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BILL ANALYSIS

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House Bill 4453 (Substitute H-1 as passed by the House)
Sponsor: Representative Jacob Hoogendyk
House Committee: Senior Health, Security and Retirement
Senate Committee: Education

Date Completed: 6-19-03

CONTENT

The bill would amend the Public School Employees Retirement Act to require the Retirement Board to grant one year of service credit to a member who had been employed and remunerated for services performed for at least 1,020 hours in a school fiscal year.

Currently, the Act requires the Board to grant service credit for services performed for at least six hours per day and for at least 170 days.

Under the bill, in determining whether a member was entitled to service credit, the retirement system would have to calculate service credit using the payroll cycle reported to the retirement system by the member's employer. If a biweekly payroll cycle were reported, the member would have to accrue more than 60 hours in a payroll cycle; in a semimonthly payroll cycle, more than 72 hours; in a monthly payroll cycle, more than 138 hours; and in a quarterly payroll cycle, 396 hours.

The Act requires that a part-time member or a member employed for a fraction of the fiscal year receive service credit for full-time service on the basis of 30 or more hours per week, and proportionate credit for less than 30 hours. The bill, instead, would require that a part-time member receive credit for full-time service on the basis of 60 or more hours per biweekly period, and proportionate credit for less than 60 hours.

MCL 38.1368

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Joe Carrasco

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