

House Office Building, 9 South Lansing, Michigan 48909 Phone: 517/373-6466

STATE EMPLOYEES RETIREMENT: DUTY DEATH BENEFIT

House Bill 4334

Sponsor: Rep. Jerry Vander Roest Committee: Senior Health, Security and

Retirement

Complete to 2-23-01

A SUMMARY OF HOUSE BILL 4334 AS INTRODUCED 2-22-01

Under the State Employees' Retirement Act, a monthly retirement allowance is payable to an eligible beneficiary of a member who dies as a result of injury or illness arising out of and in the course of his or her state employment, regardless of the member's age or years of service at the time of death. This benefit also applies in the case of a duty disability retirant who is less than age 60 and who dies within three years of the disability retirement.

The amount of the duty death benefit is specified in the statute: a surviving spouse is eligible to receive an annual benefit of 1/3 of the deceased member's final compensation. In addition, unmarried children under age 18 receive an equal share of 1/4 of the member's final compensation. (If there is no surviving spouse, each minor child receives 1/4 of the member's final compensation, up to a total of 1/2 of the member's final compensation.) Finally, if there is no surviving spouse or dependent child, each dependent parent receives an allowance of 1/6 of the deceased member's final compensation.

However, in any case, the duty death benefit is limited to \$2,400 per year. <u>House Bill 4334</u> would amend the State Employees' Retirement Act to eliminate the \$2,400 annual limitation on the duty death benefit.

MCL 38.27

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.