

# Legislative Analysis



## CAP BENEFITS OF NEW HIRES IN MUNICIPAL AND SCHOOL EMPLOYEE RETIREMENT SYSTEMS

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### House Bill 4807

**Sponsor: Rep. Lorence Wenke**  
**Committee: Oversight and Operations**

### House Bill 4808

**Sponsor: Rep. Lorence Wenke**  
**Committee: Education**

**Complete to 5-23-07**

## A SUMMARY OF HOUSE BILLS 4807 & 4808 AS INTRODUCED 5-17-07

The bills would cap the cost of retirement benefits (and in the case of municipal employees, associated retirement health care benefits, as well) offered to employees hired after March 31, 2008, under the Municipal Employees Retirement System or the Public School Employees Retirement System.

House Bill 4807 would amend the Municipal Employees Retirement Systems Act of 1984 to require the Retirement Board of the Municipal Employees Retirement System to:

"assure for all employees under the system who become employees after March 31, 2008 that the cost of the retirement benefits offered under this act and any associated retirement health care benefits offered under this act shall not exceed the cost of benefits to qualified participants receiving benefits under the state employees' retirement act, 1943 PA 240, MCL 38.1 to 38.69."

House Bill 4808 would amend the Public School Employees Retirement Act to prohibit the Michigan Public School Employees Retirement System, its retirement board, or reporting units from providing:

"a retirement benefit plan for public school employees who first become public school employees after March 31, 2008 unless that retirement benefit plan does not exceed the cost of retirement benefits offered for qualified participants under the state employees retirement act, 1943 PA 240, MCL 38.1 to 38.69."

## FISCAL IMPACT:

The fiscal impact is indeterminate.

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