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House Bill 5241 (Substitute H-1 as reported without amendment)

Sponsor: Representative Richard LeBlanc

House Committee: Labor

Senate Committee: Appropriations

CONTENT

The bill would amend the State Police Retirement Act by adding "temporary layoff hours" to what can be included in determining final average compensation for command officers (those at rank of lieutenant or higher). "Temporary layoff hours" would mean hours attributable to the layoff of a member of the State Police Retirement System if the layoff did not exceed one month and had a fixed, predetermined, and announced recall date.

The bill's provision is directed toward State Police personnel who were subject to "furlough days" in FY 2008-09, but by virtue of their command officer status—and the fact that this group had no statute or union agreement to include furlough days as part their final average compensation--were not able to include the six furlough days in that computation, making them the only group of State employees without that consideration. While there are 222 command officers who could technically be affected, due to the fact that their final compensation computation consists of the average of the annual salary of their last two years of service, the number actually affected would be approximately 50, or those command officers who will be eligible to retire, or have retired, within a two-year period following the furlough period of FY 2008-09.

MCL 38.1603

FISCAL IMPACT

The bill potentially would require an additional payout of \$530 to \$760 annually to approximately 50 retired command officers. Over a 25-year period, this could result in additional payments to affected employees totaling \$800,000. However, the State's actuary already has accounted for these furlough days in the costs of the State Police Retirement System, and therefore, there would be no additional costs to the State under this legislation.

Date Completed: 5-27-10

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