

HOUSE BILL No. 6200

June 13, 2002, Introduced by Rep. Ehardt and referred to the Committee on Senior Health, Security and Retirement.

A bill to amend 1957 PA 261, entitled
"Michigan legislative retirement system act,"
by amending section 75 (MCL 38.1075), as amended by 1998 PA 501.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 75. (1) A qualified participant is immediately 100%
2 vested in his or her contributions made to Tier 2. A qualified
3 participant shall vest in the employer contributions made on his
4 or her behalf to Tier 2 according to the following schedule:

5 (a) Upon completion of 2 years of service, 50%.

6 (b) Upon completion of 3 years of service, 75%.

7 (c) Upon completion of 4 years of service, 100%.

8 (2) A qualified participant is vested in the health insur-
9 ance coverage provided in section 79 if the qualified participant
10 meets 1 of the following requirements:

1 (a) The qualified participant has completed 6 years of
2 service as a qualified participant and was not a member, deferred
3 vested member, or former nonvested member of Tier 1.

4 (b) The qualified participant was a member, deferred vested
5 member, or former nonvested member of Tier 1 who made an election
6 to participate in Tier 2 pursuant to section 61, and who has met
7 the service requirements he or she would have been required to
8 meet in order to vest in health benefits under section 50b.

9 (c) The qualified participant meets all of the following
10 requirements:

11 (i) Was not a member, deferred vested member, or former non-
12 vested member of Tier 1.

13 (ii) Was first elected to fill a vacancy in the house of
14 representatives for a period less than the full term but more
15 than 1/2 of the term of office.

16 (iii) Has completed 5 years of service as a qualified
17 participant.

18 (3) A FORMER QUALIFIED PARTICIPANT WHO HAS VESTED UNDER THIS
19 SECTION BUT HAS NOT MET OR EXCEEDED THE BENEFIT COMMENCEMENT AGE
20 DESCRIBED IN SECTION 79(1)(B) MAY PURCHASE HEALTH INSURANCE FROM
21 THE STATE TREASURER FOR HIMSELF OR HERSELF AND ANY HEALTH BENEFIT
22 DEPENDENTS. PAYMENTS SHALL BE NO GREATER THAN ACTUAL PREMIUM
23 COST. BENEFITS SHALL COMMENCE UPON PAYMENT OF THE PREMIUM TO THE
24 STATE TREASURER. COVERAGE UNDER THIS SUBSECTION CONTINUES UNTIL
25 THE FORMER QUALIFIED PARTICIPANT QUALIFIES TO RECEIVE HEALTH BEN-
26 EFITS UNDER SECTION 79 OR UNTIL THE FORMER QUALIFIED PARTICIPANT
27 CEASES TO MAKE PREMIUM PAYMENTS UNDER THIS SECTION OR UNTIL THE

- 1 POLICY UNDER WHICH THE FORMER QUALIFIED PARTICIPANT RECEIVES
- 2 COVERAGE IS CANCELED OR LAPSES, WHICHEVER IS EARLIEST.