



# HOUSE BILL No. 5778

May 11, 2000, Introduced by Reps. Howell and Pappageorge and referred to the Committee on Insurance and Financial Services.

A bill to amend 1991 PA 190, entitled

"An act to provide for the direct deposit of state employee payrolls, state university payments, and state retirement benefit payments into financial institutions; to allow any financial institution to participate in a state employee payroll deduction program; and to prescribe the powers and duties of certain state agencies and officials,"

by amending sections 2 and 3 (MCL 487.2102 and 487.2103).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 2. (1) ~~Within 12 months after the effective date of~~  
2 ~~this act or January 1, 1993, whichever is later, the department~~  
3 ~~and the~~ THE bureau of retirement systems in the department of  
4 management and budget shall enroll ~~active state employees and~~  
5 recipients of a state retirement benefit who elect enrollment in  
6 a distribution system that directs the entire net amount of the  
7 ~~biweekly payroll or~~ monthly retirement benefit to be directly  
8 deposited by the department into ~~not more than 1 account~~ 1 OR

1 MORE ACCOUNTS maintained by the ~~employee or~~ recipient of a  
2 state retirement benefit with a financial institution.

3       (2) ~~Within 12 months after the effective date of this act or~~  
4 ~~January 1, 1993, whichever is later, the~~ THE department shall  
5 ~~establish~~ MAINTAIN a distribution system by which all state  
6 college and university monthly state payments will be made by  
7 electronic ~~fund~~ FUNDS transfer on the next business day follow-  
8 ing the fifteenth of the month during a month a payment is sched-  
9 uled to be made.

10       (3) THE DEPARTMENT SHALL ENROLL ACTIVE STATE EMPLOYEES WHO  
11 ELECT ENROLLMENT IN A DISTRIBUTION SYSTEM THAT DIRECTLY DEPOSITS  
12 THEIR NET PAYROLL AMOUNT INTO 1 OR MORE ACCOUNTS AT 1 OR MORE  
13 FINANCIAL INSTITUTIONS.

14       Sec. 3. ~~Within 12 months after the effective date of this~~  
15 ~~act or January 1, 1993, whichever is later, the~~ THE department  
16 and the department of management and budget shall establish cri-  
17 teria and the distribution system by which a financial institu-  
18 tion may participate in a state payroll deduction program.