

Sec. 15. Final Average Compensation.

Final average compensation means any of the following:

- (1) One-fifth of the aggregate amount of compensation paid and earned by a member during the period of 5 consecutive years of the member's credited service in which the aggregate amount of compensation paid and earned is highest, known as FAC-5. If the member has less than 5 years of credited service, final average compensation means the aggregate amount of compensation paid and earned by the member divided by the member's credited service. A member who has credited service in force with more than 1 participating municipality or court shall have a separate final average compensation computed based on the member's compensation record with each participating municipality and court.
- (2) If the participating municipality or court has adopted benefit program FAC-N, where N shall be a whole number of years not less than three, $1/N$ of the aggregate amount of compensation paid and earned by a member during the period of N consecutive years of the member's credited service in which the aggregate amount of compensation paid and earned is highest. If the member has less than N years of credited service, final average compensation means the aggregate amount of compensation paid and earned by the member divided by the member's credited service. A member who has credited service in force with more than 1 participating municipality or court shall have a separate final average compensation computed based on the member's compensation record with each participating municipality or court.
- (3) For a member who is a judge of the district court, the recorder's court of the city of Detroit, or the circuit court, and has converted a portion or all of his or her state salary standardization payment as provided for in section 504 of the Judges Retirement Act of 1992, Act No. 234 of the Public Acts of 1992, being section 38.2504 of the Michigan Compiled Laws, as an addition to his or her state base salary under Act No. 234 of the Public Acts of 1992, being sections 38.2101 to 38.2670 of the Michigan Compiled Laws, the difference between the figure that would otherwise be used under subdivision (a) or (b) to compute the member's retirement benefits, and the amount of the state salary standardization payment converted.