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Senate Bill 132 (Substitute S-1)
Sponsor: Senator Wayne Kuipers
Committee: Reforms and Restructuring

Date Completed: 2-24-10

CONTENT

The bill would amend the Judges Retirement Act, under which the State is responsible for contributing to the health insurance premium payments of retired Supreme Court justices, Court of Appeals judges, the Governor, Lieutenant Governor, Secretary of State, Attorney General, Auditor General, and State Court Administrator elected or appointed after March 31, 1997, according to the following schedule:

- For participants with four years of service, the State is required to pay 50% of the cost of health insurance coverage;
- For participants with five years of service, the State is required to pay 75% of the cost of health insurance coverage; and
- For participants with six or more years of service, the State is required to pay 90% of the cost of health insurance coverage.

Current law allows health benefits to be provided to retirees who are age 60 with eight or more years of service; age 55 with 18 or more years; any age with 25 years or more years of service; or age 60 with two full terms as Governor, Lieutenant Governor, Secretary of State, or Attorney General, or one full term as Auditor General.

Senate Bill 132 (S-1) would eliminate health care coverage for the retired judges and elected officials described above, who are elected after November 1, 2010. This would not have an impact on currently elected or appointed officials, but would be prospective by affecting those elected or appointed after November 1, 2010.

MCL 38.2665

FISCAL IMPACT

The bill would reduce costs to the Judges Retirement System (JRS), with very minimal savings initially, growing over time as more members are newly elected or appointed and not provided with health care benefits upon retirement. In fiscal year 2008-09, \$821,000 was paid in health care costs under the JRS, covering 80 retirees.

Fiscal Analyst: Kathryn Summers

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.