

Legislative Analysis



MODIFY FINAL AVERAGE COMPENSATION FOR STATE POLICE RETIREMENT BENEFITS

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5241

Sponsor: Rep. Richard LeBlanc

Committee: Labor

Complete to 10-14-09

A SUMMARY OF HOUSE BILL 5241 AS INTRODUCED 8-19-09

House Bill 5241 would amend the State Police Retirement Act to add in the value of unpaid furlough days, unpaid reduction in force hours, or temporary layoff hours in the calculation of "final average compensation" for the purpose of determining retirement benefits. This would apply beginning May 1, 2009.

("Temporary layoff hours" refers to hours attributable to the layoff of a member if the layoff did not exceed one month and had a fixed, pre-determined, and announced recall date.)

Generally speaking, under the State Police Retirement System, the retirement benefit is calculated by multiplying final average compensation (FAC) by 60 percent. Final average compensation is the average annual salary of the last two years of service. (This is for an individual who qualifies for full retirement by virtue of 25 years of service.)

MCL 38.1603

FISCAL IMPACT:

A fiscal analysis is in process.

Legislative Analyst: J. Hunault
Fiscal Analyst: Jan Wisniewski

■ 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.