

HOUSE BILL NO. 5988

September 26, 2024, Introduced by Reps. Tyrone Carter, Byrnes and Hill and referred to the Committee on Judiciary.

A bill to amend 1986 PA 182, entitled
"State police retirement act of 1986,"
by amending section 24 (MCL 38.1624), as amended by 2018 PA 674.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 24. (1) Except as provided in section 24b and subject to
2 subsection (14), a member who first became a member before June 10,
3 2012 and who has 25 years or more of credited service under this
4 act or former 1935 PA 251, or both, may retire on ~~his or her~~ **the**
5 **member's** written application to the retirement board, stating a
6 date, not less than 30 nor more than 90 days after the execution

1 and filing of the application, ~~he or she~~ **the member** desires to
2 retire. However, a member described in this subsection who becomes
3 56 years of age shall retire. A member retiring under this
4 subsection is entitled to receive a retirement allowance equal to
5 60% of ~~his or her~~ **the member's** final average compensation.

6 (2) Subject to subsection (4), if a retirant receiving a
7 retirement allowance under subsection (1) dies, the retirement
8 allowance must continue to be paid to the surviving spouse of the
9 retirant for the rest of the spouse's life. If there is not a
10 surviving spouse or on the spouse's death, the retirement allowance
11 must be paid to the children under the age of 18 of the retirant,
12 share and share alike. If the surviving spouse dies and there are
13 not eligible children, the retirement system shall pay to the
14 retirant's estate or ~~his or her~~ **the retirant's** legal representative
15 any residual accumulated contributions and interest made by the
16 retirant into the fund.

17 (3) If the director of the department of state police orders
18 the retirement of any member eligible to retire for **a** reason or
19 reasons other than having become 56 years of age, ~~and that member~~
20 is aggrieved by the order, the member ~~affected by an order~~
21 ~~described in this subsection is entitled to~~ **may** appeal to the
22 retirement board. An appeal must be in writing and filed with the
23 retirement board within 30 days after receipt of the order of
24 retirement. The retirement board shall set the appeal for hearing
25 ~~within~~ **not later than** 30 days after the filing of the appeal and
26 shall review the facts as presented and determine whether the order
27 of retirement will continue or be revoked.

28 (4) A member who first becomes a member ~~on or after July 1,~~
29 **June 30,** 2006 as a new bargaining unit employee shall elect to

1 receive his or her retirement allowance under 1 of the payment
2 options provided in this subsection. The election must be in
3 writing and filed with the retirement board at least 15 days before
4 the effective date of the retirement allowance except as provided
5 for a disability retirant under sections 26, 27, and 28. The amount
6 of retirement allowance under subdivision (b), (c), or (d) ~~is~~**must**
7 **be** the actuarial equivalent of the amount of retirement allowance
8 under subdivision (a). The options are as follows:

9 (a) The retirant will be paid a straight retirement allowance
10 for life computed under section 24. An additional retirement
11 allowance payment will not be made on the retirant's death.

12 (b) The retirant will be paid a reduced retirement allowance
13 for life with a provision that on the retirant's death, payment of
14 the reduced retirement allowance will be continued throughout the
15 lifetime of the retirement allowance beneficiary whom the member or
16 deferred member designated in a writing filed with the retirement
17 board at the time of election of this option. A member or deferred
18 member may elect this option and designate a retirement allowance
19 beneficiary under the conditions set forth in subsection (5).

20 (c) A retirant ~~must~~**will** be paid a reduced retirement
21 allowance for life with the provision that on the retirant's death,
22 payment of 1/2 of the reduced retirement allowance ~~is~~**will be**
23 continued throughout the lifetime of the retirement allowance
24 beneficiary whom the member designated in a writing filed with the
25 retirement board at the time of election of the option.

26 (d) A retirant ~~must~~**will** be paid a reduced retirement
27 allowance for life with the provision that on the retirant's death,
28 payment of 75% of the reduced retirement allowance ~~is~~**will be**
29 continued throughout the lifetime of the retirement allowance

1 beneficiary whom the member designated in a writing filed with the
2 retirement board at the time of election of the option.

3 **(e) If a retirement allowance beneficiary designated under**
4 **subdivisions (a) to (d) is a beneficiary of a trust established**
5 **under 42 USC 1396p(d)(4)(A) or (C), the retirement allowance**
6 **payable to the retirement allowance beneficiary may be paid by the**
7 **retirement system to the trust on written direction to the**
8 **retirement system by the retirant or, after the retirant is**
9 **deceased, by the retirement allowance beneficiary or by the**
10 **retirant's legal representative if the retirement allowance**
11 **beneficiary is a minor or is incapacitated.**

12 (5) Except as otherwise provided in this section, the
13 retirement allowance beneficiary selected under subsection (4)(b),
14 (c), or (d) must not be changed on or after the effective date of
15 the retirement allowance and must be either a spouse, brother,
16 sister, parent, or child, including an adopted child, of the
17 member, deferred member, retiring member, or retiring deferred
18 member entitled to make the election under this act. Another
19 retirement allowance beneficiary must not be selected. If a member,
20 deferred member, retiring member, or retiring deferred member is
21 married at the retirement allowance effective date, an election
22 under subsection (4), other than an election under subsection
23 (4)(b), naming the spouse as retirement allowance beneficiary ~~is~~
24 not effective unless the election is signed by the spouse, except
25 that this requirement may be waived by the board if the signature
26 of a spouse cannot be obtained because of extenuating
27 circumstances. For purposes of this subsection, "spouse" means the
28 individual to whom the member, deferred member, retiring member, or
29 retiring deferred member is married at the retirement allowance

1 effective date. Payment to a retirement allowance beneficiary must
2 start the first day of the month following the retirant's death.

3 (6) Except as otherwise provided in subsection (9), if the
4 retirement allowance beneficiary selected under subsection (4)(b),
5 (c), or (d) predeceases the retirant, the retirant's benefit must
6 revert to a straight retirement allowance including postretirement
7 adjustments, if any; is effective the first of the month following
8 the death; and must be paid during the remainder of the retirant's
9 life.

10 (7) If a retirant receiving a reduced retirement allowance
11 under subsection (4)(b), (c), or (d) is divorced from the spouse
12 who had been designated as the retirant's retirement allowance
13 beneficiary under subsection (4)(b), (c), or (d), the election of a
14 reduced retirement allowance payment option ~~is~~ **must be** considered
15 void by the retirement system if the judgment of divorce or award
16 or order of the court, or an amended judgment of divorce or award
17 or order of the court, described in the public employee retirement
18 benefit protection act, 2002 PA 100, MCL 38.1681 to 38.1689, and
19 dated after June 27, 1991 provides that the election of a reduced
20 retirement allowance payment option under subsection (4)(b), (c),
21 or (d) is to be considered void by the retirement system and the
22 retirant provides a certified copy of the judgment of divorce or
23 award or order of the court, or an amended judgment of divorce or
24 award or order of the court, to the retirement system. If the
25 election of a reduced retirement allowance payment option under
26 subsection (4)(b), (c), or (d) is considered void by the retirement
27 system under this subsection, the retirant's retirement allowance
28 must revert to a straight retirement allowance, including
29 postretirement adjustments, if any, subject to an award or order of

1 the court as described in the public employee retirement benefit
2 protection act, 2002 PA 100, MCL 38.1681 to 38.1689. The retirement
3 allowance must revert to a straight retirement allowance under this
4 subsection effective the first of the month after the date the
5 retirement system receives a certified copy of the judgment of
6 divorce or award or order of the court. This subsection does not
7 supersede a judgment of divorce or award or order of the court in
8 effect on June 27, 1991. This subsection does not require the
9 retirement system to distribute or pay retirement assets on behalf
10 of a retirant in an amount that exceeds the actuarially determined
11 amount that would otherwise become payable if a judgment of divorce
12 had not been rendered.

13 (8) A retirant, who is divorced after payment of his or her
14 retirement allowance begins and whose former spouse is ~~his or her~~
15 **the retirant's** retirement allowance beneficiary, may change ~~his or~~
16 ~~her~~ **the retirant's** survivor option to the straight life option only
17 if an order of the court states that the election of a survivor
18 option under subsection (4) is considered void by the retirement
19 system. A retirant who subsequently remarries may elect a survivor
20 retirement allowance option for his or her spouse of 100%, 75%, or
21 50% of ~~his or her~~ **the retirant's** actuarially reduced monthly
22 payments, unless otherwise precluded by court order.

23 (9) If the retirement allowance payments terminate before an
24 aggregate amount equal to the retirant's accumulated contributions
25 has been paid, the difference between the retirant's accumulated
26 contributions and the aggregate amount of retirement allowance
27 payments made must be paid to the person designated in a writing
28 filed with the retirement board on a form provided by the
29 retirement board. If the designated person does not survive the

1 retirant or retirement allowance beneficiary, the difference must
2 be paid to the deceased recipient's estate or to the legal
3 representative of the deceased recipient.

4 (10) A retirant who selected a retirement allowance
5 beneficiary under subsection (4) (b), (c), or (d) may change ~~his or~~
6 ~~her~~ **the retirant's** retirement allowance beneficiary if all of the
7 following apply:

8 (a) The first retirement allowance beneficiary is a spouse.

9 (b) The first retirement allowance beneficiary predeceases the
10 retirant after the retirement allowance effective date.

11 (c) The retirant marries another spouse after the retirement
12 allowance effective date.

13 (d) Except as otherwise provided in an applicable collective
14 bargaining agreement, the retirant files a written request with the
15 retirement system to name ~~his or her~~ **the retirant's** current spouse
16 as a retirement allowance beneficiary not earlier than 180 days and
17 not later than 1 year after the marriage of the retirant and the
18 current spouse, except that a retirant whose first retirement
19 allowance beneficiary predeceases the retirant after the retirement
20 allowance effective date and before ~~the effective date of the~~
21 ~~amendatory act that added this subsection~~ **December 28, 2018** has 180
22 days from ~~the effective date of the amendatory act that added this~~
23 ~~subsection~~ **December 28, 2018** to file a written request with the
24 retirement system.

25 (11) A retirant who was not married on ~~his or her~~ **the**
26 **retirant's** retirement allowance effective date and who did not
27 select a payment option provided in this section may select an
28 optional form of benefit payment under subsection (4) (b), (c), or
29 (d) and designate a retirement allowance beneficiary subject to all

1 of the following:

2 (a) The retirant marries after ~~his or her~~ **the retirant's**
3 retirement allowance effective date.

4 (b) The retirement allowance beneficiary is the retirant's
5 spouse.

6 (c) The retirement allowance beneficiary is only designated as
7 the retirement allowance beneficiary for that portion of the
8 retirant's retirement allowance that is not subject to an eligible
9 domestic relations order assigning a previous spouse a reduced
10 benefit under section 4(b) of the eligible domestic relations order
11 act, 1991 PA 46, MCL 38.1704.

12 (d) Except as otherwise provided in an applicable collective
13 bargaining agreement, the retirant files a written request with the
14 retirement system to select the optional form of benefit payment
15 under subsection (4)(b), (c), or (d) and to designate ~~his or her~~
16 **the retirant's** spouse as the retirement allowance beneficiary, not
17 earlier than 180 days and not later than 1 year after the
18 retirant's marriage except that a retirant who marries after the
19 retirement allowance effective date and before ~~the effective date~~
20 ~~of the amendatory act that added this subsection~~ **December 28, 2018**
21 has 180 days from ~~the effective date of the amendatory act that~~
22 ~~added this subsection~~ **December 28, 2018** to file a written request
23 with the retirement system.

24 (e) A spouse who is added as a survivor under this subsection
25 is not eligible for the payment of insurance premiums under section
26 42.

27 (12) The retirement allowance of the retirant who makes an
28 election under subsection (10) or (11) must not be greater than the
29 actuarial equivalent of the retirement allowance as determined by

1 the retirement board that the retirant would otherwise be entitled
2 to under subsection (4)(a) and must become effective the first day
3 of the month following the filing of the written request with the
4 retirement system.

5 (13) For purposes of determining actuarial equivalent
6 retirement allowances under this section, the actuarially assumed
7 interest rate is determined by the director of the department and
8 the retirement board in consultation with the actuary with
9 utilization of the mortality tables adopted by the department and
10 the retirement board.

11 (14) If the retirant dies ~~no~~**not** later than 12 months after
12 the effective date of ~~his or her~~**the retirant's** election under
13 subsection (8), (10), or (11), the retirement allowance for the
14 surviving spouse established under subsection (8), (10), or (11)
15 must terminate 12 months after the death of the retirant.

16 (15) Unless otherwise provided in an applicable collective
17 bargaining agreement, or by order of the director of the department
18 of state police, a retirement allowance must not be paid under this
19 section if at the time the member submits his retirement
20 application the member is on suspension without pay for conduct
21 involving the breach of the public trust.