

HOUSE BILL No. 4079

January 22, 2009, Introduced by Rep. Moss and referred to the Committee on Judiciary.

A bill to amend 1986 PA 182, entitled
"State police retirement act of 1986,"
by amending section 42 (MCL 38.1642), as amended by 2004 PA 50.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 42. (1) Hospitalization and medical coverage insurance
2 premiums payable by a retirant or his or her retirement allowance
3 beneficiary and his or her dependents under any group health plan
4 authorized by the Michigan civil service commission, **THE RETIREMENT**
5 **BOARD**, and the department shall be paid in amounts provided by this
6 subsection from appropriations for this purpose made to the
7 retirement system. Until October 1, 1989, the amount payable by the
8 retirement system shall be 90% of the entire monthly premium
9 payable for hospitalization and medical coverage insurance.
10 Beginning October 1, 1989, the amount payable by the retirement
11 system shall be 95% of the entire monthly premium payable for

1 hospitalization and medical coverage insurance.

2 (2) Effective October 1, 1989, dental coverage and vision
3 coverage insurance premiums payable by a retirant or his or her
4 retirement allowance beneficiary and his or her dependents under
5 any group health plan authorized by the Michigan civil service
6 commission, **THE RETIREMENT BOARD**, and the department shall be paid
7 in amounts provided by this subsection from appropriations for this
8 purpose made to the ~~retirement system~~ **FUNDING ACCOUNT**. The amount
9 payable by the retirement system shall be 90% of the entire monthly
10 premium payable for dental coverage and vision coverage insurance.

11 (3) The health-dental-vision benefits fund is created and
12 shall be the fund into which appropriations of the state for
13 health, dental, and vision benefits are paid. Benefits payable
14 pursuant to subsections (1) and (2) shall be payable from the
15 health-dental-vision benefits fund. The assets and any earnings on
16 the assets contained in the health-dental-vision benefits fund and
17 the ~~health advance funding subaccount~~ **ACCOUNT** are not to be treated
18 as pension assets for any purpose.

19 (4) The ~~health advance funding subaccount~~ **ACCOUNT** is the
20 account to which amounts transferred pursuant to section ~~14(3)~~
21 **14(4)** are credited. ~~Any amounts received from the health advance~~
22 ~~funding subaccount and accumulated earnings on those amounts shall~~
23 ~~not be expended until the actuarial accrued liability for health~~
24 ~~benefits under this section is at least 100% funded. The department~~
25 ~~may expend funds or transfer funds to another account to expend for~~
26 ~~health benefits under this section if the actuarial accrued~~
27 ~~liability for health benefits under this section is at least 100%~~

1 funded.

2 ~~—— (5) Notwithstanding any other provision of this section, the~~
3 ~~department may transfer amounts from the health advance funding~~
4 ~~subaccount to the reserve for employer contributions created by~~
5 ~~section 16 if the actuarial valuation prepared pursuant to section~~
6 ~~14 demonstrates that, as of the beginning of a fiscal year, and~~
7 ~~after all credits and transfers required by this act for the~~
8 ~~previous fiscal year have been made, the sum of the actuarial value~~
9 ~~of assets and the actuarial present value of future normal cost~~
10 ~~contributions does not exceed the actuarial present value of~~
11 ~~benefits.~~