



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 22 (as enrolled)
Sponsor: Senator Tom Casperson
Senate Committee: Appropriations
House Committee: Appropriations

Date Completed: 10-28-15

CONTENT

The bill would amend the State Police Retirement Act to provide an additional payment, subject to an annual appropriation, to State Police retirees who retired before October 1, 1986 (and to their beneficiaries), whose annual pension is less than \$16,000. Beginning October 1, 2015, the amount of the additional payment would be the difference between \$16,000 and the retiree's pension amount, such that the retiree would receive \$16,000 when combining the annual retirement allowance and the supplemental payment provided under this bill. However, the additional payment would occur only in years when an annual appropriation was made to pay for the additional cost.

Proposed MCL 38.1640c

FISCAL IMPACT

According to the Office of Retirement Services, there are a total of 96 State Police retirees or beneficiaries with pension incomes below \$16,000. The estimated initial annual cost to the State of this bill is \$250,000, again representing the difference between \$16,000 and each retiree's or beneficiary's pension income. This cost would decline over time as the number of applicable retirees and beneficiaries declines. The General Fund balance sheet for fiscal year 2015-16 did reserve \$400,000 for this purpose, but a supplemental would be necessary to make the annual appropriation to support the costs of this bill, since the funding has not been appropriated. There would be no local fiscal impact.

Fiscal Analyst: Kathryn Summers

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.