

Legislative Analysis



WHEN DEFINED BENEFIT PENSION IS A PROHIBITED SUBJECT IN COLLECTIVE BARGAINING

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House Bill 4804

Sponsor: Rep. Pete Lund

Committee: Local Government

Complete to 2-19-14

A SUMMARY OF HOUSE BILL 4804 AS INTRODUCED 6-5-13

House Bill 4804 would amend Public Act 336 of 1947 (MCL 423.215), which addresses collective bargaining for public employers and employees, and, among other things, prohibits strikes by public employees.

The bill would specify that if a city or charter county adopts a resolution, ordinance, or charter provision that operates to prohibit the offering of a defined benefit plan to some or all of its employees, then the subject of a defined benefit plan for those employees would be a prohibited subject for the purpose of collective bargaining.

(Currently, Public Act 336 includes many provisions that explicitly prohibit certain issues from being the subject of collective bargaining by public sector employers and their employees represented by unions. If these issues are addressed in labor contracts, they are addressed at the sole discretion of the public employer.)

House Bill 4804 further specifies that nothing in Public Act 336 would prohibit a city or charter county from adopting, or would limit the effect of, an ordinance or a charter provision that restricts the city or county from offering its employees a defined benefit plan.

The bill defines the phrase "defined benefit retirement plan" to mean a retirement plan for a group of employees that provides a specified benefit on retirement in a predetermined amount based on factors other than contributions and investment returns.

FISCAL IMPACT:

The bill would have no significant fiscal impact on the Bureau of Employment Relations within the Department of Licensing and Regulatory Affairs. Further fiscal analysis is in process.

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