

Legislative Analysis



PUBLIC SCHOOL EMPLOYEES' RETIREMENT BENEFITS: MILITARY SERVICE CREDIT

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House Bill 4977

Sponsor: Rep. Gino Polidori

Committee: Military and Veterans Affairs and Homeland Security

Complete to 9-27-07

A SUMMARY OF HOUSE BILL 4977 AS INTRODUCED 6-21-07

Currently under the Public School Employees Retirement Act, a member of the retirement system who enters active duty with the Armed Forces and who, within 24 months after date of discharge, resumes employment as a public school employee, can *receive* up to six years of service credit for the retirement system for time spent in the Armed Forces. In addition, if a member of the retirement system entered active duty before becoming a member of the system, the member can *purchase* up to six years of military service credit through the retirement system.

In both instances, House Bill 4977 would remove these six-year limits. Instead, the bill provides that a member of the retirement system would receive full military service credit, *including service credit toward retirement health care*, for all military service.

As introduced, the bill's effective date is July 31, 2007.

MCL 38.1373

FISCAL IMPACT:

The bill would have an indeterminate fiscal impact on school districts. There are no data to indicate how many MPSERS employees use military credit toward their service credit. Allowing additional years of military service to count towards MPSERS service credit would increase the unfunded liability of the pension system over time; however, the impact is likely to be minimal.

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