



**House
Legislative
Analysis
Section**

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UNIV. EMPLOYEES' RETIREMENT

**House Bill 4047 (Substitute H-1)
Sponsor: Rep. Kim Rhead
Committee: Appropriations**

Complete to 10-17-95

A SUMMARY OF HOUSE BILL 4047 (SUBSTITUTE H-1)

Michigan's Public School Employees Retirement System (PSERS) Act currently includes under its provisions seven of the state's public universities (Eastern, Western, Northern, Central, Michigan Technical, Lake Superior State, and Ferris State); thus, employees of these institutions who qualify are members of PSERS. However, under the Optional Retirement Act of 1967, certain full-time employees of these institutions may opt out of PSERS into a different retirement system. (Employees of the state's six other universities--Michigan, Michigan State, Wayne State, Grand Valley State, Oakland, or Saginaw Valley--are exempt from the PSERS Act and are covered under the individual retirement systems of their respective employers.)

The bill would amend the PSERS Act to exempt the seven universities currently covered by the act and their future employees from participation in the act, and would repeal the Optional Retirement Act (MCL 38.381 to 38.388). The bill specifies that, beginning January 1, 1996, "out of system public education service" would mean, among other things, service performed at any of the state's public institutions of higher education. New employees of the seven universities hired after January 1, 1996 would not be members of the retirement system, and after this date the term "reporting unit" would not include a university unless it had employees on its payroll who were members of MPSERS.

MCL 38.1305, 38.1306, and 38.1307

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