



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Joint Resolution F (as reported without amendment)
Sponsor: Senator Steven Bieda
Committee: Judiciary

CONTENT

The joint resolution would amend Article VI, Section 19 of the State Constitution to delete the prohibition against the election or appointment of a person to a judicial office after he or she reaches 70 years of age.

If approved by a two-thirds vote of each house of the Legislature, the joint resolution would have to be submitted to the people of the State at the next general election.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The resolution, if adopted by the electorate at the next general election, would have limited fiscal impact. The salaries of judges are uniform for each tier of the court system, meaning that judges with long terms of service earn the same as newly elected judges. A judge staying on the bench longer would not cause the State to pay a higher salary, because when a judge does retire, the replacement judge receives the same salary.

Each eliminated judgeship saves the State approximately \$160,000 per year (which represents the salary, FICA (Social Security/Medicare taxes), and a 7% contribution to a defined contribution retirement plan). There are also some associated savings for local units of government, which are responsible for paying for the judge's fringe benefits and staff. If any judge who is currently serving in a judgeship slated for elimination decided to take advantage of the removal of the age prohibition and run for re-election past his or her 70th birthday, he or she could delay some savings to State and local government by postponing the elimination. Many judges choose to retire before their 70th birthday, so the number of judges who would stay in their current judgeship and choose to work well beyond their 70th birthday would likely be small.

Finally, the resolution, if adopted, could have an ambiguous, but again likely minor, fiscal impact on the judicial retirement system. More than 70% of judges are now a part of the defined contribution retirement plan, so pension-relevant factors such as years of service and life expectancy in retirement (which could be affected by the resolution) do not affect the State costs in most cases.

Date Completed: 3-8-17

Fiscal Analyst: Ryan Bergan