

HOUSE BILL No. 5550

April 19, 2012, Introduced by Reps. LaFontaine, Goike, Cotter, Hughes, Shaughnessy, Lund, Rogers, Johnson, Agema, McMillin, Graves, Somerville, Kowall, Forlini and Jenkins and referred to the Committee on Government Operations.

A bill to amend 1957 PA 261, entitled
 "Michigan legislative retirement system act,"
 by amending section 26 (MCL 38.1026), as amended by 2006 PA 614.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 26. (1) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION**
 2 **(4), THE** retirement system shall be administered by a board of
 3 trustees, consisting of ~~11~~ **10** persons as follows:

4 (a) Two members of the house of representatives appointed by
 5 the speaker of the house of representatives.

6 (b) Two members of the senate, appointed in the same manner as
 7 members of standing committees of the senate are appointed.

8 (c) Two retirants appointed by the speaker of the house of
 9 representatives and 2 retirants appointed by the senate majority
 10 leader.

11 (d) ~~One deferred vested member appointed by the speaker of the~~

1 ~~house of representatives and 1 deferred vested member appointed by~~
 2 ~~the senate majority leader. If a deferred vested member serving on~~
 3 ~~the board becomes a retirant during his or her term of office, he~~
 4 ~~or she shall be entitled to serve the remainder of his or her term~~
 5 ~~of office.~~ **ONE REPRESENTATIVE OF THE GENERAL PUBLIC APPOINTED BY THE**
 6 **SPEAKER OF THE HOUSE OF REPRESENTATIVES AND 1 REPRESENTATIVE OF THE**
 7 **GENERAL PUBLIC APPOINTED BY THE SENATE MAJORITY LEADER.**

8 ~~—— (c) One participant of Tier 2 who was a former member of Tier~~
 9 ~~1 appointed in 1999 by the senate majority leader and beginning in~~
 10 ~~2001 appointed alternately by the speaker of the house of~~
 11 ~~representatives and the senate majority leader. However, if there~~
 12 ~~is no participant of Tier 2 who meets the former member requirement~~
 13 ~~of this subdivision, then 1 additional deferred vested member~~
 14 ~~appointed in the manner prescribed in this subdivision.~~

15 ~~—— (2) Only members of the retirement system are eligible to~~
 16 ~~serve as members on the board of trustees except for the retirants~~
 17 ~~and Tier 2 participant authorized under subsection (1). Board~~
 18 ~~members appointed under subsection (1) (a) and (b) are appointed for~~
 19 ~~2 year terms. Board members appointed under subsection (1) (c) are~~
 20 ~~appointed for 4 year terms. Board members appointed for terms~~
 21 ~~beginning in 1999 under subsection (1) (d) are appointed for 2 year~~
 22 ~~terms. Board members appointed for terms beginning in 2001 under~~
 23 ~~subsection (1) (d) are appointed for 4 year terms. A board member~~
 24 ~~appointed for a term beginning in 1999 under subsection (1) (c) is~~
 25 ~~appointed for a 2 year term. Beginning in 2001, a board member~~
 26 ~~appointed under subsection (1) (c) is appointed for a 4 year term.~~

27 **(2) BOARD MEMBERS APPOINTED UNDER SUBSECTION (1) (A) AND (B)**

1 SHALL HOLD OFFICE FOR A TERM OF 2 YEARS TO COINCIDE WITH THE
2 LEGISLATIVE SESSION. BOARD MEMBERS APPOINTED UNDER SUBSECTION
3 (1) (C) AND (D) SHALL HOLD OFFICE FOR A TERM OF 4 YEARS.

4 (3) Each person, whether appointed as a trustee or becoming a
5 trustee ex officio, shall take an oath of office before the
6 secretary of state, clerk of the house, or secretary of the senate,
7 and, upon taking the oath, qualifies as a trustee. The oath of
8 office shall be as prescribed under section 1 of article XI of the
9 state constitution of 1963.

10 (4) ~~A member of the board of trustees serving as of December~~
11 ~~31, 2010 shall continue to serve as a member until December 31,~~
12 ~~2011. Beginning January 1, 2012, the board of trustees shall be~~
13 ~~composed of 11 members as indicated in this section and in the~~
14 ~~bylaws. Except as otherwise provided in this section, the 11~~
15 ~~members of the board shall contain at least 4 members who are~~
16 ~~retirants, 2 members who are deferred former qualified~~
17 ~~participants, and at least 1 current member of Tier 2. A BOARD~~
18 **MEMBER APPOINTED TO AND SERVING ON THE BOARD OF TRUSTEES ON JANUARY**
19 **1, 2012 SHALL SERVE FOR THE REMAINDER OF HIS OR HER TERM. AS EACH**
20 **BOARD MEMBER'S TERM EXPIRES UNDER THIS SECTION, THE NEW APPOINTMENT**
21 **SHALL BE MADE IN THE MANNER PROVIDED IN SUBSECTION (1).** If there
22 are insufficient persons who qualify under this section and are
23 willing to serve, then **BOARD** members shall be appointed as
24 indicated in the bylaws.