



**House
Legislative
Analysis
Section**

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JUDGES' RETIREMENT

House Bill 4672

Sponsor: Rep. Clark Harder

Committee: Appropriations

Complete to 12-6-95

A SUMMARY OF HOUSE BILL 4672 AS INTRODUCED 3-28-95

Under Public Act 234 of 1992, the Judges' Retirement Act, the Judges' Retirement System (JRS) and the Probate Judges' Retirement System (PJRS) were merged into one system, the Michigan Judges' Retirement System (MJRS), effective March 31, 1993. The bill would amend the Judges' Retirement Act to adjust the annuities of members and their beneficiaries as follows:

Supplemental retirement benefits. The bill would provide supplements, ranging from 11 percent for members who retired in 1979 to 24 percent for those who retired prior to 1967, for the retirement annuities of members who retired before January 1, 1980. Beneficiaries of these members would also receive the supplement. The supplement would be effective May 1, 1995, and paid before October 1, 1995. Future adjustments would be based on the recalculated annuity. The supplemental provisions of the bill would not apply to members who belonged to the former Judges' Retirement System before September 8, 1961, nor to their beneficiaries. Members of the former JRS who are receiving two retirement allowances--one for service credited under the former JRS and one for service credited under the former PJRS--would receive a supplement on the larger of the two retirement allowances.

Minimum retirement benefits. The bill would establish a minimum annuity amount for members who retired before January 1, 1980. The minimum annuity would be \$10,000 per year if the member had at least eight years of credited service. This provision would also apply to the annuity of a member who had elected Option A, under which reduced benefits are payable at the time of retirement and continue after the member's death to a beneficiary. The beneficiary of a member who had at least eight years of credited service but had not elected Option A would receive a minimum annuity of \$8,500 per year. The minimum annuity amount would be reduced by the amount of an annuity or retirement allowance a member received from another public retirement system while serving on the bench. However, the reduced amount could not be less than the amount payable on a supplemented annuity, if applicable, nor the amount of the current annuity. Retirees who were eligible for the increase but who were receiving two retirement allowances--one for service credited under the former JRS and one for service credited under the former PJRS--would only receive an increase on the larger of the two retirement allowances. A retiree or Option A beneficiary who received an allowance of \$10,000 or more, (or \$8,500 if other than an Option A beneficiary) would not be entitled to the increased allowance.

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The bill's provisions would take effect October 1, 1995, and no increases in retirement allowances could be paid for any month prior to October 1, 1995.

MCL 38.2510 and MCL 38.2511

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.