

HOUSE BILL NO. 4657

June 17, 2025, Introduced by Reps. T. Carter, Hope, Young, Conlin, Brixie, Price, MacDonell, Martus, Breen, Longjohn and Morgan and referred to 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)~~, **(15)**, a member who first became a member before
3 June 10, 2012 and who has 25 years or more of credited service
4 under this act or former 1935 PA 251, or both, may retire on ~~his or~~
5 ~~her~~ **the member's** written application to the retirement board,
6 stating a date, not less than 30 nor more than 90 days after the

1 execution and filing of the application, ~~he or she~~ **the member**
 2 desires to retire. However, a member described in this subsection
 3 who becomes 56 years of age shall retire. A member retiring under
 4 this subsection is entitled to receive a retirement allowance equal
 5 to 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~~ **the member's** retirement allowance under 1 of the
 2 payment options provided in this subsection. The election must be
 3 in writing and filed with the retirement board at least 15 days
 4 before the effective date of the retirement allowance except as
 5 provided for a disability retirant under sections 26, 27, and 28.
 6 The amount of retirement allowance under subdivision (b), (c), or
 7 (d) ~~is~~ **must be** the actuarial equivalent of the amount of retirement
 8 allowance under subdivision (a). ~~The~~ **Subject to subsection (5), the**
 9 options are as follows:

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

13 (b) The retirant will be paid a reduced retirement allowance
 14 for life with a provision that on the retirant's death, payment of
 15 the reduced retirement allowance will be continued throughout the
 16 lifetime of the retirement allowance beneficiary whom the member or
 17 deferred member designated in a writing filed with the retirement
 18 board at the time of election of this option. A member or deferred
 19 member may elect this option and designate a retirement allowance
 20 beneficiary under the conditions set forth in subsection ~~(5)~~ **(6)**.

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

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

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

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

13 **(6)** ~~(5)~~ Except as otherwise provided in this section, the
14 retirement allowance beneficiary selected under subsection (4) (b),
15 (c), or (d) must not be changed on or after the effective date of
16 the retirement allowance and must be either a spouse, brother,
17 sister, parent, or child, including an adopted child, of the
18 member, deferred member, retiring member, or retiring deferred
19 member entitled to make the election under this act. Another
20 retirement allowance beneficiary must not be selected. If a member,
21 deferred member, retiring member, or retiring deferred member is
22 married at the retirement allowance effective date, an election
23 under subsection (4), other than an election under subsection
24 (4) (b), naming the spouse as retirement allowance beneficiary ~~is~~
25 not effective unless the election is signed by the spouse, except
26 that this requirement may be waived by the board if the signature
27 of a spouse cannot be obtained because of extenuating
28 circumstances. For purposes of this subsection, "spouse" means the
29 individual to whom the member, deferred member, retiring member, or

1 retiring deferred member is married at the retirement allowance
2 effective date. Payment to a retirement allowance beneficiary must
3 start the first day of the month following the retirant's death.

4 (7) ~~(6)~~—Except as otherwise provided in subsection ~~(9)~~, **(10)**,
5 if the retirement allowance beneficiary selected under subsection
6 (4)(b), (c), or (d) predeceases the retirant, the retirant's
7 benefit must revert to a straight retirement allowance including
8 postretirement adjustments, if any; is effective the first of the
9 month following the death; and must be paid during the remainder of
10 the retirant's life.

11 (8) ~~(7)~~—If a retirant receiving a reduced retirement allowance
12 under subsection (4)(b), (c), or (d) is divorced from the spouse
13 who had been designated as the retirant's retirement allowance
14 beneficiary under subsection (4)(b), (c), or (d), the election of a
15 reduced retirement allowance payment option ~~is~~ **must be** considered
16 void by the retirement system if the judgment of divorce or award
17 or order of the court, or an amended judgment of divorce or award
18 or order of the court, described in the public employee retirement
19 benefit protection act, 2002 PA 100, MCL 38.1681 to 38.1689, and
20 dated after June 27, 1991 provides that the election of a reduced
21 retirement allowance payment option under subsection (4)(b), (c),
22 or (d) is to be considered void by the retirement system and the
23 retirant provides a certified copy of the judgment of divorce or
24 award or order of the court, or an amended judgment of divorce or
25 award or order of the court, to the retirement system. If the
26 election of a reduced retirement allowance payment option under
27 subsection (4)(b), (c), or (d) is considered void by the retirement
28 system under this subsection, the retirant's retirement allowance
29 must revert to a straight retirement allowance, including

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

14 (9) ~~(8)~~ A retirant, who is divorced after payment of his or
 15 her retirement allowance begins and whose former spouse is ~~his or~~
 16 ~~her~~ **the retirant's** retirement allowance beneficiary, may change ~~his~~
 17 ~~or her~~ **the retirant's** survivor option to the straight life option
 18 only if an order of the court states that the election of a
 19 survivor option under subsection (4) is considered void by the
 20 retirement system. A retirant who subsequently remarries may elect
 21 a survivor retirement allowance option for his or her spouse of
 22 100%, 75%, or 50% of ~~his or her~~ **the retirant's** actuarially reduced
 23 monthly payments, unless otherwise precluded by court order.

24 (10) ~~(9)~~ If the retirement allowance payments terminate before
 25 an aggregate amount equal to the retirant's accumulated
 26 contributions has been paid, the difference between the retirant's
 27 accumulated contributions and the aggregate amount of retirement
 28 allowance payments made must be paid to the person designated in a
 29 writing filed with the retirement board on a form provided by the

retirement board. If the designated person does not survive the retirant or retirement allowance beneficiary, the difference must be paid to the deceased recipient's estate or to the legal representative of the deceased recipient.

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

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

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

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

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

(12) ~~(11)~~ A retirant who was not married on ~~his or her~~ **the retirant's** retirement allowance effective date and who did not select a payment option provided in this section may select an optional form of benefit payment under subsection (4) (b), (c), or

(d) and designate a retirement allowance beneficiary subject to all of the following:

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

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

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

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

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

(13) ~~(12)~~ The retirement allowance of the retirant who makes an election under subsection ~~(10) or (11)~~ **or (12)** must not be

1 greater than the actuarial equivalent of the retirement allowance
2 as determined by the retirement board that the retirant would
3 otherwise be entitled to under subsection (4) (a) and must become
4 effective the first day of the month following the filing of the
5 written request with the retirement system.

6 (14) ~~(13)~~ For purposes of determining actuarial equivalent
7 retirement allowances under this section, the actuarially assumed
8 interest rate is determined by the director of the department and
9 the retirement board in consultation with the actuary with
10 utilization of the mortality tables adopted by the department and
11 the retirement board.

12 (15) ~~(14)~~ If the retirant dies ~~no~~ **not** later than 12 months
13 after the effective date of ~~his or her~~ **the retirant's** election
14 under subsection ~~(8), (10), or (11),~~ **(9), (11), or (12),** the
15 retirement allowance for the surviving spouse established under
16 subsection ~~(8), (10), (9), (11), or (11) (12)~~ must terminate 12
17 months after the death of the retirant.

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