

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4285 (Substitute H-1 as passed by the House)
Sponsor: Representative Stephen Ehardt
House Committee: Senior Health, Security, and Retirement
Senate Committee: Education

Date Completed: 5-15-03

CONTENT

The bill would amend the Public School Employees Retirement Act to require the Michigan Public Schools Employees' Retirement System to withhold, upon written application of a retirant, the entire monthly premium for voluntary long-term care insurance for the retirant, the retirement allowance beneficiary, and health insurance dependents, who elected coverage in a long-term care insurance plan authorized by the retirement system. If the entire monthly premium for retirants, beneficiaries, and dependents were greater than the retirement allowance, the system would have to withhold the entire retirement allowance and apply it to the premium balance.

The bill would define "long-term care insurance" as group insurance authorized by the retirement system for retirants, retirement allowance beneficiaries, and health insurance dependents to cover the costs of services provided to retirants, retirement allowance beneficiaries, and health insurance dependents, from nursing homes, assisted living facilities, home health care providers, adult day care providers, and other similar service providers.

("Health insurance dependent" is defined in the Act as a retirant's spouse; unmarried child 19 or under, or 25 or under if enrolled as a full-time student; unmarried child incapable of self-sustaining employment because of a mental or physical disability; or the parent or parent-in-law of the retirant residing in the household of the retirant or beneficiary.)

MCL 38.1304 et al.

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill could result in a minimal increase in the administrative costs for the retirement system. The cost associated with withholding the premiums would depend on the number of retirees who chose to have the premiums withheld. The bill would have no fiscal impact on local government.

Fiscal Analyst: Joe Carrasco

S0304\4285sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.