

Act No. 208
Public Acts of 1996
Approved by the Governor
May 16, 1996
Filed with the Secretary of State
May 17, 1996

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1996**

Introduced by Senators Cisky, Hoffman, Gougeon, McManus, Cherry, Byrum, Shugars, Dunaskiss and North

ENROLLED SENATE BILL No. 198

AN ACT to amend sections 40 and 40a of Act No. 182 of the Public Acts of 1986, entitled "An act to provide for the Michigan department of state police retirement system; to create certain reserves and certain funds for this retirement system; to provide for the creation of a retirement board within the department of management and budget; to prescribe the powers and duties of the retirement board; to prescribe the powers and duties of the department of state police, the department of management and budget, and certain state officers; and to repeal certain acts and parts of acts," section 40a as added by Act No. 139 of the Public Acts of 1992, being sections 38.1640 and 38.1640a of the Michigan Compiled Laws; and to add section 39a.

The People of the State of Michigan enact:

Section 1. Sections 40 and 40a of Act No. 182 of the Public Acts of 1986, section 40a as added by Act No. 139 of the Public Acts of 1992, being sections 38.1640 and 38.1640a of the Michigan Compiled Laws, are amended and section 39a is added to read as follows:

Sec. 39a. (1) Effective October 1, 1996, the monthly retirement allowance payable to a retirant or retirement allowance beneficiary of a deceased retirant or member who meets the requirements of this section is increased 10%. This section only applies to a retirant or retirement allowance beneficiary of a deceased retirant or member who meets all of the following requirements:

(a) The retirant's or deceased retirant's effective date of retirement was before October 1, 1986 or the retirement allowance effective date for the retirement allowance beneficiary of the deceased member was before October 1, 1986.

(b) The retirant or deceased retirant retired after 25 years of service or because of duty-incurred total disability under section 5 of former Act No. 251 of the Public Acts of 1935 or the retirement allowance beneficiary of a deceased member is receiving duty death benefits under section 8 or former Act No. 251 of the Public Acts of 1935.

(c) The retirant or retirement allowance beneficiary was in payment status on the rolls of the retirement system on October 1, 1995.

(2) The increased retirement allowance under this section shall be the basis upon which future adjustments to the retirement allowance, including the increases under sections 40 and 40a, if applicable, are calculated.

Sec. 40. (1) Effective October 1, 1986, after the retirant and retirement allowance beneficiary monthly allowance recomputation as determined in section 39 has been determined, a retirant or retirement allowance beneficiary of a deceased retirant shall receive a total retirement allowance of not less than \$6,000.00 per annum. This subsection does not apply to a retirant or retirement allowance beneficiary of a deceased retirant who is eligible for an increased retirement allowance under subsection (2).

(2) Effective October 1, 1996, after the retirant's or retirement allowance beneficiary's retirement allowance is increased under section 39a, if applicable, a retirant or retirement allowance beneficiary of a deceased retirant who meets the requirements of this subsection shall receive a total retirement allowance of not less than \$10,800.00 per annum. This subsection only applies to a retirant or retirement allowance beneficiary of a deceased retirant, which retirant or deceased retirant retired after 25 years of service or because of duty-incurred total disability under section 5 of former Act No. 251 of the Public Acts of 1935, with a retirement allowance payable under section 24, or with a duty-incurred disability retirement allowance payable under section 26.

(3) The increased retirement allowance under this section shall be the basis upon which future adjustments to the retirement allowance, including the increase under section 40a, if applicable, are calculated.

Sec. 40a. (1) Effective October 1, 1996, after the retirant's or retirement allowance beneficiary's retirement allowance is increased under section 39a or 40, as applicable, a retirant or a retirement allowance beneficiary is entitled to have his or her retirement allowance increased as provided in this section. The retirement allowance of a retirant or retirement allowance beneficiary shall be increased each October 1, beginning with the later of October 1, 1995 or the first October 1 that is at least 12 months after the retirement allowance effective date.

(2) The amount of the annual increase under this section shall be 2% of the retirement allowance that would be payable without application of this section. The annual increase under this section shall not exceed \$500.00.

This act is ordered to take immediate effect.

Secretary of the Senate.

Clerk of the House of Representatives.

Approved -----

Governor.