



BULLETIN

AUG. 14, 2013

MCO AND STATE EMPLOYEES WIN PENSION PROTECTION IN COURT RULING!

The Michigan Court of Appeals has ruled the 4 percent contribution taken from state employees in the defined benefit plan is unconstitutional. The Court also said it was unconstitutional to increase the final compensation average from three years to six years. This is a complete win for MCO members and all state employees in the defined benefit pension system.

In regard to state employees hired after January 2012 who, for all practical purposes, would be without any paid health insurance upon retirement under the law, the Court said the issue would still need to go through the trial court level.

This decision is a victory, but state employees may not be reimbursed in the immediate future. It is anticipated that the State will appeal the decision to the Michigan Supreme Court. It is further anticipated that the State will ask for a stay of the Court of Appeals' decision to reimburse employees until the appellate procedures are exhausted.

A statement released by the Coalition of State Employee Unions (which includes MCO) says the decision is "hopefully a lesson for the Michigan Legislature.

"For the second time in three years, the Court of Appeals has ruled the legislature acted outside of its authority in adopting a law that reduced state worker salaries. The Michigan Civil Service Commission exists to protect civil service employees from the political whims of lawmakers. It's time to stop the unconstitutional attacks against State employees and focus on rebuilding Michigan's working families."

MCO will keep members updated on any appeal or other development in this situation.

MICHIGAN CORRECTIONS
ORGANIZATION
SEIU LOCAL 526M
421 W. KALAMAZOO
LANSING, MI 48933
517.485.3310
800.451.4878
WWW.MCO-SEIU.ORG
MAIL@MCO-SEIU.ORG