



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1055 (as discharged)
Sponsor: Senator Glenn D. Steil
Committee: Judiciary

CONTENT

The bill would amend the State Employees' Retirement Act to specify that a person who was an employee of the State Judicial Council could not be a member of the State Employees' Retirement System (SERS) on and after October 1, 1997. A person who was an employee of the State Judicial Council before October 1, 1997, and became vested in the SERS before that date, would remain an SERS member for the exclusive purpose of receiving a retirement allowance from the system. A State Judicial Council employee who was vested in the SERS before October 1, 1997, would be entitled to all of the rights, privileges, and benefits provided under the Act accrued as of the effective date of the transfer.

MCL 38.13 et al.

Legislative Analyst: P. Affholter

FISCAL IMPACT

According to the retirement bureau, the bill would not cause the State to incur any new cost above what it would be liable for if an employee who was vested left State employment on his or her own. The State could realize cost savings from being absolved of future liability for employees who are not yet vested in the system, but who have contributed thus far.

Data currently are not available on the number of employees who are vested or not vested in the system; however, there are currently 1,096 individuals employed by the State Judicial Council. Of those, 629 are estimated to be vested based on 10 or more years of service.

It is indeterminate as to the cost that local units of government would incur if the employees became Wayne County or City of Detroit employees, as the local retirement system differs from that of the State.

Date Completed: 6-5-96

Fiscal Analyst: M. Bain

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