



House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

**LOCAL RETIREMENT SYSTEMS:
USE INTEREST FOR HEALTH CARE
BENEFITS**

House Bill 6428

Sponsor: Rep. Joseph Rivet

**Committee: Senior Health, Security and
Retirement**

Complete to 9-30-02

A SUMMARY OF HOUSE BILL 6428 AS INTRODUCED 9-24-02

Public Act 28 of 1966 allows the board of trustees of a retirement system covering city, village, or township police and firefighters or municipal employees to use up to half of the interest earned on any reserve fund (consisting of employer contributions) of the system to contract for medical, hospital, or nursing care for retirees. The act specifies that the amount of interest used for this purpose is to be included as interest and other earnings on money of the retirement system in the computation of the local unit's liability for regular interest. It further specifies that the "supplemental benefits" (for health care) are not to be considered an increase in the rate of retirement benefits, but that they can be paid on a year to year basis and do not create a liability for their continuance.

House Bill 6428 would amend the act to extend these provisions so that they would also apply to counties.

MCL 38.571 and 38.572

House Bill 6428 (9-30-02)

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.