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SERS: MILITARY SERVICE CREDITS

House Bill 4725

Sponsor: Rep. Philip E. Hoffman

Committee: Senior Citizens
and Retirement

Complete to 1-28-92

A SUMMARY OF HOUSE BILL 4725 INTRODUCED 4-18-91

Currently, under the State Employees' Retirement Act, a member whose employment with the state is interrupted by a period of active military service may receive up to five years service credit for time spent in military service, provided that he or she is reemployed by the state within six months after military discharge or release. A member who does not meet these qualifications (for example, a member who was not employed by the state prior to military service, or who didn't return to state employment within six months after military discharge) may, under certain circumstances, purchase up to five years service credit for time spent in military service, provided that the member was employed by the state or spent time in active service after January 1, 1978. House Bill 4725 would amend the act to extend this latter provision to members who retired prior to January 1, 1978. A retiree who elected to purchase the service credit would have to pay an amount equal to five percent of his or her final average compensation, multiplied by the number of years -- including any fraction of a year -- of service that the retiree wished to purchase. The retiree's retirement allowance would then be recalculated, based upon the additional service credit, and would be payable beginning on the first day of the month following the month in which payment was received by the retirement system. Service could not be credited under this provision if it were, or could be, credited under any other federal, state, or local publicly supported retirement system, with the exception of retirement eligibility under the federal government for service in the reserve.

MCL 38.18

House Bill 4725 (1-28-92)