



**House
Legislative
Analysis
Section**

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**STATE TREASURER TO MANAGE
DEFERRED COMP. INVESTMENTS**

House Bill 4941

Sponsor: Rep. Kim Rhead

Committee: Appropriations

Complete to 8-29-95

A SUMMARY OF HOUSE BILL 4941 AS INTRODUCED 6-7-95

Public Act 306 of 1976 authorizes the Department of Civil Service to provide for the administration--including how it is invested--of the state deferred compensation plan, a program that enables state employees to direct a portion of their earnings, untaxed, into an investment program to be withdrawn later (presumably, at retirement) when the amounts may be taxed at a lower rate. The bill would amend the act to specify that, beginning October 1, 1995, the state treasurer would be in charge of deciding how the deferred compensation plan was to be invested. This responsibility, however, would not apply to that portion of the plan that was managed and invested by an "independent fund manager" (a term not defined by the bill).

MCL 38.1151

House Bill 4941 (8-29-95)