



**House
Legislative
Analysis
Section**

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House Bills 4619 and 4620
Sponsor: Rep. Mary Brown
Committee: Senior Citizens
and Retirement

Complete to 4-27-89

A SUMMARY OF HOUSE BILLS 4619 and 4620 AS INTRODUCED 4-12-89

Currently, under the State Employees Retirement Act and the Public School Employees Retirement Act, a member may choose to receive a reduced retirement allowance, with the provision that payment of the benefit, or a percentage of the benefit, continue after his or her death, throughout the lifetime of the person designated as the retiree's retirement allowance beneficiary. House Bills 4619 and 4620 would amend the acts to specify that the election of a reduced retirement allowance could be considered void upon divorce. Under the bills, the benefit of a retiree receiving a reduced retirement allowance would revert to a regular retirement allowance, including postretirement adjustment, if any, effective the first of the month after the date the retirement system received a certified copy of the judgment of divorce, award or court order. The allowance would still be subject to a judgment of divorce, award or court order, and could not supersede such an order that was in effect prior to the effective date of the bills. The bills could not be construed to require that retirement assets or allowances be paid or distributed in amounts that would exceed the actuarially determined amounts that would otherwise have become payable if a judgment of divorce had not been rendered.

Under the bills, the retirement system would consider a member's election to receive a reduced retirement allowance void if a judgment of divorce, award, or court order dated after the effective date of the bills provided that the reduced retirement option be considered void, or an amended judgment of divorce, award, or court order dated after the bills' effective date provided that the reduced retirement option be considered void, and the retirant provided a certified copy of the judgment or amended judgment to the retirement system. (Note: As written, the bills require that both the divorce judgment and an amended judgment provide that the reduced retirement option be considered void; the apparent intent of the bills is that either a judgment or an amended judgment contain this provision.)

House Bill 4620 would also amend the Public School Employees Retirement Act to emphasize that certain disabled retirees may exercise the same retirement options as other retirees.

MCL 38.31 and MCL 38.1385

House Bills 4619 & 4620 (4-27-89)