

HOUSE BILL No. 4334

February 22, 2001, Introduced by Reps. Vander Roest, Meyer, Julian, Kuipers, Richardville, Pappageorge, Spade, Bovin, Lipsey and Birkholz and referred to the Committee on Senior Health, Security and Retirement.

A bill to amend 1943 PA 240, entitled
"State employees' retirement act,"
by amending section 27 (MCL 38.27), as amended by 1987 PA 241.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 27. (1) If a member dies as a result of a personal
2 injury or disease arising out of and in the course of his or her
3 employment with the state, or a disability retirant who retired
4 under section 21 dies prior to becoming age 60 and within 3 years
5 after the member's disability retirement from the same causes for
6 which he or she was retired, and ~~such~~ THE death or illness or
7 injuries resulting in death are found by the retirement board to
8 have been the sole and exclusive result of employment with ~~the~~
9 THIS state, the applicable benefits provided in subsections (2),
10 (3), (4), and (5) shall be paid, subject to subsection (6).

1 (2) The accumulated contributions standing to the member's
2 account in the employees' savings fund shall be paid to ~~such~~
3 THE person or persons ~~as~~ the member has nominated by written
4 designation ~~duly~~ executed and filed with the retirement board,
5 or if there are no ~~such~~ designated person or persons surviving,
6 then to the member's legal representative.

7 (3) A retirement allowance of 1/3 of the final compensation
8 of the deceased person shall be paid to the surviving spouse to
9 whom the deceased person was married at the time he or she last
10 terminated employment with ~~the~~ THIS state. If a child or chil-
11 dren under the age of 18 years also survives the deceased person,
12 each such child shall receive an allowance of an equal share of
13 1/4 of the deceased person's final compensation. Upon the mar-
14 riage, death, or attainment of age 18 years of ~~any such~~ A
15 child, there shall be a redistribution by the retirement board to
16 the deceased person's remaining children under age 18 years.

17 (4) If there is no surviving spouse or if the surviving
18 spouse dies before the youngest surviving child of the deceased
19 person reaches the age of 18 years, then each ~~such~~ child under
20 age 18 shall each receive an allowance equal to 1/4 of the
21 deceased person's final compensation, but the total ~~so~~ paid in
22 any year to the children of a deceased person shall not exceed
23 1/2 of his or her final compensation. If there are more than 2
24 ~~such~~ surviving children under age 18 years, each such child
25 shall receive an allowance of an equal share of 1/2 of the
26 deceased person's final compensation. Upon the marriage, death,
27 or attainment of age 18 years of any ~~such~~ child, the child's

1 allowance shall terminate and there shall be a redistribution by
2 the retirement board to any remaining eligible children of the
3 deceased under age 18, but a child shall not receive an allowance
4 OF more than 1/4 of the deceased person's final compensation.

5 (5) If there is neither a spouse nor a child under age 18
6 years surviving the deceased person, then there shall be paid to
7 each parent of the deceased person whom the retirement board
8 after investigation determines to have been actually dependent
9 upon the deceased person through absence of earning power due to
10 disability, an allowance of 1/6 of the deceased person's final
11 compensation.

12 (6) The total of the retirement allowances payable under
13 subsections (3), (4), and (5) on account of the death of a member
14 or retirant shall not exceed ~~\$2,400.00 per annum, nor~~ an amount
15 ~~which~~ THAT, when added to the statutory worker's compensation
16 benefit to which the dependents of the member or retirant are
17 entitled, exceeds his or her final compensation.