

# SENATE BILL No. 794

November 2, 2011, Introduced by Senators CASPERSON, NOFS and EMMONS and referred to the Committee on Appropriations.

A bill to amend 1986 PA 182, entitled  
"State police retirement act of 1986,"  
by amending section 40a (MCL 38.1640a), as amended by 1996 PA 201,  
and by adding section 40c.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 40a. (1) Effective October 1, 1996, after ~~the~~ **A**  
2       retirant's or retirement allowance beneficiary's retirement  
3       allowance is increased under section 39a, ~~or~~ **40, OR 40C**, as  
4       applicable, a retirant or a retirement allowance beneficiary is  
5       entitled to have his or her retirement allowance increased as  
6       provided in this section. The retirement allowance of a retirant or  
7       retirement allowance beneficiary shall be increased each October 1,  
8       beginning with the later of October 1, 1995 or the first October 1  
9       that is at least 12 months after the retirement allowance effective

1 date.

2 (2) The amount of the annual increase under this section shall  
3 be 2% of the retirement allowance that would be payable without  
4 application of this section. The annual increase under this section  
5 shall not exceed \$500.00.

6 SEC. 40C. (1) THE MONTHLY RETIREMENT ALLOWANCE PAYABLE TO A  
7 RETIRANT WHO MEETS THE REQUIREMENTS OF THIS SECTION OR A RETIREMENT  
8 ALLOWANCE BENEFICIARY OF A DECEASED RETIRANT OR MEMBER IS INCREASED  
9 BY \$300.00 PER MONTH. THIS SECTION ONLY APPLIES TO A RETIRANT OR  
10 RETIREMENT ALLOWANCE BENEFICIARY OF A DECEASED RETIRANT OR MEMBER  
11 WHO MEETS BOTH OF THE FOLLOWING REQUIREMENTS:

12 (A) THE RETIRANT'S OR DECEASED RETIRANT'S EFFECTIVE DATE OF  
13 RETIREMENT WAS BEFORE OCTOBER 1, 1986 OR THE RETIREMENT ALLOWANCE  
14 EFFECTIVE DATE FOR THE RETIREMENT ALLOWANCE BENEFICIARY OF THE  
15 DECEASED MEMBER WAS BEFORE OCTOBER 1, 1986.

16 (B) THE RETIRANT OR RETIREMENT ALLOWANCE BENEFICIARY WAS IN  
17 PAYMENT STATUS ON THE ROLLS OF THE RETIREMENT SYSTEM ON OR BEFORE  
18 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION.

19 (2) THE INCREASED RETIREMENT ALLOWANCE UNDER THIS SECTION  
20 SHALL BE THE BASIS UPON WHICH FUTURE ADJUSTMENTS TO THE RETIREMENT  
21 ALLOWANCE ARE CALCULATED.