

HOUSE BILL No. 4081

January 13, 2011, Introduced by Rep. Slavens and referred to the Committee on Oversight, Reform, and Ethics.

A bill to amend 1957 PA 261, entitled "Michigan legislative retirement system act," by amending sections 50b and 75 (MCL 38.1050b and 38.1075), as amended by 1998 PA 501.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 50b. (1) For a retirant or a survivor or beneficiary of a
2 deceased retirant, or for a deferred vested member if that deferred
3 vested member first became a member on or before January 1, 1995,
4 the retirement system shall purchase and pay the premium for
5 hospitalization and medical insurance coverage and dental and
6 vision coverage for the retirant, deferred vested member, and the
7 spouses, eligible children, and survivors of those retirants and

1 deferred vested members. Except as otherwise provided in this
2 section, the retirement system shall provide hospitalization and
3 medical insurance coverage and dental and vision insurance coverage
4 under this section at a level that is equal to or greater than the
5 level of insurance coverage under this section in effect on
6 December 1, 1992. The retirement board may increase the amounts
7 each person who is enrolled in insurance coverage under this
8 section is required to pay for co-pays or deductibles under that
9 insurance coverage.

10 (2) On and after March 31, 1997, the retirement system shall
11 also pay health insurance premiums described in this section in the
12 manner prescribed in section 79.

13 **(3) THIS SECTION DOES NOT APPLY TO A RETIRANT, SURVIVOR OR**
14 **BENEFICIARY OF A DECEASED RETIRANT, OR A DEFERRED VESTED MEMBER WHO**
15 **WAS SERVING AS A MEMBER OF THE LEGISLATURE ON OR AFTER JANUARY 30,**
16 **2009.**

17 Sec. 75. (1) A qualified participant is immediately 100%
18 vested in his or her contributions made to Tier 2. A qualified
19 participant shall vest in the employer contributions made on his or
20 her behalf to Tier 2 according to the following schedule:

21 (a) Upon completion of 2 years of service, 50%.

22 (b) Upon completion of 3 years of service, 75%.

23 (c) Upon completion of 4 years of service, 100%.

24 (2) A qualified participant is vested in the health insurance
25 coverage provided in section 79 if the qualified participant meets
26 1 of the following requirements:

27 (a) The qualified participant has completed 6 years of service

1 as a qualified participant and was not a member, deferred vested
2 member, or former nonvested member of Tier 1 **AND WAS NOT SERVING AS**
3 **A MEMBER OF THE LEGISLATURE ON OR AFTER JANUARY 30, 2009.**

4 (b) The qualified participant was a member, deferred vested
5 member, or former nonvested member of Tier 1 who made an election
6 to participate in Tier 2 pursuant to section 61, and who has met
7 the service requirements he or she would have been required to meet
8 in order to vest in health benefits under section 50b.

9 (c) The qualified participant meets all of the following
10 requirements:

11 (i) Was not a member, deferred vested member, or former
12 nonvested member of Tier 1.

13 (ii) Was first elected to fill a vacancy in the house of
14 representatives for a period less than the full term but more than
15 1/2 of the term of office.

16 (iii) Has completed 5 years of service as a qualified
17 participant.

18 (iv) **WAS NOT SERVING AS A MEMBER OF THE LEGISLATURE ON OR AFTER**
19 **JANUARY 30, 2009.**