

SUBSTITUTE FOR
SENATE BILL NO. 747

A bill to amend 1967 PA 150, entitled
"Michigan military act,"
by amending section 306 (MCL 32.706), as amended by 2013 PA 99.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 306. (1) Beginning January 1, 2011, except as otherwise
2 provided in this section, the adjutant general and the assistant
3 adjutants general who began employment on or after January 1, 2011
4 when relieved under honorable circumstances ~~shall~~**MUST** receive
5 retirement benefits as a qualified participant under the state
6 employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69.
7 Retirement benefits will start on the date of retirement or
8 honorable relief from duty. ~~Retirement under this subsection~~
9 ~~requires not less than 20 years active service with the national~~
10 ~~guard and/or state defense force.~~

(2) Beginning ~~on the effective date of the amendatory act that~~
~~added this subsection~~ **JULY 2, 2013**, and subject to the limitation
provided in subsection (5), the adjutant general and the assistant
adjutants general when retired or relieved under honorable
circumstances ~~shall~~ **MUST** be placed on the retired list of the
~~national guard.~~ **NATIONAL GUARD**. The adjutant general and the
assistant adjutants general ~~shall~~ **MUST** receive retirement pay,
equal to ~~the retirement pay that~~ **45% OF HIS OR HER FINAL BASE PAY**
AS PROVIDED IN THE UNITED STATES DEPARTMENT OF DEFENSE MILITARY PAY
CHARTS FOR an officer of like grade and total years of service.
~~would receive as indicated in appropriate federal regulations when~~
~~they are retired or honorably relieved.~~ Subject to subsection (3),
retirement benefits will start on the date of retirement or
honorable relief from duty.

(3) Retirement under subsection (2) requires all of the
following:

(a) ~~Not~~ **UNTIL THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT**
ADDED SUBSECTION (6), NOT less than 20 years active service with
~~the national guard~~ **NATIONAL GUARD** or state defense force, or both,
AND BEGINNING WITH THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
ADDED SUBSECTION (6), NOT LESS THAN 20 YEARS ACTIVE SERVICE WITH
THE NATIONAL GUARD.

(b) Not less than 4 consecutive years of special duty as an
adjutant general or assistant adjutant general. However, the
requirement for serving 4 consecutive years of service as an
adjutant general or assistant adjutant general for retirement pay
is waived if the service member is relieved ~~due to~~ **BECAUSE OF** a new

1 governor assuming office.

2 (c) The service member is 55 years of age or older.

3 (4) ~~Any~~ **FOR A RETIRANT WHO RETIRES UNDER SUBSECTION (2) BEFORE**
4 **THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (6),**
5 **ANY** retirement pay received from the federal government for
6 military service ~~shall~~ **MUST** be deducted when computing the amount
7 to be received from this state for an adjutant general or assistant
8 adjutant general who retires under subsection (2). The deduction
9 ~~shall~~ **MUST** start on the first day of the month the officer becomes
10 eligible for federal retirement. Once established, the amount of
11 the deduction ~~shall~~ **MUST** not be changed. ~~The retirement benefit~~
12 ~~will be paid according to the federal regulations commensurate with~~
13 ~~active duty years and traditional national guard service time. The~~
14 ~~full time adjutant general's and assistant adjutants general's~~
15 ~~service will be credited at the equivalent of full time active duty~~
16 ~~service, and part time traditional services will be credited to the~~
17 ~~federal military points system, in a manner as determined by the~~
18 ~~retirement system.~~

19 (5) Only 1 adjutant general appointed by the governor under
20 section 302 in any 4-year period is eligible for retirement under
21 subsection (2). Only 2 assistant adjutants general in any 4-year
22 period are eligible for retirement under subsection (2). However,
23 if the adjutant general or an assistant adjutant general is
24 mobilized pursuant to a federal mobilization and the governor
25 appoints a replacement adjutant general under section 302 or the
26 adjutant general appoints a replacement assistant adjutant general,
27 the replacement adjutant general or replacement assistant adjutant

1 general is eligible for retirement under subsection (2). If any
2 change or error in the records results in any member, retirant, or
3 beneficiary receiving from the retirement system more or less than
4 he or she would have been entitled to receive if the records had
5 been correct, the retirement system shall correct that error and,
6 as far as practicable, shall adjust the payment in such a manner
7 that the actuarial equivalent of the benefit to which that member,
8 retirant, or beneficiary was correctly entitled ~~shall~~ **WILL** be paid.

9 **(6) THE RETIREMENT PAY FOR A RETIRANT WHO FIRST BEGINS**
10 **RECEIVING RETIREMENT PAY UNDER SUBSECTION (2) ON OR AFTER THE**
11 **EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION IS**
12 **NOT SUBJECT TO AN ANNUAL COST OF LIVING INCREASE.**