

Act No. 209
Public Acts of 1999
Approved by the Governor
December 20, 1999
Filed with the Secretary of State
December 21, 1999
EFFECTIVE DATE: December 21, 1999

**STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 1999**

Introduced by Senators Bullard, Steil, Hammerstrom, Johnson, Bennett, Dunaskiss, McCotter and Stille

ENROLLED SENATE BILL No. 539

AN ACT to amend 1846 RS 16, entitled "Of the powers and duties of townships, the election and duties of township officers, and the division of townships," by amending section 110b (MCL 41.110b), as added by 1989 PA 77.

The People of the State of Michigan enact:

Sec. 110b. (1) A township may do all of the following:

(a) Establish a retirement system for its employees and provide for financing, funding, and the payment of benefits in the same manner and to the same extent as permitted counties under section 12a of 1851 PA 156, MCL 46.12A, or make contracts of insurance with an insurance company authorized to transact business within this state.

(b) Make arrangements with a prepayment plan authorized to transact business within the state, insuring and covering 1 or more of the following under policies of group insurance or prepayment plan contracts, or both, covering life, accident, dental care, vision care, health, hospitalization, and medical and surgical service and expense insurance:

(i) Elected or appointed township officers and employees, and dependents of those officers or those employees.

(ii) Any classes of elected or appointed township officers and employees, and dependents of those officers or those employees.

(iii) Any classes of retired township officers and employees, and dependents of those officers or those employees.

(c) Establish a cafeteria plan authorized under section 125 of the internal revenue code of 1986 for its elected or appointed officers and employees, any classes of elected or appointed officers and employees, and dependents of those officers and those employees. As used in this subdivision, "cafeteria plan" means that term as defined in section 125 of the internal revenue code of 1986.

(d) Contract with a company that grants annuities or pensions for the pensioning of the officers and employees and for these purposes pay any part of the premiums or charges for insurance, prepayment plan coverage, annuities, or pensions.

(e) Offer any other employment benefit authorized by state or federal law.

(2) Notwithstanding any other provision of law, the proper disbursing officer of the township may deduct from an officer's or employee's pay, salary, or compensation that part of the premium or charge that is payable by the officer or employee.

(3) A contract of insurance or arrangement for prepayment plan coverage procured under this section may provide that each elected or appointed officer or employee becoming eligible for insurance or coverage becomes insured or covered automatically when he or she becomes eligible, subject to any actively-at-work requirements or effective retirement dates specified in the contract or arrangement. If the insurance or coverage under the contract or arrangement requires contributions from the individual, any individual desiring not to be insured or covered under the

contract or arrangement shall give written notice to his or her employing office that he or she desires not to be insured or covered, and if the notice is received before the individual has become insured or covered under the contract or arrangement, he or she shall not be insured or covered. If the notice is received after the individual has become insured or covered, his or her insurance or coverage under the contract or arrangement shall cease as provided for in the contract or arrangement.

(4) This section does not affect the validity of a retirement program or contract of group insurance or arrangement for prepayment plan coverage entered into by the township before June 20, 1989.

(5) The authority given under this section is in addition to and not in derogation of any power existing in the township under the laws of this state. A township may exercise the powers granted under this section by ordinance without the necessity of amending its charter.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Jay E. Randall

Clerk of the House of Representatives.

Approved

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Governor.