

Michigan: US Supreme Court denies review in retired teachers' retroactive exemption elimination case



David M. Kall | Thursday, October 5, 2017

This summer, we [described](#) the class action lawsuit that retired public school teachers had filed against the state of Michigan, and various officials, protesting legislation that retroactively eliminated the existing exemptions for some retirement and pension income. In our article, we noted that the plaintiffs had taken their case to the United States Supreme Court asking it to review the matter.

The case, filed in 2013, was about the fundamental principles underlying retroactivity, and the problems that come up when legislators make laws that are retroactive. In this case, the teachers alleged reliance interests pertaining to their retirement income that the new statute frustrated.

Additionally, the petitioners argued that the retroactive legislation impaired the existing contractual relationships between them and the state by taking away the deferred compensation that they had earned for their years of governmental service. This also represented an unlawful taking without just compensation. Thus, the federal contracts clause and takings clause were at issue.

On October 2, 2017, the high court [denied](#) the petition for review, leaving the legislation in place.



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