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CONSTITUTIONAL AMENDMENT; RETIREMENT HEALTH CARE BENEFITS

House Joint Resolution T
Sponsor: Rep. Michael Hanley
Committee: Constitutional Law and Ethics

Complete to 7-12-00

A SUMMARY OF HOUSE JOINT RESOLUTION T AS INTRODUCED 6-8-00

The joint resolution would amend Article IX, Section 24 of the state constitution. Currently, the constitution says that “The accrued financial benefits of each pension plan and retirement system of the state and its political subdivisions shall be a contractual obligation thereof which shall not be diminished or impaired thereby. Financial benefits arising on account of service rendered in each fiscal year shall be funded during that year and such funding shall not be used for financing unfunded accrued liabilities.”

House Joint Resolution T would add language to this constitutional provision. It would require that the amount required for funding benefit obligations be appropriated annually, and that it be computed using an “individual projected benefit entry age normal cost method of valuation” or other comparable generally accepted actuarial funding method. Further, the resolution would require that amounts for funding benefit obligations computed and appropriated as required by the resolution would have to be paid at least annually into a reserve fund set aside for the exclusive purpose of funding benefit obligations.

Further, the resolution specifies that “accrued financial benefits” would include retirement health care benefits, whether provided under a pension plan or under a separate plan of health care benefits.

If passed by the legislature, the constitutional amendment would be submitted to the electorate at the next general election.

Analyst: D. Martens

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.