

# HOUSE BILL No. 4080

January 22, 2009, Introduced by Reps. Knollenberg, Moss, McMillin and Rogers and referred to the Committee on Judiciary.

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.