

SUBSTITUTE FOR
SENATE BILL NO. 747

A bill to amend 1967 PA 150, entitled
"Michigan military act,"
by amending section 306 (MCL 32.706), as amended by 2013 PA 99.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 306. (1) Beginning January 1, 2011, except as otherwise
2 provided in this section, the adjutant general and the assistant
3 adjutants general who began employment on or after January 1, 2011
4 when relieved under honorable circumstances ~~shall~~ **MUST** receive
5 retirement benefits as a qualified participant under the state
6 employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69.
7 Retirement benefits will start on the date of retirement or
8 honorable relief from duty. ~~Retirement under this subsection~~
9 ~~requires not less than 20 years active service with the national~~
10 ~~guard and/or state defense force.~~

(2) ~~Beginning on the effective date of the amendatory act that added this subsection~~ **JULY 2, 2013**, and subject to the limitation provided in subsection (5), the adjutant general and the assistant adjutants general when retired or relieved under honorable circumstances ~~shall~~ **MUST** be placed on the retired list of the ~~national guard.~~ **NATIONAL GUARD**. The adjutant general and the assistant adjutants general ~~shall~~ **MUST** receive retirement pay, equal to ~~the retirement pay that~~ **45% OF HIS OR HER FINAL BASE PAY AS PROVIDED IN THE UNITED STATES DEPARTMENT OF DEFENSE MILITARY PAY CHARTS FOR** an officer of like grade and total years of service. ~~would receive as indicated in appropriate federal regulations when they are retired or honorably relieved.~~ Subject to subsection (3), retirement benefits will start on the date of retirement or honorable relief from duty.

(3) Retirement under subsection (2) requires all of the following:

(a) ~~Not~~ **UNTIL THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (6),** NOT less than 20 years active service with the ~~national guard~~ **NATIONAL GUARD** or state defense force, or both, **AND BEGINNING WITH THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (6), NOT LESS THAN 20 YEARS ACTIVE SERVICE WITH THE NATIONAL GUARD.**

(b) Not less than 4 consecutive years of special duty as an adjutant general or assistant adjutant general. However, the requirement for serving 4 consecutive years of service as an adjutant general or assistant adjutant general for retirement pay is waived if the service member is relieved ~~due to~~ **BECAUSE OF** a new

1 governor assuming office.

2 (c) The service member is 55 years of age or older.

3 (4) Any ~~FOR A RETIRANT WHO RETIRES UNDER SUBSECTION (2) BEFORE~~
4 ~~THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SUBSECTION (6) ,~~
5 ~~ANY~~ retirement pay received from the federal government for
6 military service ~~shall~~ **MUST** be deducted when computing the amount
7 to be received from this state for an adjutant general or assistant
8 adjutant general who retires under subsection (2). The deduction
9 ~~shall~~ **MUST** start on the first day of the month the officer becomes
10 eligible for federal retirement. Once established, the amount of
11 the deduction ~~shall~~ **MUST** not be changed. ~~The retirement benefit~~
12 ~~will be paid according to the federal regulations commensurate with~~
13 ~~active duty years and traditional national guard service time. The~~
14 ~~full-time adjutant general's and assistant adjutants general's~~
15 ~~service will be credited at the equivalent of full-time active duty~~
16 ~~service, and part-time traditional services will be credited to the~~
17 ~~federal military points system, in a manner as determined by the~~
18 ~~retirement system.~~

19 (5) Only 1 adjutant general appointed by the governor under
20 section 302 in any 4-year period is eligible for retirement under
21 subsection (2). Only 2 assistant adjutants general in any 4-year
22 period are eligible for retirement under subsection (2). However,
23 if the adjutant general or an assistant adjutant general is
24 mobilized pursuant to a federal mobilization and the governor
25 appoints a replacement adjutant general under section 302 or the
26 adjutant general appoints a replacement assistant adjutant general,
27 the replacement adjutant general or replacement assistant adjutant

1 general is eligible for retirement under subsection (2). If any
2 change or error in the records results in any member, retirant, or
3 beneficiary receiving from the retirement system more or less than
4 he or she would have been entitled to receive if the records had
5 been correct, the retirement system shall correct that error and,
6 as far as practicable, shall adjust the payment in such a manner
7 that the actuarial equivalent of the benefit to which that member,
8 retirant, or beneficiary was correctly entitled ~~shall~~**WILL** be paid.

9 **(6) THE RETIREMENT PAY FOR A RETIRANT WHO FIRST BEGINS**
10 **RECEIVING RETIREMENT PAY UNDER SUBSECTION (2) ON OR AFTER THE**
11 **EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION IS**
12 **NOT SUBJECT TO AN ANNUAL COST OF LIVING INCREASE.**