

SUBSTITUTE FOR
HOUSE BILL NO. 5469

A bill to amend 1957 PA 261, entitled
"Michigan legislative retirement system act,"
by amending sections 50b and 75 (MCL 38.1050b and 38.1075), as
amended by 1998 PA 501.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 50b. (1) For a retirant or a survivor or beneficiary
2 of a deceased retirant, or for a deferred vested member if that
3 deferred vested member first became a member on or before
4 ~~January 1, 1995~~ JANUARY 2, 1995, the retirement system shall
5 purchase and pay the premium for hospitalization and medical
6 insurance coverage and dental and vision coverage for the retir-
7 ant, deferred vested member, and the spouses, eligible children,
8 and survivors of those retirants and deferred vested members.
9 Except as otherwise provided in this section, the retirement
10 system shall provide hospitalization and medical insurance

HB5469, As Passed House, December 6, 2002

House Bill No. 5469

2

1 coverage and dental and vision insurance coverage under this
2 section at a level that is equal to or greater than the level of
3 insurance coverage under this section in effect on December 1,
4 1992. The retirement board may increase the amounts each person
5 who is enrolled in insurance coverage under this section is
6 required to pay for co-pays or deductibles under that insurance
7 coverage.

8 (2) On and after March 31, 1997, the retirement system shall
9 also pay health insurance premiums described in this section in
10 the manner prescribed in section 79.

11 Sec. 75. (1) A qualified participant is immediately 100%
12 vested in his or her contributions made to Tier 2. A qualified
13 participant shall vest in the employer contributions made on his
14 or her behalf to Tier 2 according to the following schedule:

15 (a) Upon completion of 2 years of service, 50%.

16 (b) Upon completion of 3 years of service, 75%.

17 (c) Upon completion of 4 years of service, 100%.

18 (2) A qualified participant is vested in the health insur-
19 ance coverage provided in section 79 if the qualified participant
20 meets 1 of the following requirements:

21 (a) The qualified participant has completed 6 years of serv-
22 ice as a qualified participant and was not a member, deferred
23 vested member, or former nonvested member of Tier 1.

24 (b) The qualified participant was a member, deferred vested
25 member, or former nonvested member of Tier 1 who made an election
26 to participate in Tier 2 pursuant to section 61, and who has met

HB5469, As Passed House, December 6, 2002

House Bill No. 5469

3

1 the service requirements he or she would have been required to
2 meet in order to vest in health benefits under section 50b.

3 (c) The qualified participant meets all of the following
4 requirements:

5 (i) Was not a member, deferred vested member, or former non-
6 vested member of Tier 1.

7 (ii) Was first elected to fill a vacancy in the house of
8 representatives for a period less than the full term but more
9 than 1/2 of the term of office.

10 (iii) Has completed 5 years of service as a qualified
11 participant.

12 (3) A FORMER QUALIFIED PARTICIPANT WHO HAS VESTED UNDER THIS
13 SECTION BUT HAS NOT MET OR EXCEEDED THE BENEFIT COMMENCEMENT AGE
14 DESCRIBED IN SECTION 79(1)(B) MAY PURCHASE HEALTH INSURANCE FROM
15 THE STATE TREASURER FOR HIMSELF OR HERSELF AND ANY HEALTH BENEFIT
16 DEPENDENTS. PAYMENTS SHALL BE NO GREATER THAN ACTUAL PREMIUM
17 COST. BENEFITS SHALL COMMENCE UPON PAYMENT OF THE PREMIUM TO THE
18 STATE TREASURER. COVERAGE UNDER THIS SUBSECTION CONTINUES UNTIL
19 THE FORMER QUALIFIED PARTICIPANT QUALIFIES TO RECEIVE HEALTH BEN-
20 EFITS UNDER SECTION 79 OR UNTIL THE FORMER QUALIFIED PARTICIPANT
21 CEASES TO MAKE PREMIUM PAYMENTS UNDER THIS SECTION OR UNTIL THE
22 POLICY UNDER WHICH THE FORMER QUALIFIED PARTICIPANT RECEIVES COV-
23 ERAGE IS CANCELED OR LAPSES, WHICHEVER IS EARLIEST.