

HOUSE BILL No. 6531

December 3, 2002, Introduced by Rep. Shackleton and referred to the Committee on Appropriations.

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,
and by adding sections 48a and 48b.

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~~ THIS state, or a disability retirant who
4 retired under section 21 dies ~~prior to~~ BEFORE becoming age 60
5 and within 3 years after the member's disability retirement from
6 the same causes for which he or she was retired, and ~~such~~ THE
7 death or illness or injuries resulting in death are found by the
8 retirement board to have been the sole ~~and exclusive~~ result of
9 employment with ~~the~~ THIS state, the applicable benefits

1 provided in subsections (2), (3), (4), and (5) shall be paid,
2 subject to subsection (6).

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

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

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

1 SURVIVING child shall receive an allowance of an equal share of
2 1/2 of the deceased person's final compensation. Upon the mar-
3 riage, death, or attainment of age 18 years of any ~~such~~
4 SURVIVING child, the child's allowance shall terminate and there
5 shall be a redistribution by the retirement board to any remain-
6 ing eligible children of the deceased under age 18, but a child
7 shall not receive an allowance more than 1/4 of the deceased
8 person's final compensation.

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

16 (6) ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION,
17 THE total of the retirement allowances payable under subsections
18 (3), (4), and (5) on account of the death of a member or retirant
19 shall not exceed \$2,400.00 per ~~annum~~ YEAR, nor an amount which,
20 when added to the statutory worker's compensation benefit to
21 which the dependents of the member or retirant are entitled,
22 exceeds his or her final compensation. IF THE RETIREMENT ALLOW-
23 ANCE PAYABLE UNDER THIS SECTION IS TO SURVIVORS OF A CONSERVATION
24 OFFICER WHOSE DEATH WAS A RESULT OF A PERSONAL INJURY OR DISEASE
25 ARISING OUT OF AND IN THE COURSE OF HIS OR HER EMPLOYMENT AS A
26 CONSERVATION OFFICER WITH THIS STATE, THE TOTAL OF THE RETIREMENT
27 ALLOWANCES PAYABLE UNDER SUBSECTION (3), (4), OR (5) SHALL NOT

1 EXCEED \$5,000.00 PER YEAR, NOR AN AMOUNT WHICH, WHEN ADDED TO THE
 2 STATUTORY WORKER'S COMPENSATION BENEFIT TO WHICH THE DEPENDENTS
 3 OF THE MEMBER OR RETIRANT ARE ENTITLED, EXCEEDS HIS OR HER FINAL
 4 COMPENSATION.

5 SEC. 48A. (1) EFFECTIVE OCTOBER 1, 2002, THE MONTHLY
 6 RETIREMENT ALLOWANCE PAYABLE TO A RETIRANT OR RETIREMENT ALLOW-
 7 ANCE BENEFICIARY WHO MEETS THE REQUIREMENTS OF SUBSECTION (2) IS
 8 INCREASED AS FOLLOWS:

9	EFFECTIVE DATE OF RETIREMENT	PERCENT OF INCREASE
10	OCTOBER 1, 1987 TO MARCH 30, 1991	10
11	OCTOBER 1, 1986 TO SEPTEMBER 30, 1987	12
12	OCTOBER 1, 1985 TO SEPTEMBER 30, 1986	14
13	OCTOBER 1, 1984 TO SEPTEMBER 30, 1985	16
14	OCTOBER 1, 1983 TO SEPTEMBER 30, 1984	18
15	OCTOBER 1, 1982 TO SEPTEMBER 30, 1983	20
16	OCTOBER 1, 1981 TO SEPTEMBER 30, 1982	22
17	OCTOBER 1, 1980 TO SEPTEMBER 30, 1981	24
18	OCTOBER 1, 1979 TO SEPTEMBER 30, 1980	26
19	OCTOBER 1, 1978 TO SEPTEMBER 30, 1979	28
20	OCTOBER 1, 1977 TO SEPTEMBER 30, 1978	30
21	OCTOBER 1, 1976 TO SEPTEMBER 30, 1977	32
22	OCTOBER 1, 1975 TO SEPTEMBER 30, 1976	34
23	OCTOBER 1, 1974 TO SEPTEMBER 30, 1975	36
24	OCTOBER 1, 1973 TO SEPTEMBER 30, 1974	38

BEFORE OCTOBER 1, 1973

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(2) THIS SECTION ONLY APPLIES TO A RETIRANT OR RETIREMENT ALLOWANCE BENEFICIARY OF A DECEASED RETIRANT WHO MEETS ALL OF THE FOLLOWING REQUIREMENTS:

(A) THE RETIRANT OR DECEASED RETIRANT RETIRED AFTER 25 YEARS OR MORE OF SERVICE AS A CONSERVATION OFFICER OR BECAUSE OF DUTY-INCURRED TOTAL DISABILITY AS A CONSERVATION OFFICER UNDER SECTION 21.

(B) THE RETIRANT OR RETIREMENT ALLOWANCE BENEFICIARY WAS IN PAYMENT STATUS ON OCTOBER 1, 2002.

(3) THE INCREASED RETIREMENT ALLOWANCE UNDER THIS SECTION SHALL BE THE BASIS UPON WHICH FUTURE ADJUSTMENTS TO THE RETIREMENT ALLOWANCE, INCLUDING THE INCREASE UNDER SECTION 48B, IF APPLICABLE, ARE CALCULATED.

(4) THE SUPPLEMENT PROVIDED BY THIS SECTION SHALL BE CALCULATED PURSUANT TO SUBSECTION (1), SHALL BE BASED ON THE AMOUNT OF RETIREMENT ALLOWANCE THAT WOULD HAVE BEEN PAID WITHOUT APPLICATION OF SECTION 20(2) IF THE MEMBER MADE THE ELECTION PERMITTED UNDER SECTION 20(2), AND SHALL BE PAID BY JANUARY 1, 2003. THE RETIREMENT ALLOWANCE OF A RETIRANT WHO DIES BEFORE JANUARY 1, 2003 AND WHO HAS NOT NOMINATED A RETIREMENT ALLOWANCE BENEFICIARY PURSUANT TO SECTION 31 SHALL NOT BE SUPPLEMENTED PURSUANT TO THIS SECTION.

SEC. 48B. (1) EFFECTIVE OCTOBER 1, 2002, AFTER THE RETIRANT'S RETIREMENT ALLOWANCE IS INCREASED UNDER SECTION 48A, IF APPLICABLE, A RETIRANT WHO MEETS THE REQUIREMENTS OF SECTION 48A(2) SHALL RECEIVE A TOTAL RETIREMENT ALLOWANCE OF NOT LESS

1 THAN \$10,800.00 PER ANNUM. EFFECTIVE OCTOBER 1, 2002, AFTER THE
2 RETIREMENT ALLOWANCE BENEFICIARY'S RETIREMENT ALLOWANCE IS
3 INCREASED UNDER SECTION 48A, IF APPLICABLE, A RETIREMENT ALLOW-
4 ANCE BENEFICIARY OF A DECEASED RETIRANT WHO MEETS THE REQUIRE-
5 MENTS OF SECTION 48A(2) SHALL RECEIVE A TOTAL RETIREMENT ALLOW-
6 ANCE OF NOT LESS THAN \$5,400.00 PER ANNUM.

7 (2) THE INCREASED RETIREMENT ALLOWANCE UNDER THIS SECTION
8 SHALL BE THE BASIS UPON WHICH FUTURE ADJUSTMENTS TO THE RETIRE-
9 MENT ALLOWANCE ARE CALCULATED.