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POLICE & FIREFIGHTERS RETIREMENT DISABILITY SURVIVORS BENEFITS

House Bill 4468

Sponsor: Rep. Eileen DeHart

**Committee: Senior Health, Security and
Retirement**

Complete to 4-15-99

A SUMMARY OF HOUSE BILL 4468 AS INTRODUCED 4-14-99

Under the Fire Fighters and Police Officers Retirement Act, a retiree may opt to receive a "regular retirement allowance", meaning that he or she receives an equal monthly payment from the date of retirement throughout his or her life, or may elect to receive the actuarial equivalent of the regular retirement benefit in a reduced amount, which continues after the retiree's death and is payable throughout the life of a named beneficiary (generally, a spouse). However, the act specifies that, if a member has not elected to name a beneficiary and receive a reduced retirement allowance, and is receiving a regular allowance at the time of his or her death, his or her spouse is to receive a pension equal to 60 percent of the regular retirement allowance that the retiree was receiving at the time of his or her death.

The above-described "60 percent" provision for surviving spouses applies to normal nondisability retirements only. The act provides that a member of the retirement system who is disabled before retirement age, whether or not the disability is the result of the member's work, receives a disability retirement allowance until age 55. (However, a duty disability retiree is entitled to a higher pension amount than is a non-duty disability retiree.) At age 55, the member is entitled to have his or her pension recalculated according to a more generous formula, and at that time the disability retiree is asked to make an election of either a "regular" disability pension, or choose one of the options for a reduced retirement amount continuing throughout the life of a beneficiary. House Bill 4468 would amend the act to add the "60 percent" provision to the disability retirement sections of the act. Specifically, if a member receiving either a duty disability pension or a non-duty disability pension died before attaining 55 years of age, his or her surviving spouse would receive a survivor disability pension equal to 60 percent of the disability pension that the member was receiving at the time of his or her death. If there was no surviving spouse, the survivor disability pension would be payable to the member's surviving children, if any, and continue to each child until he or she became 18 years old, or until his or her death or marriage before becoming 18 years old.

MCL 38.556

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