



**House
Legislative
Analysis
Section**

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MERS: REVISE DISABILITY REQUIREMENTS

MAY 23 1989

Mich State Law Library

House Bill 4506
Sponsor: Rep. Kay Hart
Committee: Senior Citizens
and Retirement

Complete to 4-19-89

A SUMMARY OF HOUSE BILL 4506 AS INTRODUCED 3-22-89

Currently, the Municipal Employees Retirement System (MERS) may retire a member if a medical adviser certifies that a member is mentally or physically incapacitated for any continued employment by the participating municipality or court, that the incapacity is likely to be permanent, and that the member should be retired. The bill would amend the act to require that the medical adviser certify to the Retirement Board, and the Retirement Board concur in all of the following:

-- The member is mentally or physically incapacitated for continued employment by the participating municipality or court in the position held at the time of the incapacity;

-- The incapacity is likely to continue for two years or more.

The participating municipality or court would be required to certify to the Retirement Board that it was not able to employ the member in any position that was compensated at a level that was 80 percent or more of the compensation level of the position held by the member at the time of the incapacity.

Under the bill, payment of a disability retirement allowance would be suspended if the medical adviser certified that the disability retiree was mentally and physically capable of employment with the participating municipality or court in the position held by the disability retiree at the time of the incapacity, and the municipality or court offered employment to the disability retiree in a position that was compensated at a level equal to 80 percent or more of the compensation level of the position held by the retiree at the time of the incapacity. The disability retirement allowance would be suspended for any period during which any of the following circumstances existed:

a) The disability retiree was employed by the participating municipality or court.

b) The disability retiree was employed by the participating municipality or participating court for a trial period of employment.

c) The disability retiree refused to accept employment offered by the participating municipality or court that was compensated at a level that was 80 percent or more of the compensation level of the position held at the time of the incapacity.

Currently, under the act, a disability retiree who does not again become a member with restoration of credited service becomes a vested former member. The bill would amend the act to delete this provision. Under the bill, a

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disability retirant could be subsequently employed by a participating municipality, court, or other employer for a trial period of not more than 120 days upon prior approval of the Retirement Board. The disability retirant would not become a member of the retirement system during the trial period of employment and the disability retirant's disability status would not be affected by the trial period of employment. The retirant could receive approval for up to two trial periods of employment in any five-year period, and the compensation paid would not be considered income for purposes of calculating the member's retirement allowance.

MCL 38.1524 et al.