

SENATE BILL No. 1222

March 19, 2008, Introduced by Senator SCHAUER and referred to the Committee on Appropriations.

A bill to amend 1943 PA 240, entitled
"State employees' retirement act,"
by amending section 63 (MCL 38.63), as added by 1996 PA 487.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 63. (1) This section is subject to the vesting
2 requirements of section 64.

3 (2) ~~A-EXCEPT AS PROVIDED IN SUBSECTION (5),~~ A qualified
4 participant's employer shall contribute to the qualified
5 participant's account in Tier 2 an amount equal to 4% of the
6 qualified participant's compensation.

7 (3) ~~A-EXCEPT AS PROVIDED IN SUBSECTION (5),~~ A qualified
8 participant may periodically elect to contribute up to 3% of his or
9 her compensation to his or her Tier 2 account. ~~The-EXCEPT AS~~

1 PROVIDED IN SUBSECTION (5), THE qualified participant's employer
2 shall make an additional contribution to the qualified
3 participant's Tier 2 account in an amount equal to the contribution
4 made by the qualified participant under this subsection.

5 (4) A qualified participant may make contributions in addition
6 to contributions made under subsection (3) to his or her Tier 2
7 account as permitted by the state treasurer and the internal
8 revenue code. The qualified participant's employer shall not match
9 contributions made by the qualified participant under this
10 subsection.

11 (5) BEGINNING OCTOBER 1, 2008, THE EMPLOYER OF A QUALIFIED
12 PARTICIPANT WHO IS EMPLOYED IN A COVERED POSITION SHALL CONTRIBUTE
13 TO THE QUALIFIED PARTICIPANT'S ACCOUNT IN TIER 2 AN AMOUNT EQUAL TO
14 6% OF THE QUALIFIED PARTICIPANT'S COMPENSATION. BEGINNING OCTOBER
15 1, 2008, A QUALIFIED PARTICIPANT WHO IS EMPLOYED IN A COVERED
16 POSITION MAY PERIODICALLY ELECT TO CONTRIBUTE UP TO 4% OF HIS OR
17 HER COMPENSATION TO HIS OR HER TIER 2 ACCOUNT. BEGINNING OCTOBER 1,
18 2008, THE EMPLOYER OF A QUALIFIED PARTICIPANT WHO IS EMPLOYED IN A
19 COVERED POSITION SHALL MAKE AN ADDITIONAL CONTRIBUTION TO THE
20 QUALIFIED PARTICIPANT'S TIER 2 ACCOUNT IN AN AMOUNT EQUAL TO THE
21 CONTRIBUTION MADE BY THE QUALIFIED PARTICIPANT UNDER THIS
22 SUBSECTION.

23 (6) AS USED IN THIS SECTION, "QUALIFIED PARTICIPANT WHO IS
24 EMPLOYED IN A COVERED POSITION" MEANS A QUALIFIED PARTICIPANT WHO
25 WORKS IN A COVERED POSITION AS THAT TERM IS DEFINED IN SECTION 45.