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SFA**BILL ANALYSIS**

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Senate Bill 127 (as introduced)
Sponsor: Senator Robert Geake
Committee: Appropriations

Date Completed: 2-11-97

CONTENT

The bill would amend the State Employees Retirement Act to provide for an extension of the effective retirement date for eligible employees of a Legislative Agency. Public Act 487 of 1996 amended the State Employees Retirement Act to allow certain State employees (including legislative employees) to enact an early retirement provision. Members meeting certain criteria may retire early with full pension benefits. The early retirement window will be from April 1, 1997 to June 1, 1997 for eligible State employees and from February 1, 1997 to June 1, 1997 for eligible legislative employees. Members must file a written application with the retirement board at least 30 days prior to the date on which the member elects to retire.

P.A. 487 allows the director of a principle department to request from the Department of Management and Budget that the effective date of retirement for employees of that department be extended to a date not later than June 1, 1998. However, this provision does not apply to legislative employees eligible for the early retirement provision. This bill would extend this same provision to the director of a legislative agency so that legislative employees would have the same option of extending their effective retirement date by up to one year.

MCL 38.19f

FISCAL IMPACT

This bill would have no effect on the contribution rate for retirement benefits for members of the State Employees Retirement System. Legislative employees who choose to extend their effective dates of retirement would certainly receive a higher pension benefit due to an extension of their service credit and possible increases in the final average compensation upon which their retirement benefit would be computed. However, this would have no effect on the projected cost savings to the State of the early retirement provision or the retirement contribution rate for remaining State employees.

Fiscal Analyst: J. Carrasco

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