

# HOUSE BILL No. 6033

November 27, 2012, Introduced by Rep. McMillin and referred to the Committee on Appropriations.

A bill to amend 1980 PA 300, entitled  
"The public school employees retirement act of 1979,"  
by amending sections 4 and 8 (MCL 38.1304 and 38.1308), section 4  
as amended by 2010 PA 75 and section 8 as amended by 2012 PA 300,  
and by adding sections 34a and 43f.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 4. (1) "Compound interest" means interest compounded  
2       annually on July 1 on the contributions on account as of the  
3       previous July 1 and computed at the rate of investment return  
4       determined under section 104a(1) for the last completed state  
5       fiscal year.

6       (2) "Contributory service" means credited service other than  
7       noncontributory service.

1           (3) "Deferred member" means a member who has ceased to be a  
2 public school employee and has satisfied the requirements of  
3 section 82 for a deferred vested service retirement allowance.

4           (4) "Department" means the department of technology,  
5 management, and budget.

6           (5) "Designated date" means September 30, 2006.

7           (6) "Direct rollover" means a payment by the retirement system  
8 to the eligible retirement plan specified by the distributee.

9           (7) "Distributee" includes a member or deferred member.  
10 Distributee also includes the member's or deferred member's  
11 surviving spouse or the member's or deferred member's spouse or  
12 former spouse under an eligible domestic relations order, with  
13 regard to the interest of the spouse or former spouse.

14           (8) Beginning January 1, 2002, except as otherwise provided in  
15 this subsection, "eligible retirement plan" means 1 or more of the  
16 following:

17           (a) An individual retirement account described in section  
18 408(a) of the internal revenue code, 26 USC 408.

19           (b) An individual retirement annuity described in section  
20 408(b) of the internal revenue code, 26 USC 408.

21           (c) An annuity plan described in section 403(a) of the  
22 internal revenue code, 26 USC 403.

23           (d) A qualified trust described in section 401(a) of the  
24 internal revenue code, 26 USC 401.

25           (e) An annuity contract described in section 403(b) of the  
26 internal revenue code, 26 USC 403.

27           (f) An eligible plan under section 457(b) of the internal

1 revenue code, 26 USC 457, ~~which~~**THAT** is maintained by a state, **A**  
2 political subdivision of a state, or an agency or instrumentality  
3 of a state or political subdivision of a state and ~~which~~**THAT**  
4 agrees to separately account for amounts transferred into ~~such~~**THE**  
5 eligible plan under section 457(b) of the internal revenue code, 26  
6 USC 457, from this retirement system, that accepts the  
7 distributee's eligible rollover distribution. However, in the case  
8 of an eligible rollover distribution to a surviving spouse, an  
9 eligible retirement plan means an individual retirement account or  
10 an individual retirement annuity described above.

11 (g) Beginning January 1, 2008, except as otherwise provided in  
12 this subsection, "eligible retirement plan" means a Roth individual  
13 retirement account as described in section 408A of the internal  
14 revenue code, 26 USC 408A.

15 (9) Beginning January 1, 2007, "eligible rollover  
16 distribution" means a distribution of all or any portion of the  
17 balance to the credit of the distributee. Eligible rollover  
18 distribution does not include any of the following:

19 (a) A distribution made for the life or life expectancy of the  
20 distributee or the joint lives or joint life expectancies of the  
21 distributee and the distributee's designated beneficiary.

22 (b) A distribution for a specified period of 10 years or more.

23 (c) A distribution to the extent that the distribution is  
24 required under section 401(a)(9) of the internal revenue code, 26  
25 USC 401.

26 (d) The portion of any distribution that is not includable in  
27 federal gross income, except to the extent ~~such~~**THE** portion of the

1 distribution is paid to any of the following:

2 (i) An individual retirement account or annuity described in  
3 section 408(a) or 408(b) of the internal revenue code, 26 USC 408.

4 (ii) A qualified plan described in section 401(a) of the  
5 internal revenue code, 26 USC 401, or an annuity contract described  
6 in section 403(b) of the internal revenue code, 26 USC 403, and the  
7 plan providers agree to separately account for the amounts paid,  
8 including any portion of the distribution that is includable in  
9 federal gross income, and the portion of the distribution ~~which~~  
10 **THAT** is not so includable.

11 (10) "Employee organization professional services leave" or  
12 "professional services leave" means a leave of absence that is  
13 renewed annually by the reporting unit so that a member may accept  
14 a position with a public school employee organization to which he  
15 or she belongs and ~~which~~**THAT** represents employees of a reporting  
16 unit in employment matters. The member shall be included in  
17 membership of the retirement system during a professional services  
18 leave if all of the conditions of section 71(5) and (6) are  
19 satisfied.

20 (11) "Employee organization professional services released  
21 time" or "professional services released time" means a portion of  
22 the school fiscal year during which a member is released by the  
23 reporting unit from his or her regularly assigned duties to engage  
24 in employment matters for a public school employee organization to  
25 which he or she belongs. The member's compensation received or  
26 service rendered, or both, as applicable, by ~~a~~**THE** member while on  
27 professional services released time ~~shall be~~**IS** reportable to the

1 retirement system if all of the conditions of section 71(5) and (6)  
2 are satisfied.

3 (12) "Final average compensation" means the aggregate amount  
4 of a member's compensation earned within the averaging period in  
5 which the aggregate amount of compensation was highest divided by  
6 the member's number of years, including any fraction of a year, of  
7 credited service during the averaging period. The averaging period  
8 ~~shall be~~ **IS** 36 consecutive calendar months if the member  
9 contributes to the member investment plan except for a member who  
10 contributes to the member investment plan and first became a member  
11 on or after July 1, 2010; otherwise, the averaging period ~~shall be~~  
12 **IS** 60 consecutive calendar months. A member who contributes to the  
13 member investment plan and first became a member on or after July  
14 1, 2010 shall also have an averaging period of 60 consecutive  
15 calendar months. If the member has less than 1 year of credited  
16 service in the averaging period, the number of consecutive calendar  
17 months in the averaging period shall be increased to the lowest  
18 number of consecutive calendar months that contains 1 year of  
19 credited service.

20 (13) "Health benefits" means hospital, medical-surgical, and  
21 sick care benefits and dental, vision, and hearing benefits for  
22 retirants, retirement allowance beneficiaries, and health insurance  
23 dependents provided pursuant to section 91.

24 **(14) "HEALTH REIMBURSEMENT ACCOUNT" MEANS THAT TERM AS DEFINED**  
25 **IN SECTION 2 OF THE PUBLIC EMPLOYEE RETIREMENT HEALTH CARE FUNDING**  
26 **ACT, 2010 PA 77, MCL 38.2732.**

27 (15) ~~(14)~~ "Internal revenue code" means the United States

1 internal revenue code of 1986.

2 (16) ~~(15)~~—"Long-term care insurance" means group insurance  
3 that is authorized by the retirement system for retirants,  
4 retirement allowance beneficiaries, and health insurance  
5 dependents, as that term is defined in section 91, to cover the  
6 costs of services provided to retirants, retirement allowance  
7 beneficiaries, and health insurance dependents, from nursing homes,  
8 assisted living facilities, home health care providers, adult day  
9 care providers, and other similar service providers.

10 (17) ~~(16)~~—"Member investment plan" means the program of member  
11 contributions described in section 43a.

12 Sec. 8. (1) "Service" means personal service performed as a  
13 public school employee or creditable under this act.

14 (2) "Simple interest" means interest at 1 or more rates per  
15 annum determined by the retirement board.

16 (3) "State of Michigan service" means service performed as a  
17 state employee in the classified or unclassified service under the  
18 state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69.

19 (4) "Teacher" means a person employed by a reporting unit who  
20 is engaged in teaching, who is engaged in administering and  
21 supervising teaching, or who is under a teacher's contract with a  
22 reporting unit.

23 (5) "Tier 1" means the retirement plan available to a member  
24 under this act.

25 (6) "Tier 2" means the state of Michigan 457 plan established  
26 under section 457 of the internal revenue code, 26 USC 457, for  
27 elective employee contributions and the state of Michigan 401(k)

1 plan established under section 401(k) of the internal revenue code,  
2 26 USC 401, for employer contributions.

3 (7) "Transition date" means the first day of the pay period  
4 that begins on or after December 1, 2012 for the applicable member.  
5 The retirement system shall determine a method of determining  
6 service credit, compensation, and any applicable contributions for  
7 purposes of implementing provisions of this act that refer to the  
8 transition date.

9 (8) "Transitional public employment program" means  
10 participation in public service employment programs in the areas of  
11 environmental quality, health care, education, public safety, crime  
12 prevention and control, prison rehabilitation, transportation,  
13 recreation, maintenance of parks, streets, and other public  
14 facilities, solid waste removal, pollution control, housing and  
15 neighborhood improvements, rural development, conservation,  
16 beautification, veterans' outreach, and other fields of human  
17 betterment and community improvement as part of a program of  
18 comprehensive manpower services authorized, undertaken, and  
19 financed under the comprehensive employment and training act of  
20 1973, former Public Law 93-203, 87 Stat. 839.

21 (9) "VOLUNTARY CONTRIBUTIONS" MEANS THAT TERM AS DEFINED IN  
22 SECTION 2B OF THE PUBLIC EMPLOYEE RETIREMENT HEALTH CARE FUNDING  
23 ACT, 2010 PA 77, MCL 38.2732B.

24 SEC. 34A. (1) FOLLOWING THE DATE OF THE DETERMINATION  
25 DESCRIBED IN SUBSECTION (10) AND FOLLOWING THE DATE OF THE ELECTION  
26 MADE UNDER SUBSECTION (4), THE RETIREMENT SYSTEM SHALL PROVIDE  
27 POSTRETIREMENT MEDICAL BENEFITS FOR ELIGIBLE MEMBERS AND THEIR

1 HEALTH BENEFIT DEPENDENTS AND POSTDEATH MEDICAL BENEFITS FOR HEALTH  
2 BENEFIT DEPENDENTS WHO SURVIVE A DECEASED CONTRIBUTOR. MEDICAL  
3 BENEFITS SHALL BE PROVIDED FROM A SEPARATE ACCOUNT ESTABLISHED  
4 UNDER THE RETIREMENT SYSTEM PURSUANT TO SECTION 401(H) OF THE  
5 INTERNAL REVENUE CODE, 26 USC 401.

6 (2) A SEPARATE ACCOUNT, DESIGNATED AS THE "MEDICAL BENEFIT  
7 ACCOUNT", SHALL BE MAINTAINED WITHIN THE RESERVE FOR HEALTH  
8 BENEFITS. THE ASSETS OF THE RETIREMENT SYSTEM IN EXCESS OF THE  
9 AMOUNTS THEN CREDITED TO THE MEDICAL BENEFIT ACCOUNT SHALL NOT BE  
10 USED FOR PROVIDING MEDICAL BENEFITS UNDER THIS SECTION. EXCEPT AS  
11 OTHERWISE PROVIDED IN THIS SECTION, THE ASSETS OF THE RETIREMENT  
12 SYSTEM ATTRIBUTABLE TO AMOUNTS THEN CREDITED TO THE MEDICAL BENEFIT  
13 ACCOUNT SHALL NOT BE USED OR DIVERTED FOR ANY PURPOSE OTHER THAN  
14 PROVIDING MEDICAL BENEFITS.

15 (3) A SEPARATE ACCOUNT, DESIGNATED AS THE "MEDICAL BENEFIT  
16 ADMINISTRATIVE ACCOUNT", SHALL BE MAINTAINED WITHIN THE RESERVE FOR  
17 HEALTH BENEFITS. ADMINISTRATIVE COSTS OF MAINTAINING THE MEDICAL  
18 BENEFIT ACCOUNT SHALL BE PAID OUT OF THE MEDICAL BENEFIT  
19 ADMINISTRATIVE ACCOUNT. ELIGIBLE MEMBERS MAKING CONTRIBUTIONS TO  
20 THE MEDICAL BENEFIT ACCOUNT CONSENT AS A CONDITION OF PARTICIPATION  
21 THAT TRANSFERS MAY BE MADE FROM THE SUBACCOUNTS OF EACH CONTRIBUTOR  
22 TO THE MEDICAL BENEFIT ADMINISTRATIVE ACCOUNT EQUAL TO NO MORE THAN  
23 25% OF THE EARNINGS OF FUNDS ON ACCOUNT IN THEIR RESPECTIVE  
24 SUBACCOUNTS.

25 (4) BEGINNING JANUARY 1, 2013, AN ELIGIBLE MEMBER MAY ELECT TO  
26 BECOME A CONTRIBUTOR AND MAKE CONTRIBUTIONS TO THE MEDICAL BENEFIT  
27 ACCOUNT IN AN AMOUNT NOT TO EXCEED THE MAXIMUM CONTRIBUTION UNDER



1 SUBSECTION (5). AN ELIGIBLE MEMBER MAY ELECT TO MAKE CONTRIBUTIONS  
2 TO THE MEDICAL BENEFIT ACCOUNT DURING AN ELECTION PERIOD OF NOT  
3 LESS THAN 90 DAYS AS DETERMINED BY THE RETIREMENT SYSTEM. WITHIN  
4 THE MEDICAL BENEFIT ACCOUNT, THE DEPARTMENT SHALL MAINTAIN A  
5 SUBACCOUNT FOR EACH CONTRIBUTOR THAT REFLECTS ALL CONTRIBUTIONS  
6 MADE BY OR FOR THAT CONTRIBUTOR, ADJUSTED FOR INVESTMENT EXPERIENCE  
7 AND PAYMENT OF MEDICAL BENEFITS. THE EMPLOYER OF THE CONTRIBUTOR  
8 SHALL PICK UP THE CONTRIBUTOR'S CONTRIBUTIONS IN WHOLE OR IN PART  
9 AND MAY REQUIRE THAT ITS CONTRIBUTIONS BE DERIVED FROM A REDUCTION  
10 IN THE CONTRIBUTOR'S CASH SALARY. IF THE CONTRIBUTOR'S  
11 CONTRIBUTIONS ARE PICKED UP BY THE EMPLOYER ON A SALARY-REDUCTION  
12 BASIS, THE CONTRIBUTOR'S ELECTION SHALL BE IRREVOCABLE TO THE  
13 EXTENT REQUIRED BY SECTION 401(H) OF THE INTERNAL REVENUE CODE, 26  
14 USC 401. CONTRIBUTIONS PICKED UP UNDER THIS SUBSECTION ON A SALARY-  
15 REDUCTION BASIS ARE NOT INCLUDED AS GROSS TAXABLE INCOME OF THE  
16 CONTRIBUTOR. THE VALUE OF MEDICAL BENEFITS PROVIDED FROM A  
17 CONTRIBUTOR'S SUBACCOUNT SHALL NOT BE INCLUDED IN THE INCOME OF THE  
18 RETIRED CONTRIBUTOR OR THE CONTRIBUTOR'S HEALTH BENEFIT DEPENDENTS.

19 (5) THE BENEFITS TO BE PROVIDED FROM THE MEDICAL BENEFIT  
20 ACCOUNT, TOGETHER WITH LIFE INSURANCE, IF ANY, PROVIDED UNDER THE  
21 RETIREMENT SYSTEM, ARE INTENDED TO BE SUBORDINATE TO RETIREMENT  
22 BENEFITS UNDER THE RETIREMENT SYSTEM. ACCORDINGLY, CONTRIBUTIONS IN  
23 CALENDAR YEARS AFTER 2012 CREDITED TO A CONTRIBUTOR'S SUBACCOUNT,  
24 TOGETHER WITH CONTRIBUTIONS, IF ANY, THAT MAY BE MADE TO PROVIDE  
25 LIFE INSURANCE FOR THE CONTRIBUTOR UNDER THE RETIREMENT SYSTEM,  
26 SHALL NOT EXCEED AN AGGREGATE AMOUNT EQUAL TO 1/3 OF THE  
27 CONTRIBUTIONS, INCLUDING EMPLOYEE CONTRIBUTIONS, MADE FOR THOSE

1 YEARS TO PROVIDE A RETIREMENT ALLOWANCE FOR THE CONTRIBUTOR UNDER  
2 TIER 1 OR TIER 2 OF THE RETIREMENT SYSTEM. FOR PURPOSES OF APPLYING  
3 A LIMITATION ESTABLISHED BY THIS SUBSECTION, THE RETIREMENT SYSTEM  
4 MAY RELY ON AN ACTUARIAL CERTIFICATION PREPARED BY THE ACTUARY,  
5 DEMONSTRATING COMPLIANCE, AND REASONABLE ACTUARIAL ASSUMPTIONS  
6 SELECTED BY THE ACTUARY SHALL APPLY FOR PURPOSES OF DETERMINING THE  
7 AGGREGATE CONTRIBUTIONS FOR RETIREMENT ALLOWANCES TO BE DETERMINED  
8 UNDER THIS SUBSECTION. THE RETIREMENT SYSTEM SHALL DETERMINE THE  
9 METHOD, TIMING, AND LIMITS APPLICABLE TO ALL CONTRIBUTORS. IN NO  
10 CASE SHALL A DETERMINATION MADE BY THE RETIREMENT SYSTEM EXCEED THE  
11 MAXIMUM PROVIDED BY THIS SUBSECTION.

12 (6) ALL PAYMENTS OR REIMBURSEMENTS OF MEDICAL BENEFITS SHALL  
13 BE CHARGED AGAINST THE BALANCE OF THE RETIRED CONTRIBUTOR'S  
14 SUBACCOUNT. PAYMENTS OR REIMBURSEMENTS SHALL NOT BE MADE AFTER THE  
15 SUBACCOUNT HAS BEEN EXHAUSTED. PAYMENT OR REIMBURSEMENT OF  
16 PREMIUMS, CHARGES, AND EXPENSES UNDER THIS SUBSECTION SHALL BE MADE  
17 ONLY UPON PRESENTATION OF PROPER DOCUMENTARY EVIDENCE OF AMOUNTS,  
18 DATES OF COVERAGE OR SERVICE, RECIPIENT OF COVERAGE OR SERVICE, AND  
19 SUCH OTHER INFORMATION AS THE DEPARTMENT REQUIRES. MEDICAL BENEFITS  
20 TO BE PROVIDED FROM THE MEDICAL BENEFIT ACCOUNT SHALL CONSIST OF  
21 ANY OF THE FOLLOWING AS APPLICABLE:

22 (A) PAYMENT OF PREMIUMS FOR THE RETIRED CONTRIBUTOR AND THE  
23 CONTRIBUTOR'S HEALTH BENEFIT DEPENDENTS UNDER THE STATE HEALTH  
24 PLAN, THE STATE DENTAL PLAN, AND THE STATE VISION PLAN IF THE  
25 CONTRIBUTOR AND DEPENDENTS ARE ENROLLED IN ANY OF THOSE PLANS.

26 (B) PAYMENT OR REIMBURSEMENT OF PREMIUMS OR OTHER CHARGES FOR  
27 COVERAGE OF THE RETIRED CONTRIBUTOR AND THE CONTRIBUTOR'S HEALTH

1 BENEFIT DEPENDENTS UNDER ANY GROUP HEALTH PLAN WITHIN THE MEANING  
2 OF SECTION 5000(B)(1) OF THE INTERNAL REVENUE CODE, 26 USC 5000.

3 (C) PAYMENT OR REIMBURSEMENT OF PREMIUMS OR OTHER CHARGES TO  
4 OBTAIN HEALTH INSURANCE COVERAGE WITHIN THE MEANING OF SECTION  
5 9832(B)(1) OF THE INTERNAL REVENUE CODE, 26 USC 9832, FOR THE  
6 RETIRED CONTRIBUTOR AND THE CONTRIBUTOR'S HEALTH BENEFIT  
7 DEPENDENTS.

8 (D) PAYMENT OR REIMBURSEMENT OF EXPENSES PAID OR INCURRED FOR  
9 THE MEDICAL CARE, AS DEFINED IN SECTION 213(D)(1) OF THE INTERNAL  
10 REVENUE CODE, 26 USC 213, OF THE RETIRED CONTRIBUTOR AND THE  
11 CONTRIBUTOR'S HEALTH BENEFIT DEPENDENTS.

12 (7) WHILE A CONTRIBUTOR OR RETIRED CONTRIBUTOR REMAINS ALIVE,  
13 THE DEPARTMENT SHALL COMPLY WITH THE CONTRIBUTOR'S WRITTEN  
14 DIRECTIONS IN REGARD TO THE TYPE OF MEDICAL BENEFITS TO BE PROVIDED  
15 UNDER THIS SUBSECTION AND THE ALLOCATION OF THE MEDICAL BENEFITS  
16 AMONG THE RETIRED CONTRIBUTOR AND THE CONTRIBUTOR'S HEALTH BENEFIT  
17 DEPENDENTS IF THE DIRECTIONS COMPLY WITH THIS SUBSECTION AND THE  
18 REQUIREMENTS OF THE DEPARTMENT IN REGARD TO THE FORM AND CONTENT OF  
19 THE WRITTEN DIRECTIONS. THE DEPARTMENT SHALL ALSO AFFORD EACH  
20 CONTRIBUTOR THE OPPORTUNITY TO GIVE WRITTEN DIRECTIONS IN REGARD TO  
21 THE ALLOCATION OF MEDICAL BENEFITS TO AND AMONG SOME OR ALL OF THE  
22 CONTRIBUTOR'S SURVIVING HEALTH BENEFIT DEPENDENTS FOLLOWING THE  
23 CONTRIBUTOR'S DEATH AS DESIGNATED ON A BENEFICIARY FORM DEVELOPED  
24 BY THE RETIREMENT SYSTEM. UPON DEATH OF THE CONTRIBUTOR AND WHILE  
25 FUNDS REMAIN IN THE CONTRIBUTOR'S SUBACCOUNT, THE DEPARTMENT SHALL  
26 OBSERVE THE WRITTEN DIRECTIONS IN ALLOCATING MEDICAL BENEFITS AMONG  
27 THE CONTRIBUTOR'S SURVIVING HEALTH BENEFIT DEPENDENTS, WHILE GIVING

1 THE DEPENDENTS OR THEIR LEGAL REPRESENTATIVES A REASONABLE  
2 OPPORTUNITY TO SELECT THE TYPE OF MEDICAL BENEFITS TO BE PROVIDED.  
3 IN THE ABSENCE OF VALID WRITTEN DIRECTIONS FROM THE CONTRIBUTOR IN  
4 REGARD TO THE ALLOCATION OF MEDICAL BENEFITS FOLLOWING THE  
5 CONTRIBUTOR'S DEATH, THE DEPARTMENT SHALL ALLOCATE FUNDS REMAINING  
6 IN THE CONTRIBUTOR'S SUBACCOUNT TO PROVIDE MEDICAL BENEFITS TO THE  
7 CONTRIBUTOR'S SURVIVING HEALTH BENEFIT DEPENDENTS, UNTIL ALL FUNDS  
8 HAVE BEEN EXPENDED.

9 (8) IF THERE IS A BALANCE REMAINING IN THE SUBACCOUNT OF A  
10 CONTRIBUTOR OR RETIRED CONTRIBUTOR FOLLOWING THE DEATHS OF THE  
11 CONTRIBUTOR AND ALL OF THE CONTRIBUTOR'S HEALTH BENEFIT DEPENDENTS,  
12 THEN THAT BALANCE SHALL BE FORFEITED AND DISTRIBUTED TO THE MEDICAL  
13 BENEFIT ADMINISTRATIVE ACCOUNT.

14 (9) CONTRIBUTIONS SHALL NOT BE PICKED UP BY THIS STATE  
15 PURSUANT TO THIS SECTION UNTIL THE DEPARTMENT RECEIVES NOTIFICATION  
16 FROM THE UNITED STATES INTERNAL REVENUE SERVICE THAT SUCH  
17 CONTRIBUTIONS WILL NOT BE INCLUDED AS GROSS INCOME OF THE  
18 CONTRIBUTOR.

19 (10) THIS SECTION DOES NOT APPLY UNTIL THE DEPARTMENT RECEIVES  
20 NOTIFICATION FROM THE UNITED STATES INTERNAL REVENUE SERVICE THAT  
21 THE ESTABLISHMENT OF THE MEDICAL BENEFIT ACCOUNT UNDER THIS SECTION  
22 DOES NOT CAUSE THE RETIREMENT SYSTEM TO BE DISQUALIFIED FOR TAX  
23 PURPOSES.

24 (11) A MEMBER WHO IS ELIGIBLE TO ELECT TO MAKE CONTRIBUTIONS  
25 TO A MEDICAL BENEFIT ACCOUNT CREATED UNDER THIS SECTION MAY INSTEAD  
26 ELECT TO MAKE CONTRIBUTIONS TO A HEALTH REIMBURSEMENT ACCOUNT UNDER  
27 SECTION 43F.

1 (12) AS USED IN THIS SECTION:

2 (A) "CONTRIBUTOR" MEANS AN ELIGIBLE MEMBER WHO HAS ELECTED TO  
3 MAKE CONTRIBUTIONS TO THE MEDICAL BENEFIT ACCOUNT CREATED UNDER  
4 THIS SECTION.

5 (B) "ELIGIBLE MEMBER" MEANS A MEMBER WHO BECAME A MEMBER OR  
6 QUALIFIED PARTICIPANT BEFORE SEPTEMBER 4, 2012.

7 (C) "FORMER MEMBER" MEANS AN INDIVIDUAL WHO WAS A MEMBER AND  
8 WHO TERMINATES EMPLOYMENT UPON WHICH HIS OR HER MEMBERSHIP IS BASED  
9 FOR ANY REASON.

10 (D) "FORMER QUALIFIED PARTICIPANT" MEANS THAT TERM AS DEFINED  
11 IN SECTION 123.

12 (E) "HEALTH BENEFIT DEPENDENT" MEANS THE QUALIFIED OR FORMER  
13 QUALIFIED PARTICIPANT'S SPOUSE, IF ANY, AND AN UNMARRIED CHILD WHO  
14 IS CONSIDERED A DEPENDENT OF THE QUALIFIED OR FORMER QUALIFIED  
15 PARTICIPANT UNDER SECTION 152 OF THE INTERNAL REVENUE CODE, 26 USC  
16 152, IF ANY.

17 (F) "RETIRED CONTRIBUTOR" MEANS A CONTRIBUTOR WHO MEETS THE  
18 ELIGIBILITY REQUIREMENTS FOR A RETIREMENT ALLOWANCE UNDER SECTION  
19 81A.

20 SEC. 43F. AN ELIGIBLE MEMBER MAY MAKE VOLUNTARY CONTRIBUTIONS  
21 TO HIS OR HER HEALTH REIMBURSEMENT ACCOUNT IN A MANNER PRESCRIBED  
22 IN SECTION 10 OF THE PUBLIC EMPLOYEE RETIREMENT HEALTH CARE FUNDING  
23 ACT, 2010 PA 77, MCL 38.2740. AS USED IN THIS SECTION, "ELIGIBLE  
24 MEMBER" MEANS THAT TERM AS DEFINED IN SECTION 34A.