



**House
Legislative
Analysis
Section**

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**LET FORMER SJC EMPLOYEES KEEP
COUNTY RETIREMENT BENEFITS**

AS ENROLLED

**House Bill 6026 with committee
amendments**

First Analysis (9-19-96)

**Sponsor: Rep. Michael Nye
Committee: Judiciary and Civil Rights**

THE APPARENT PROBLEM:

Generally, under the county retirement act, if a person who has retired and is receiving a retirement benefit becomes re-employed with the same county, the retirement benefit payment is suspended for the period of employment, and the person again becomes a member of the retirement system, with the ability to earn additional service credit. The act contains certain exceptions to this provision. Public Act 374 (enrolled House Bill 5158), among other things, abolishes the State Judicial Council (SJC), which is the state employer of the court employees of three Wayne County trial courts (the Third Circuit Court, the 36th District Court, and Detroit Recorder's Court) on September 30, 1996. The act also specifies that while former SJC employees may become employees of Wayne County or the City of Detroit, they would remain members of the Michigan State Employees Retirement System (MSERS), be exempted from any local residency requirements, and, if implementation of the act requires a transfer of court employees or a change of employers, the former SJC employees would not, by reason of their transfer, be placed in any worse position with regard to any terms and conditions of employment (including pensions) than they had enjoyed under their former employer(s). When the 1980-81 reorganization of the Detroit-Wayne County courts took place, there were a number of county and/or city employees who were close to retirement, but who, under the new legislation, became state employees of the State Judicial Council. Apparently, arrangements were made to allow these employees near retirement to apply their time as state employees with the SJC toward their county or city retirement, so that they could begin receiving retirement benefits while continuing as state SJC employees. In order to keep these employees from losing the benefits they currently enjoy, an amendment to the county retirement act is needed.

THE CONTENT OF THE BILL:

The bill would amend the county retirement act (Public Act 156 of 1851) to allow someone who met the

following requirements to continue to receive pension or retirement payments without change in amount or conditions: The person would have to:

** have retired from service from Wayne County and was receiving a retirement benefit under the act,

** be subsequently employed by the State Judicial Council as a Wayne County court employee,

** be a State Judicial Council employee on September 30, 1996, and

** become a county-paid employee of Detroit Recorder's Court or of the Third Circuit Court on October 1, 1996.

In addition, the bill would amend the act so that after October 1, 1996, payments to the county retirement system for 36th District Court bailiffs would be made by the City of Detroit, not the state, and copies of the actuarial reports that currently are provided to the State Judicial Council would instead go to the employer designated under Public Act 374 of 1996 (that is, either to the Detroit Judicial Council, or to the City of Detroit) and to the state court administrator.

Finally, the bill would change two technical references to former Public Act 369 of 1919 (the municipal courts of record act, repealed by Public Act 374 of 1996), one of which deals with recorder's court judges' retirement, the other of which concerns employees of Detroit Recorder's Court.

MCL 46.12a

FISCAL IMPLICATIONS:

Fiscal information is not available. (9-18-96)

House Bill 6026 (9-19-96)

ARGUMENTS:

For:

The bill is needed to allow State Judicial Council employees who have been getting a retirement check from the Wayne County retirement system and who continue to work for Wayne County (or the City of Detroit) after the State Judicial Council is abolished to continue to receive their county retirement or pension benefits. Although there are no figures on the numbers of employees involved, estimates are that the numbers are quite small. Two courts are involved: Detroit Recorder's Court, where apparently a single employee would qualify, and the Third Circuit Court, for which no figures currently are available.

POSITIONS:

There are no positions on the bill.

Analyst: S. Ekstrom

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.