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MILITARY RETIREMENT; RETROACTIVE PAY

House Bill 4292

Sponsor: Rep. Dale Sheltrown

Committee: Senior Health, Security and

Retirement

Complete to 4-2-01

A SUMMARY OF HOUSE BILL 4292 AS INTRODUCED 2-20-01

Under the Michigan Military Act, a person who has completed at least 20 years of active service in the national guard or defense force, or both, can retire and receive annual retirement payments of \$600 if he or she reaches age 62 or if, at age 55, he or she meets one of three circumstances: (1) he or she is ineligible, because of federal law or regulation, for further federal recognition of his or her current grade because of age or length of service, and his or her commission or enlistment in the national guard is terminated; (2) his or her federal recognition is withdrawn and his or her commission or enlistment in the national guard is terminated because of physical disqualification from further service; or (3) he or she is separated from the national guard or defense guard under an honorable circumstance. In addition when a retiree dies, his or her surviving spouse receives \$300 a year if the deceased retiree had completed at least 20 years of service and also met one of the above three conditions.

House Bill 4292 would amend this provision to:

- Provide for retroactive payment of retirement benefits for a retiree or surviving spouse of a retiree under certain circumstances. This provision would provide for retroactive pay "from the effective date of the change in age of eligibility from 62 to 55 years of age until the person became aware of the change in eligibility and filed for and received retirement pay". This provision would apply to retirees who retired between July 1, 1968 and March 1, 1969 and the surviving spouses of such retirees, and the bill specifies that its language would be considered "curative" in nature to remedy a clerical error that prevented certain individuals from receiving retirement pay immediately upon their eligibility. (Note: Though the bill refers to the change in retirement age "from 62 to 55", Public Act 280 of 1980 amended this section of the act to change the retirement age from age 60 to age 55.)
- Increase the payment to surviving spouses from \$300 to \$500 per year, and provide that a surviving spouse could receive such payments whether the spouse who was a member of the national guard or defense force was a retiree or was still in active service at the time of his or her death.

MCL 32.811

Analyst: D. Martens

This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.