

Legislative Analysis



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House Bill 5985 (H-1) as reported from committee
Sponsor: Rep. Stephanie A. Young

Analysis available at
<http://www.legislature.mi.gov>

House Bill 5986 (H-2) as reported from committee
Sponsor: Rep. Kara Hope

House Bill 5987 (H-2) as reported from committee
Sponsor: Rep. Jenn Hill

House Bill 5988 (H-2) as reported from committee
Sponsor: Rep. Tyrone Carter

House Bill 5989 (H-1) as reported from committee
Sponsor: Rep. John Fitzgerald

Committee: Families, Children and Seniors
Complete to 12-8-24

SUMMARY:

The bills would amend different acts creating retirement systems to provide that, if a retirement allowance beneficiary is a beneficiary of certain trusts (“special needs trusts”) established for disabled individuals under age 65 under the Social Security Act,¹ the retirement allowance payable to beneficiary may be paid to the trust upon written direction to the retirement system by the retirant or, after the retirant’s death, by the retirement allowance beneficiary (or their legal representative if the beneficiary is a minor or incapacitated).

The bills would add the above provisions to the following acts:

- House Bill 5985: the Judges Retirement Act (38.2506).
- House Bill 5986: the State Employees’ Retirement Act (38.31).
- House Bill 5987: the Public School Employees Retirement Act (MCL 38.1385).
- House Bill 5988: the State Police Retirement Act (MCL 38.1624).
- House Bill 5989: the Protecting Local Government Retirement and Benefits Act (MCL 38.2814a).

In addition, House Bill 5989 would repeal section 2 of the Protecting Local Government Retirement and Benefits Act, which contains legislative findings and declarations regarding the 2017 enactment of that act.

FISCAL IMPACT:

The bills would have no direct fiscal impact on the retirement systems.

¹ Specifically, under 42 USC 1396p(d)(4)(A) or (C). See <https://www.law.cornell.edu/uscode/text/42/1396p>

POSITIONS:

A representative of Chalgian & Tripp Law Offices, PLLC testified in support of the bills.
(12-3-24)

The following entities indicated support for the bills (12-3-24):

- State Bar of Michigan Elder Law and Disability Rights Section
- Michigan Association of Public Employee Retirement Systems

The Michigan Bankers Association indicated support for HBs 5986 and 5989. (12-3-24)

The Michigan State Employee Retirees Association indicated support for HB 5986. (12-3-24)

Legislative Analyst: E. Best
Fiscal Analyst: Ben Gielczyk

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