

Sec. 16. Credited Service; Forfeiture; Reinstatement.

- (1) Prior service and membership service to which a member is entitled, including periods during which a member is in receipt of workers' compensation weekly benefits, shall be credited to the member's individual service account. Service shall be credited in years and twelfths (1/12) of a year. Not more than 1 year of credited service shall be credited a member on account of all service rendered to a participating municipality or court in any period of 12 consecutive months. Not more than 1/12 of a year of credited service shall be credited a member on account of all service rendered to a participating municipality or court in a calendar month. Credited service shall not be credited for any calendar month during which a member acquires less than 10 days or a specified number of hours of work, as defined by the member's participating municipality or court pursuant to section 6.
- (2) Beginning March 11, 2009, for any individual who is not a vested former member (as defined in section 21), all credited service (without regard to whether employee contributions were made) that has been rendered to a participating municipality or court shall be forfeited where there occurs a break in membership of more than 240 consecutive months (20 years). Where such a forfeiture occurs, the individual's accumulated contributions shall be refunded upon application of the individual, the designated beneficiary, or the individual's legal representative.
- (3) For any individual whether or not a vested former member (as defined in section 21), all credited service for which the individual has made member contributions shall be forfeited if the individual's accumulated contributions are paid to the individual, the designated beneficiary, or the individual's legal representative.
- (4) Credited service that has been forfeited under subsection (3) shall be reinstated in the member's service account if all of the following conditions are satisfied:
 - (a) The forfeited credited service was acquired while the member was in the employ of the same participating municipality or court.
 - (b) The member pays to the Retirement System all accumulated contributions previously paid to the member plus compound interest from the date of payment to the member to the date of repayment to the Retirement System. Payment shall be made within 5 years after the date the member reacquires membership in the Retirement System on account of employment by, and prior to termination of employment with, the same participating municipality or court. However, a participating municipality may by resolution of its governing body, or a participating court may by administrative order of its chief judge, establish a written policy to extend beyond 5 years the period for payment required under this subdivision. The policy shall be uniformly applicable to all members employed by the

participating municipality or court who are covered by the same benefit program coverage classification.

- (5) The rates of compound interest applicable to repayment of accumulated contributions shall be as determined by the Retirement Board.
- (6) Forfeited credited service acquired while a member was in the employ of another participating municipality or court shall not be reinstated under this section but shall be creditable subject to the requirements of section 18.
- (7) A participating municipality or court may provide for the conversion of service credit earned by part-time employees to the full-time equivalent upon a member's promotion to full-time employment, pursuant to procedures established by the Retirement System.