



Senate Fiscal Agency  
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**BILL ANALYSIS**

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House Bill 4512 (as passed by the House)  
Sponsor: Representative Lee Gonzales  
House Committee: Appropriations  
Senate Committee: Appropriations

Date Completed: 5-08-07

**CONTENT**

This bill would make a change to the State Employees' Retirement System for fiscal year 2006-07 only. It would allow for an interest-only payment on the unfunded actuarially accrued liability (UAAL) for FY 2006-07, deferring the payments on the principal for this fiscal year. For FY 2006-07, the UAAL contribution is 4.5% of the UAAL.

MCL 38.38

**FISCAL IMPACT**

The interest-only payment would create savings of \$82.9 million Gross and \$44.8 GF/GP.

Fiscal Analyst: Kirk Sanderson

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