



**House
Legislative
Analysis
Section**

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HEALTH RESERVE RET. FUND

House Bill 4320

**Sponsor: Rep. William R. Bryant, Jr.
Committee: Public Retirement**

Complete to 5-5-93

A SUMMARY OF HOUSE BILL 4320 AS INTRODUCED 2-18-93

The bill would amend the Michigan Legislative Retirement System Act to create the Health Reserve Fund within the legislative retirement system. Under the bill, members of the system would have to make contributions by payroll deduction to the fund of one percent of each pay check received on or after October 1, 1993, and would be considered as agreeing to this as a condition of membership in the system. Currently, each member must pay one percent of each pay check into the Survivors' Retirement Fund, and one percent into the Grants and Insurance Revolving Fund. Under the bill, these contributions would be reduced to .5 percent of each pay check after October 1, 1993.

The act currently provides that the legislative retirement board may purchase and pay the premiums on dental, hospital and medical insurance coverage for those eligible for benefits under the act from appropriations made for this purpose to the Grants and Insurance Revolving Fund. The bill, instead, would require that beginning October 1, 1993, the retirement system would have to purchase and pay premiums on dental, hospital and medical insurance for eligible beneficiaries; the premiums would be paid from the newly created Health Benefits Fund. The bill would require that dental, hospital and medical insurance coverages be at a level that was equal to or greater than the level of coverage that was in effect on December 1, 1992. The retirement system would have to deposit into the Health Reserve Fund member contributions for health insurance as well as state appropriations, and disburse from the fund premiums for this insurance coverage as required by the bill.

MCL 38.1022, 38.1050a, and 38.1050b

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