptance of benefits by the said person shall be considered as an election hereunder and the City shall thereby be subrogated to the rights of said person against any third party.

Section 25 (a). RE-EXAMINATION OF DISABILITY BENEFICIARIES. Once each year during the first 5 years following the retirement of a member on a disability pension or allowance, and at least once in every 3 year period thereafter, the Board may, and upon the beneficiary's application shall, require any disability beneficiary, who has not attained his eligible retirement age, to undergo a medical examination to be made by or under the direction of the Medical Director. Should any disability beneficiary who has not attained his eligible retirement age refuse to submit to such medical examination in any such period, his disability retirement pension or allowance may be discontinued by the Board, and should such refusal continue for one year all his rights in and to his disability retirement pension or allowance shall be revoked by the Board. If upon such medical examination of a beneficiary, the Medical Director reports that said beneficiary is physically able and capable of resuming employment with the City, and the Board concurs therein, the pension or allowance, and said beneficiary shall be restored to active service with the City, and his disability pension or allowance shall be discontinued.

(b). **Adjustment of Disability Pension.** If the said disability beneficiary, who is not eligible for membership in the Retirement System, is engaged in a gainful occupation, business or employment, and the sum of his pay or earnings from such occupation, business or employment, and his disability pension provided by this chapter, exceeds his final compensation, the Board may reduce his disability pension shall be reduced to an amount which when added to the amount so earned by him shall equal his final compensation. Should said beneficiary's earnings be changed later, his disability pension shall be correspondingly adjusted.

(c). **Status of Disability Beneficiaries Returned to Service.** A disability beneficiary who has been or shall be returned to active service in the employ of the City shall again become a member of the Retirement System and he shall contribute to the Retirement System thereafter in the same manner as any other member of the City. Any prior service and membership service credited to him at the time of his disability retirement shall be restored to full force and effect. He shall be given service credit for the time he was receiving a disability pension provided for in section 23 (b), and he shall pay for service credit for the time he was receiving a disability pension provided in section 23 (b).

Section 26. DEATH OCCURRING IN LINE OF DUTY. In the event a member dies as the result of a personal injury or disease arising out of and in the course of his employment by the City, and such death, injury or disease resulting in death, be found by the Board to have been the result of his actual performance of duty in the service of the City, the applicable benefits provided in paragraphs (a), (b), (c), (d) and (e) of this section shall be paid; Provided, that payment of pensions to eligible beneficiaries under the provisions of paragraphs (b), (c), (d) and (e) of this section shall be subject to the condition that the death of the member is a direct result of injuries or disease sustained in the course of employment and such as would be compensable under provisions of the Workmen's Compensation Law of the State of Michigan and subject also to the provisions of paragraph (f) of this section and to section 24 of this chapter.

(a). **Accumulated Contributions.** The accumulated contributions standing to the said deceased member's credit in the annuity savings fund shall be paid in accordance with the provisions of section 27.

(b). **Widow's Pension.** A pension of one-third of the final compensation of said deceased member shall be paid to his widow to continue during her widowhood.

(c). **Children's Pensions While Widow is Living.** If, in addition to a widow, a child or children under age 18 years also survive the said deceased member, each child under age 18 years shall receive a pension of an equal share of one-fourth of the said deceased member's final compensation. Upon the marriage, death, or attainment of age 18 years of any child his pension shall terminate and there shall be a redistribution by the Board to the remaining eligible children under age 18 years.

(d). **Children's Pensions if Widow Dies or Remarries.** In the event there be no widow, or if the widow dies or remarries before the youngest surviving child of said deceased member shall have attained age 18 years, then the child or children under age 18 years shall each receive a pension of one-fourth of the said deceased member's final compensation; Provided, that if there be more than 2 surviving children under age 18 years, each child under age 18 years shall receive a pension of an equal share of one-half of the said deceased member's final compensation. Upon attaining age 18 years of any child of any 18 years of any child his pension shall terminate and there shall be a redistribution by the Board to the remaining eligible children under age 18 years, but in no event shall any child receive in any year more than one-fourth of the said deceased member's final compensation.

(e). **Dependent Parent's Pensions.** In the event there be neither a widow, nor children under age 18 years, eligible to receive a pension, surviving the said deceased member, then there shall be paid to each his dependent father and dependent mother, or either of them, as the Board after investigation shall find to have been actually dependent upon said deceased member through absence of earning power due to physical or mental disability, a pension of one-sixth of said member's final compensation; Provided, that in no event shall the pension payable to either parent exceed $600.00 a year.

(f). **Limitation.** The total of the pensions provided in paragraphs (b), (c) and (d) of this section, payable to a widow, or to a widow and children, of any deceased member shall not exceed $1800.00 per annum.

(g). **Section Effective.** The coverage provided in this section (Section 26) shall be effective as of October 1, 1949.

Section 27 (a). REFUND OF ACCUMULATED CONTRIBUTIONS—RIGHT TO RETIREMENT. Should a member cease to be an employee of the City (1) before attaining his eligible retirement age, for reasons other than becoming a beneficiary or dying, or (2) after attaining his eligible retirement age and not being entitled to a pension, he shall be paid all or part of the accumulated contributions standing to his credit in the annuity savings fund as he shall demand in writing on forms furnished by the Board.

(b). **Upon Death of Member.** Should a member die before his service retirement becomes effective, the amount of his accumulated contributions standing to his credit in the annuity savings fund, at the time of his death, shall be paid to such person or persons having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Board; if there be no such designated person or persons surviving, then his accumulated contributions shall be paid to his (deceased member) legal representative.

(c). **Installment Refund.** Payment of refunds of accumulated contributions may be made in monthly installments according to such rules and regulations as the Board may from time to time adopt.

Section 28 (a). ANNUITY SAVINGS FUND. The annuity savings fund is hereby created. The annuity savings fund shall be the fund in which shall be accumulated, at regular interest, the contributions from the compensations of members to provide for their annuities, and from which shall be paid refunds of accumulated contributions as provided in this chapter.

(b) **Contributions of Members.** The contribution of a member to the annuity savings fund shall be 5 per cent of his compensation paid to him by the City. The officer or officers responsible for making up the payroll shall cause contributions to be deducted from the compensation of each member on each and every payroll for each and every payroll period, as long as he remains a member in the employ of the City. The members contributions provided for herein shall be made notwithstanding that the minimum compensation provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein, and shall receiver for his full compensation and payment of his compensation less said deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment, except as to benefits provided by the Retirement System. The officer or officers responsible for making up the payroll shall certify to the City Treasurer after each and every payroll, the amount of contribution to be deducted from the compensation of each member, and each of said amounts shall be deducted by the City Treasurer, and when deducted shall be credited by the Secretary to the individual annuity savings fund account of the member from whose compensation said deduction was made.

(c). **Deposit of Contributions Previously Refunded.** In addition to the contributions deducted from the compensation of a member, as hereinbefore provided, any member may deposit in the annuity savings fund by a single payment, or by regular installment payments, an amount equal to the total amount, or any part thereof, which he may have previously withdrawn therefrom as provided in this chapter.

(d). **Transfer of Accumulated Contributions.** Upon retirement of a member for service or disability, the accumulated contributions from the annuity savings fund to the annuity reserve fund. At the expiration of a period of 3 years from the date an employee ceases to be a member, any balance of accumulated contributions standing to his credit in the annuity savings fund, unclaimed by the said member or his legal representative, shall be transferred to the pension reserve fund.

Section 29. ANNUITY RESERVE FUND. The annuity reserve fund is hereby created. The annuity reserve fund shall be the fund from which shall be paid all annuitants and all benefits in lieu of annuities, payable as provided in this chapter. Should a beneficiary retired on account of non-duty disability be returned to active service in the employ of the City his annuity reserve, at the time of his return, shall be transferred from the annuity reserve fund to the annuity savings fund and shall be credited to his individual account in the said annuity savings fund.

Section 30 (a). PENSION RESERVE FUND. The Pension reserve fund is hereby created. The pension reserve fund shall be the fund to which shall be credited all money provided by the City, or any instrumentality of the City, to the Retirement System for the next fiscal year and the City Commission shall appropriate and the City shall pay such amounts of contributions into the funds of the Retirement System during the next fiscal year, and when so paid such contributions shall be credited to the pension reserve fund.

(c). **Deficiency Appropriations.** If the amount appropriated in the budget for any year is not sufficient to pay in full the amounts due in said year to said beneficiaries of the Retirement System, the amount of such insufficiency shall thereupon be provided by the appropriating authorities of the City.

Section 31. EXPENSE FUND. The expense fund shall be the fund to which shall be credited all money provided by the City to pay the administrative expenses of the Retirement System, from which shall be paid all expenses necessary in connection with the administration of the Retirement System. The Board shall annually certify to the appropriating authorities of the City, on or before the first day of April, according to the budget, a sum which shall be the amount of appropriation necessary to administer the Retirement System during the next fiscal year and the City shall appropriate such amount to the credit of the expense fund.

Section 32. (a) MANAGEMENT OF FUNDS. The Board shall have full power to hold, invest and reinvest the funds of the Retirement System subject to all terms, conditions, limitations, and restrictions imposed by the law of the State of Michigan upon life insurance companies in the making and disposing of their investments, except that such investments of the Retirement System funds shall not be subject to said restrictions or limitations. The Board shall have the power to purchase notes, bonds, or other obligations of the City of Birmingham at any legally constituted public or private sale, and to invest and reinvest, exchange, sell and dispose of any funds of the Retirement System, in stocks rated not lower than BBB or equivalent rating by recognized rating agencies.

(b). The Board shall have full power to hold, purchase, sell, assign, transfer and dispose of any of the securities and cash constituting which any of the funds of the Retirement System have been invested, as well as the proceeds of said investments and any moneys belonging to the Retirement System.

(c). In the administration and management of the funds and investments of the Retirement System, the Board shall have the following additional powers:

(1). To sell, either for cash or part cash and part deferred payments, option, plat, subdivide, convey, exchange, lease for any length of time, mortgage, pledge, partition, or otherwise dispose of all the assets in said funds or any part thereof, at such time and in such manner, either at public or private sale and upon such terms as in its absolute and uncontrolled discretion it may deem proper and advisable, and all without being unaffected by any of the charter limitations applicable to other funds or City property.

(2). To borrow on the general credit of the fund or to pledge or mortgage the said fund or any part thereof as security for the repayment of such loan and to renew any indebtedness incurred by the said fund.

(3). To exercise any option or privilege to convert bonds, notes, stocks or other securities belonging to such funds into other bonds, notes, stocks or other securities; to exercise any privilege to subscribe for additional or other bonds, notes, stocks or other securities; to make such conversions and subscriptions, to make payments therefor, and to advance or borrow money for the purpose of exercising such

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