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FT Michigan v. State

Supreme Court of Michigan - April 8, 2015 - N.W.2d - 2015 WL 1578785

In 2010, the Michigan Legislature enacted Public Act 75, which modified retirement benefits for current public school employees. The statute supplemented and altered the Public School Employees Retirement Act (Retirement Act), which governs the Michigan Public School Employees' Retirement System (MPERS). The most controversial provision of 2010 PA 75 required all current public school employees to contribute 3% of their salaries to the MPERS to assist in funding retiree healthcare benefits for current and future public school retirees.

Labor organizations representing public employees challenged the constitutionality of 2010 PA 75.

The Supreme Court of Michigan held that:

- PA 75 did not constitute an uncompensated taking under either the Michigan or United States Constitutions;
- PA 75 did not impair the obligation of contracts in violation of either the Michigan or United States Constitutions; and
- PA 75 did not violate the guarantee of due process in violation of either the Michigan or United States Constitutions.