



# HOUSE BILL No. 4796

May 18, 1993, Introduced by Reps. Dalman, Bobier, Dobb, Nye, London, Johnson, McNutt, Bender, Jamian, Richard A. Young, Gilmer, Griffin, Bodem, Rhead, Horton, Harder, Hammerstrom and Hill and referred to the Committee on Public Retirement.

A bill to amend section 91 of Act No. 300 of the Public Acts of 1980, entitled

"The public school employees retirement act of 1979,"

as amended by Act No. 193 of the Public Acts of 1989, being section 38.1391 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 91 of Act No. 300 of the Public Acts of  
2 1980, as amended by Act No. 193 of the Public Acts of 1989, being  
3 section 38.1391 of the Michigan Compiled Laws, is amended to read  
4 as follows:

5 Sec. 91. (1) The retirement system shall pay the entire  
6 monthly premium or membership or subscription fee for hospital,  
7 medical-surgical, and sick care benefits for the benefit of a  
8 retirant or retirement allowance beneficiary who elects coverage

1 in the plan authorized by the retirement board and the  
2 department.

3 (2) The retirement system may pay up to the maximum of the  
4 amount payable under subsection (1) toward the monthly premium  
5 for hospital, medical-surgical, and sick care benefits for the  
6 benefit of a retirant or retirement allowance beneficiary  
7 enrolled in a group health insurance or prepaid service plan not  
8 authorized by the retirement board and the department, if  
9 enrolled prior to June 1, 1975, for whom the retirement system on  
10 July 18, 1983 was making a payment towards his or her monthly  
11 premium.

12 (3) A retirant or retirement allowance beneficiary receiving  
13 hospital, medical-surgical, and sick care benefits coverage under  
14 subsection (1) or (2), until eligible for medicare, shall have an  
15 amount equal to the cost chargeable to a medicare recipient for  
16 part B of medicare deducted from his or her retirement  
17 allowance.

18 (4) The retirement system shall pay 90% of the monthly pre-  
19 mium or membership or subscription fee for dental, vision, and  
20 hearing benefits for the benefit of a retirant or retirement  
21 allowance beneficiary who elects coverage in the plan authorized  
22 by the retirement board and the department. Payments shall begin  
23 under this subsection upon approval by the retirement board and  
24 the department of plan coverage and a plan provider.

25 (5) The retirement system shall pay up to 90% of the maximum  
26 of the amount payable under subsection (1) toward the monthly  
27 premium or membership or subscription fee for hospital,

1 medical-surgical, and sick care benefits coverage described in  
2 subsections (1) and (2) for each health insurance dependent of a  
3 retirant receiving benefits under subsection (1) or (2). Payment  
4 shall not exceed 90% of the actual monthly premium or membership  
5 or subscription fee. The retirement system shall pay 90% of the  
6 monthly premium or membership or subscription fee for dental,  
7 vision, and hearing benefits described in subsection (4) for the  
8 benefit of each health insurance dependent of a retirant receiv-  
9 ing benefits under subsection (4). Payment for health benefits  
10 coverage for a health insurance dependent of a retirant shall not  
11 be made after the retirant's death, unless the retirant desig-  
12 nated a retirement allowance beneficiary as provided in  
13 section 85 and the dependent was covered or eligible for coverage  
14 as a health insurance dependent of the retirant on the retirant's  
15 date of death. Payment for health benefits coverage shall not be  
16 made for a health insurance dependent after the later of the  
17 retirant's death or the retirement allowance beneficiary's  
18 death. Payment under this subsection and subsection (6) shall  
19 begin October 1, 1985 for health insurance dependents who on  
20 July 10, 1985 are covered by the hospital, medical-surgical, and  
21 sick care benefits plan authorized by the retirement board and  
22 the department. Payment under this subsection and subsection (6)  
23 for other health insurance dependents shall not begin before  
24 January 1, 1986.

25 (6) The payment described in subsection (5) shall also be  
26 made for each health insurance dependent of a deceased member or  
27 deceased duty disability retirant if a retirement allowance is

1 being paid to a retirement allowance beneficiary because of the  
2 death of the member or duty disability retirant as provided in  
3 section 43c(c), 89, or 90. Payment for health benefits coverage  
4 for a health insurance dependent shall not be made after the  
5 retirement allowance beneficiary's death.

6 (7) The payments provided by this section shall not be made  
7 on behalf of a retiring section 82 deferred member or health  
8 insurance dependent of a deferred member having less than 21 full  
9 years of attained credited service or the retiring deferred  
10 member's retirement allowance beneficiary, and shall not be made  
11 on behalf of a retirement allowance beneficiary of a deferred  
12 member who dies before retiring. The retirement system shall  
13 pay, on behalf of a retiring section 82 deferred member or health  
14 insurance dependent of a deferred member or a retirement allow-  
15 ance beneficiary of a deceased deferred member, either of whose  
16 allowance is based upon not less than 21 years of attained cred-  
17 ited service, 10% of the payments provided by this section,  
18 increased by 10% for each attained full year of credited service  
19 beyond 21 years, not to exceed 100%. This subsection shall apply  
20 to any member attaining deferred status under section 82 after  
21 October 31, 1980.

22 (8) Any retirant or retirement allowance beneficiary  
23 excluded from payments under this section may participate in the  
24 hospital, medical-surgical, and sick care benefits plan ~~and/or~~  
25 OR the dental plan, vision plan, and hearing plan, OR COMBINATION  
26 OF PLANS, described in this section at his or her own cost.

1 (9) The hospital, medical-surgical, and sick care benefits  
2 plan, dental plan, vision plan, and hearing plan that covers  
3 retirants, retirement allowance beneficiaries, and health insur-  
4 ance dependents pursuant to this section shall contain a coordi-  
5 nation of benefits provision that provides all of the following:

6 (a) If the person covered under the hospital,  
7 medical-surgical, and sick care benefits plan is also eligible  
8 for medicare or medicaid, or both, then the benefits under medi-  
9 care or medicaid, or both, shall be determined before the bene-  
10 fits of the hospital, medical-surgical, and sick care benefits  
11 plan provided pursuant to this section.

12 (b) If the person covered under any of the plans provided by  
13 this section is also covered under another plan that contains a  
14 coordination of benefits provision, the benefits shall be coordi-  
15 nated as provided by the coordination of benefits act, Act No. 64  
16 of the Public Acts of 1984, being sections 550.251 to 550.255 of  
17 the Michigan Compiled Laws.

18 (c) If the person covered under any of the plans provided by  
19 this section is also covered under another plan that does not  
20 contain a coordination of benefits provision, the benefits under  
21 the other plan shall be determined before the benefits of the  
22 plan provided pursuant to this section.

23 (10) IF A PERSON HAS NOT MET THE SERVICE REQUIREMENTS TO  
24 RECEIVE A RETIREMENT ALLOWANCE UNDER THIS ACT ON DECEMBER 31,  
25 1993, AND PRESCRIPTION INSURANCE IS PROVIDED TO THAT PERSON UPON  
26 RETIREMENT, THAT PERSON SHALL PAY A CO-PAY IN AN AMOUNT

1 DETERMINED BY THE MICHIGAN CIVIL SERVICE COMMISSION FOR EACH  
2 COVERED PRESCRIPTION.

3 (11) ~~-(10)-~~ For purposes of this section:

4 (a) "Health insurance dependent" means any of the  
5 following:

6 (i) The spouse of the retirant or the surviving spouse to  
7 whom the retirant or deceased member was married at the time of  
8 the retirant's or deceased member's death.

9 (ii) An unmarried child, by birth or adoption, of the retir-  
10 ant or deceased member, until December 31 of the calendar year in  
11 which the child becomes 19 years of age.

12 (iii) An unmarried child, by birth or adoption, of the  
13 retirant or deceased member, until December 31 of the calendar  
14 year in which the child becomes 25 years of age, who is enrolled  
15 as a full-time student, and who is or was at the time of the  
16 retirant's or deceased member's death a dependent of the retirant  
17 or deceased member as defined in section 152 of the internal rev-  
18 enue code.

19 (iv) An unmarried child, by birth or adoption, of the retir-  
20 ant or deceased member who is incapable of self-sustaining  
21 employment because of mental or physical handicap, and who is or  
22 was at the time of the retirant's or deceased member's death a  
23 dependent of the retirant or deceased member as defined in sec-  
24 tion 152 of the internal revenue code.

25 (v) The parents of the retirant or deceased member, or the  
26 parents of his or her spouse, who are residing in the household  
27 of the retirant or retirement allowance beneficiary.

1       (b) "Medicaid" means benefits under the federal medicaid  
2 program established under title XIX of the social security act.

3       (c) "Medicare" means benefits under the federal medicare  
4 program established under title XVIII of the social security  
5 act.