

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008**

Introduced by Reps. Pastor and Stahl

ENROLLED HOUSE BILL No. 4425

AN ACT to amend 1992 PA 234, entitled "An act to establish a judges retirement system; to provide for the administration and maintenance of the retirement system; to create a retirement board; to prescribe the powers and duties of the retirement board; to establish certain reserves for the retirement system; to establish certain funds; to prescribe the powers and duties of certain state departments and certain state and local officials and employees; to provide for certain disqualifications; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," (MCL 38.2101 to 38.2670) by adding section 513.

The People of the State of Michigan enact:

Sec. 513. (1) Effective January 1, 2009, the retirement allowance payable to a retirant or beneficiary of a deceased retirant under Tier 1 is supplemented by the amount determined under subsection (2).

(2) On or before April 1 of each state fiscal year, the retirement system shall determine the amount by which the actuarial value of the assets in Tier 1 exceed the present value of expected future benefit payments for Tier 1 beneficiaries. If the amount by which the actuarial value of the assets in Tier 1 exceed the present value of expected future benefit payments for Tier 1 beneficiaries and the present and future liabilities of active members, vested terminated members, retirants, and retirement allowance beneficiaries is an amount that will allow retirants and retirement allowance beneficiaries to receive individual increases of \$900.00 per year and keep the actuarial value of the assets in Tier 1 at 120% of the present value of expected future benefit payments, the retirement system shall grant an increase of \$900.00 per year to each retirant and retirement allowance beneficiary receiving retirement payments under this act. In any year in which the actuarial value of assets exceeds the present value of expected future benefit payments and the present and future liabilities of active members, vested terminated members, retirants, and retirement allowance beneficiaries by an amount that would keep the actuarial value of the assets in Tier 1 at 120% of the present value of expected future benefit payments and that would result in an increase of less than the value of \$900.00 per retirant, the increase shall be reduced on a pro rata basis to reflect an amount less than \$900.00 per retirant. If an increase of any amount would result in the actuarial value of the assets in Tier 1 being less than 120% of the present value of expected future benefit payments, no increase will be given for that year.

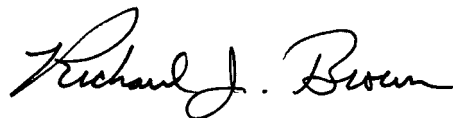
(3) The percentage of final compensation limits of section 503 do not apply to the increase authorized by this section.

(4) The recalculated retirement allowance shall be the basis on which future adjustments to the retirement allowance are calculated.


(5) The supplement provided by this section shall be calculated pursuant to subsection (2) and shall be paid annually. For a retirant or beneficiary of a deceased retirant who is eligible to receive a supplement under this section, who is receiving a retirement allowance pursuant to service credited under the former judges retirement system, and who is

receiving a retirement allowance pursuant to service credited under the former probate judges retirement system. The retirement system, pursuant to this section, shall only supplement the retirement allowance that is the largest in amount. If a retirant dies before July 1, 2009 and no benefits become payable under section 506 or 508, the retirant's retirement allowance shall not be supplemented under this section.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor