

HOUSE BILL No. 4325

February 19, 1991, Introduced by Reps. Griffin, Niederstadt and O'Neill and referred to the Committee on Judiciary.

A bill to amend section 31 of Act No. 198 of the Public Acts of 1951, entitled as amended "Judges' retirement act," as amended by Act No. 208 of the Public Acts of 1984, being section 38.831 of the Michigan Compiled Laws; and to add sections 32 and 33.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 31 of Act No. 198 of the Public Acts of
2 1951, as amended by Act No. 208 of the Public Acts of 1984, being
3 section 38.831 of the Michigan Compiled Laws, is amended and sec-
4 tions 32 and 33 are added to read as follows:

5 Sec. 31. (1) Beginning January 1, ~~1983~~ 1992, the retire-
6 ment system shall pay the INSURANCE premium for ~~hospital and~~
7 ~~medical surgical and sick care benefits~~ HOSPITALIZATION AND
8 MEDICAL COVERAGE, DENTAL COVERAGE, VISION COVERAGE, HEARING

1 COVERAGE, OR A COMBINATION OF THESE BENEFITS for a retirant who
2 served after January 1, 1983 as a justice of the supreme court,
3 judge of the court of appeals, constitutional court administra-
4 tor, governor, lieutenant governor, secretary of state, attorney
5 general, or legislative auditor general, or for his or her
6 ~~retirement allowance~~ beneficiary AND HIS OR HER SPOUSE AND
7 DEPENDENTS who ~~elects~~ ELECT coverage in the state group health
8 insurance plan, ~~to~~ the same ~~extent~~ as is provided for
9 retirants, ~~and retirement allowance~~ beneficiaries, AND DEPENDENTS
10 UNDER SECTION 20D of the state employees' retirement
11 ~~system~~ ACT, ACT NO. 240 OF THE PUBLIC ACTS OF 1943, BEING SECTION
12 38.20D OF THE MICHIGAN COMPILED LAWS.

13 (2) The payment by the retirement system under subsection
14 (1) shall be paid only during those fiscal years for which section
15 20(2)(d) requires additional member contributions.

16 (3) BEGINNING JANUARY 1, 1992, THE RETIREMENT SYSTEM SHALL
17 PAY 75% OF THE INSURANCE PREMIUM FOR HOSPITALIZATION AND MEDICAL
18 COVERAGE, DENTAL COVERAGE, VISION COVERAGE, HEARING COVERAGE, OR
19 A COMBINATION OF THESE BENEFITS FOR A RETIRANT OR FOR HIS OR HER
20 BENEFICIARY AND HIS OR HER SPOUSE AND DEPENDENTS WHO ARE NOT ELIGIBLE
21 FOR COVERAGE UNDER SUBSECTION (1) AND WHO ELECT COVERAGE
22 UNDER THE STATE GROUP HEALTH INSURANCE PLAN OR PLANS UNDER THIS
23 SECTION. COVERAGE UNDER THE STATE GROUP HEALTH INSURANCE PLAN OR
24 PLANS SHALL BE THE SAME AS THE COVERAGE PROVIDED FOR RETIRANTS,
25 BENEFICIARIES, AND DEPENDENTS UNDER SECTION 20D OF THE STATE
26 EMPLOYEES' RETIREMENT ACT, ACT NO. 240 OF THE PUBLIC ACTS OF
27 1943, BEING SECTION 38.20D OF THE MICHIGAN COMPILED LAWS.

1 (4) A MEMBER WHO RETIRES ON OR AFTER JANUARY 1, 1992 OR A
 2 BENEFICIARY OF THAT RETIRANT MAY ELECT COVERAGE UNDER THE STATE
 3 GROUP HEALTH INSURANCE PLAN OR PLANS UNDER SUBSECTION (1) OR (3),
 4 AS APPLICABLE. HOWEVER, IF THE MEMBER WHO RETIRES ON OR AFTER
 5 JANUARY 1, 1992 OR A BENEFICIARY OF THAT RETIRANT ELECTS COVERAGE
 6 UNDER THE STATE GROUP HEALTH INSURANCE PLAN OR PLANS, HE OR SHE
 7 SHALL CANCEL COVERAGE UNDER ANY GROUP HEALTH INSURANCE PLAN OR
 8 PLANS PROVIDED BY ANOTHER PUBLICLY SUPPORTED RETIREMENT SYSTEM.

9 (5) A MEMBER WHO RETIRED BEFORE JANUARY 1, 1992 OR A BENEFI-
 10 CIARY OF THAT RETIRANT MAY ELECT COVERAGE UNDER THE STATE GROUP
 11 HEALTH INSURANCE PLAN OR PLANS UNDER SUBSECTION (1) OR (3) BEFORE
 12 JULY 1, 1992. HOWEVER, IF A MEMBER WHO RETIRED BEFORE JANUARY 1,
 13 1992 OR A BENEFICIARY OF THAT RETIRANT ELECTS COVERAGE UNDER THE
 14 STATE GROUP HEALTH INSURANCE PLAN OR PLANS, HE OR SHE SHALL
 15 CANCEL COVERAGE UNDER ANY GROUP HEALTH INSURANCE PLAN OR PLANS
 16 PROVIDED BY ANOTHER PUBLICLY SUPPORTED RETIREMENT SYSTEM.

17 SEC. 32. (1) EFFECTIVE OCTOBER 1, 1992, THE ANNUITY PAYABLE
 18 TO A RETIRANT OR BENEFICIARY OF A DECEASED RETIRANT WHOSE EFEC-
 19 TIVE DATE OF RETIREMENT WAS BEFORE JANUARY 1, 1987, EXCEPT A
 20 RETIRANT OR BENEFICIARY OF A DECEASED RETIRANT WHO WAS A MEMBER
 21 OF THIS RETIREMENT SYSTEM BEFORE SEPTEMBER 8, 1961, IS SUPPLE-
 22 MENTED AS FOLLOWS:

23	EFFECTIVE DATE OF RETIREMENT	PERCENT OF INCREASE
24	JANUARY 1, 1986 TO DECEMBER 31, 1986	8

1 JANUARY 1, 1985 TO DECEMBER 31, 1985	10
2 JANUARY 1, 1984 TO DECEMBER 31, 1984	12
3 JANUARY 1, 1983 TO DECEMBER 31, 1983	14
4 JANUARY 1, 1982 TO DECEMBER 31, 1982	16
5 JANUARY 1, 1981 TO DECEMBER 31, 1981	18
6 JANUARY 1, 1980 TO DECEMBER 31, 1980	20
7 JANUARY 1, 1979 TO DECEMBER 31, 1979	22
8 JANUARY 1, 1978 TO DECEMBER 31, 1978	24
9 JANUARY 1, 1977 TO DECEMBER 31, 1977	26
10 JANUARY 1, 1976 TO DECEMBER 31, 1976	28
11 JANUARY 1, 1975 TO DECEMBER 31, 1975	30
12 JANUARY 1, 1974 TO DECEMBER 31, 1974	32
13 JANUARY 1, 1973 TO DECEMBER 31, 1973	34
14 JANUARY 1, 1972 TO DECEMBER 31, 1972	36
15 BEFORE JANUARY 1, 1972	38

16 (2) THE RECALCULATED ANNUITY SHALL BE THE BASIS ON WHICH
 17 FUTURE ADJUSTMENTS TO THE ANNUITY ARE CALCULATED.

18 (3) THE SUPPLEMENT PROVIDED BY THIS SECTION SHALL BE CALCU-
 19 LATED PURSUANT TO SUBSECTION (1) AND SHALL BE PAID BY JANUARY 1,
 20 1993. IF A RETIRANT DIES BEFORE JANUARY 1, 1993 AND NO BENEFITS
 21 BECOME PAYABLE UNDER SECTION 15 OR 19C, THE RETIRANT'S ANNUITY
 22 SHALL NOT BE SUPPLEMENTED UNDER THIS SECTION.

23 SEC. 33. (1) THE ANNUITY PAYABLE TO A RETIRANT OR BENEFI-
 24 CIARY OF A DECEASED RETIRANT, EXCEPT A RETIRANT OR BENEFICIARY OF
 25 A DECEASED RETIRANT WHO WAS A MEMBER OF THIS RETIREMENT SYSTEM
 26 BEFORE SEPTEMBER 8, 1961, SHALL BE INCREASED EACH OCTOBER 1
 27 BEGINNING WITH THE LATER OF OCTOBER 1, 1992 OR THE FIRST OCTOBER

1 1 THAT IS AT LEAST 36 MONTHS AFTER THE EFFECTIVE DATE OF
2 RETIREMENT. THE AMOUNT OF THE ANNUAL INCREASE SHALL BE EQUAL TO
3 3% OF THE ANNUITY THAT WOULD BE PAYABLE AS OF THE DATE OF THE
4 INCREASE WITHOUT APPLICATION OF THIS SECTION. THE ANNUAL
5 INCREASE SHALL NOT EXCEED \$600.00.

6 (2) THE PERCENTAGE OF FINAL SALARY LIMITATIONS ON THE ANNU-
7 ITY PROVIDED BY SECTION 14 DOES NOT APPLY TO THE ANNUITY AS
8 INCREASED BY THIS SECTION.

9 Section 2. This amendatory act shall take effect January 1,
10 1992.

11 Section 3. This amendatory act shall not take effect unless
12 all of the following bills of the 86th Legislature are enacted
13 into law:

14 (a) Senate Bill No. _____ or House Bill No. 4327 (request
15 no. 01943'91).

16 (b) Senate Bill No. _____ or House Bill No. 4326 (request
17 no. 01944'91).