

**STATE EMPLOYEES RETIREMENT;
FORENSIC CENTER NURSES**

House Bill 4581

Sponsor: Rep. Judith Scranton

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

Complete to 7-19-01

A SUMMARY OF HOUSE BILL 4581 AS INTRODUCED 4-17-01

Under the defined benefit provisions of the State Employees' Retirement Act, Department of Corrections employees working in certain specified positions requiring supervision or custody of prisoners are considered to be in "covered" service for purposes of the retirement system. Members with "covered" service may be eligible for earlier retirement and supplementary benefits.

"Covered" positions include certain positions with the Center for Forensic Psychiatry, including certain security aides and security supervisors. House Bill 4581 would amend the act to include registered nurses, registered nurse managers, and registered nurse directors as "covered" positions.

(Under the defined benefit provisions of the State Employees Retirement System, a member must meet certain age and service requirements to be eligible to receive a retirement allowance. Generally, a member must reach age 60 with 10 years of service, or age 55 with 25 years of service. A regular retirement allowance is calculated by multiplying 1.5 percent of the member's final average compensation by years of service credit $[.015 \times \text{FAC} \times \text{years of credited service}]$. By contrast, a corrections employee in a "covered" position is eligible for retirement at age 51 with 25 or more years in a covered position, or at age 56 with 10 or more years in a covered position. [The final three years must be in the "covered" position.] The benefit formula for members retiring with a supplemental retirement allowance from a "covered" position is 2 percent of final average compensation times years of "covered" service, plus 1.5 percent of final average compensation times years of non-covered service, until age 62. At age 62, the benefit is recalculated using the normal 1.5 percent formula. In other words, retiring from a "covered" position results in an additional .5 percent added to the retirement allowance calculation for the years from retirement until age 62.)

MCL 38.45 et al.

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