House Legislative Analysis Section
Washington Square Building, Suite 1025
Lansing, Michigan 48909
Phone 517/373-6466

BENEFITS TO CTY. EMPLOYEE'S DEPENDENTS

House Bill 4751 as enrolled
Second Analysis (3-23-88)

Sponsor: Rep. Justine Barns
House Committee: Senior Citizens & Retirement
Senate Committee: Human Resources & Senior Citizens

THE APPARENT PROBLEM:

Several retirement acts, including the Municipal Employees Retirement Act, the Public School Employees Retirement Act and the State Employees Retirement Act, have a provision which allows the spouse of a deceased, deferred member to receive the member's pension benefits. Some members of county retirement systems have sought changes to include this benefit within their plans. Legislation has been proposed to allow county boards of commissioners to adopt the aforementioned benefit provision as part of a retirement plan.

THE CONTENT OF THE BILL:

Under current law, a county board of commissioners may adopt and establish a plan by which the county could purchase or participate in the costs of pension or retirement benefits for county employees. The bill would amend current law by providing that a plan could also provide for pension or retirement benefits for the dependents of a county employee who died after leaving county employment with at least the number of years of service required to vest in the plan but before becoming eligible to receive a pension or retirement benefit.

The bill would also delete the option county boards of commissioners presently have to require that employees be retired from county service when they reach the age designated in the county pension or retirement plan.

The bill would take effect March 3, 1988.

MCL 46.12a

FISCAL IMPLICATIONS:

According to the House Fiscal Agency, the bill would have no fiscal implications to the state. (3-23-88)

ARGUMENTS:

For:

Several of the public employee retirement acts already have a provision which allows the spouse of deceased, deferred members to collect pension benefits. The bill will simply allow counties to include this provision in their plans and remain consistent with other public employee plans. Further, the bill would delete language allowing a county to set a mandatory retirement age, in order to comply with federal law prohibiting age discrimination and mandatory retirement.

H.B. 4751 (3-23-88)