

# SENATE BILL No. 818

October 19, 1999, Introduced by Senator KOIVISTO and referred to the Committee on Appropriations.

A bill to amend 1943 PA 240, entitled  
"State employees' retirement act,"  
by amending section 27 (MCL 38.27), as amended by 1987 PA 241.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 27. (1) If a member dies as a result of a personal  
2 injury or disease arising out of and in the course of his or her  
3 employment with ~~the~~ THIS state, or a disability retirant who  
4 retired under section 21 dies ~~prior to~~ BEFORE becoming age 60  
5 and within 3 years after the member's disability retirement from  
6 the same causes for which he or she was retired, and such death  
7 or illness or injuries resulting in death are found by the  
8 retirement board to have been the sole and exclusive result of  
9 employment with ~~the~~ THIS state, the applicable benefits  
10 provided in subsections (2), (3), (4), and (5) shall be paid,  
11 subject to subsection (6).

1       (2) The accumulated contributions standing to the member's  
2 account in the employees' savings fund shall be paid to such  
3 person or persons as the member has nominated by written designa-  
4 tion duly executed and filed with the retirement board, or if  
5 there are no such designated person or persons surviving, then to  
6 the member's legal representative OR ESTATE.

7       (3) A retirement allowance of  $\frac{1}{3}$  of the final compensation  
8 of the deceased person shall be paid to the surviving spouse to  
9 whom the deceased person was married at the time he or she last  
10 terminated employment with ~~the~~ THIS state. If a child or chil-  
11 dren under the age of 18 years also survives the deceased person,  
12 each such child shall receive an allowance of an equal share of  
13  $\frac{1}{4}$  of the deceased person's final compensation. Upon the mar-  
14 riage, death, or attainment of age 18 years of any such child,  
15 there shall be a redistribution by the retirement board to the  
16 deceased person's remaining children under age 18 years.

17       (4) If there is no surviving spouse or if the surviving  
18 spouse dies before the youngest surviving child of the deceased  
19 person reaches the age of 18 years, then each such child under  
20 age 18 shall each receive an allowance equal to  $\frac{1}{4}$  of the  
21 deceased person's final compensation, but the total so paid in  
22 any year to the children of a deceased person shall not exceed  
23  $\frac{1}{2}$  of his or her final compensation. If there are more than 2  
24 such surviving children under age 18 years, each such child shall  
25 receive an allowance of an equal share of  $\frac{1}{2}$  of the deceased  
26 person's final compensation. Upon the marriage, death, or  
27 attainment of age 18 years of any such child, the child's

1 allowance shall terminate and there shall be a redistribution by  
2 the retirement board to any remaining eligible children of the  
3 deceased under age 18, but a child shall not receive an allowance  
4 more than 1/4 of the deceased person's final compensation.

5       (5) If there is neither a spouse nor a child under age 18  
6 years surviving the deceased person, then there shall be paid to  
7 each parent of the deceased person whom the retirement board  
8 after investigation determines to have been actually dependent  
9 upon the deceased person through absence of earning power due to  
10 disability, an allowance of 1/6 of the deceased person's final  
11 compensation.

12       (6) The total of the retirement allowances payable under  
13 subsections (3), (4), and (5) on account of the death of a member  
14 or retirant shall not ~~exceed \$2,400.00 per annum~~ BE LESS THAN  
15 \$6,000.00 PER YEAR, nor EXCEED an amount which, when added to the  
16 statutory worker's compensation benefit to which the dependents  
17 of the member or retirant are entitled, exceeds his or her final  
18 compensation.