

HOUSE BILL No. 4558

March 29, 2007, Introduced by Reps. Knollenberg, Calley, Palmer, Stakoe, Rick Jones and Garfield and referred to the Committee on Government Operations.

A bill to amend 1957 PA 261, entitled
"Michigan legislative retirement system act,"
by amending section 79 (MCL 38.1079), as amended by 2006 PA 614.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 79. (1) A former qualified participant **WHO BECAME A**
2 **QUALIFIED PARTICIPANT BEFORE JANUARY 1, 2007** may elect health
3 insurance benefits in the manner prescribed in this section if he
4 or she meets both of the following requirements:

5 (a) The former qualified participant is vested in health
6 benefits under section 75(2).

7 (b) The former qualified participant meets 1 of the following
8 requirements:

9 (i) He or she meets or exceeds the benefit commencement age
10 employed in the actuarial present value calculation under section

1 62 and the service requirements that would have applied to that
2 former participant under Tier 1 for receiving health insurance
3 coverage under section 50b, if that former participant was a member
4 of Tier 1.

5 (ii) He or she is 55 years of age or older.

6 (2) A former qualified participant who is eligible to elect
7 health insurance coverage under subsection (1) may elect health
8 insurance coverage in a health benefit plan or plans as authorized
9 by section 50b. A former qualified participant who is eligible to
10 elect health insurance coverage under subsection (1) may also elect
11 health insurance coverage for his or her health benefit dependents,
12 if any. A surviving health benefit dependent of a deceased former
13 qualified participant who is eligible to elect health insurance
14 coverage under subsection (1) may elect health insurance coverage
15 to begin at the death of the deceased former qualified participant
16 in the manner prescribed in this section.

17 (3) An individual who elects health insurance coverage under
18 this section shall become a member of a health insurance coverage
19 group authorized pursuant to section 50b.

20 (4) For a former qualified participant who is eligible to
21 elect health insurance coverage under subsection (1) and who is
22 vested in those benefits under section 75(2)(a) or (c), and for his
23 or her health benefit dependents, this state shall pay a portion of
24 the health insurance premium as calculated under this subsection on
25 a cash disbursement method. An individual described in this
26 subsection who elects health insurance coverage under this section
27 shall pay to the retirement system the remaining portion of the

1 health insurance coverage premium not paid by this state under this
2 subsection. The portion of the health insurance coverage premium
3 paid by this state under this subsection shall be 90% of the
4 payments for health insurance coverage under section 50b. If the
5 individual elects the health insurance coverage provided under
6 section 50b, this state shall transfer its portion of the amount
7 calculated under this subsection to the health insurance fund
8 created by section 22c.

9 (5) For a former qualified participant who is eligible to
10 elect health insurance coverage under subsection (1) and who is
11 vested in those benefits under section 75(2)(b), and for his or her
12 health benefit dependents, this state shall pay a portion of the
13 health insurance premium as calculated under this subsection on a
14 cash disbursement method. An individual described in this
15 subsection who elects health insurance coverage under this section
16 shall pay to the retirement system the remaining portion of the
17 health insurance coverage premium not paid by this state under this
18 subsection. The portion of the health insurance coverage premium
19 paid by this state under this subsection shall be equal to the
20 premium amounts paid on behalf of retirants of Tier 1 for health
21 insurance coverage under section 50b. If the individual elects the
22 health insurance coverage provided under section 50b, the state
23 shall transfer its portion of the amount calculated under this
24 subsection to the health insurance fund created by section 22c.

25 (6) If the department of management and budget receives
26 notification from the United States internal revenue service that
27 this section or any portion of this section will cause the

1 retirement system to be disqualified for tax purposes under the
2 internal revenue code, then the portion that will cause the
3 disqualification does not apply.