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**FISCAL ANALYSIS**

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**HOUSE BILL 5728 (H-2)**

**Sponsor:** Rep. Jerry Vander Roest

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

**REVISED FLOOR ANALYSIS - 4/17/02**

**Analyst(s):** Al Valenzio

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**SUMMARY**

Amends the Public Employee Retirement System Investment Act to require a supplemental actuarial evaluation of proposed pension benefit changes within a state or local government retirement system. The bill requires that the evaluation be completed by the system's actuary and be provided to the decision making body at least 30 days before the proposed change is to go into effect. Pension benefit does not include health benefits for purposes of this bill.

The bill also stipulates that the amortization period for determining employer contributions shall not exceed 30 years for fiscal years that begin after December 31, 2005.

**STATE FISCAL IMPACT**

None.

**LOCAL FISCAL IMPACT**

Indeterminate. A cost will be incurred if supplemental actuarial evaluations are not a current practice of the local unit. Lowering the amortization period is consistent with a recent national standard ruling that public pension plans are already implementing.