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BILL ANALYSIS

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House Bill 4194 (Substitute H-3 as passed by the House)
Sponsor: Representative Dian Slavens
House Committee: Government Operations
Senate Committee: Reforms and Restructuring

Date Completed: 2-24-10

CONTENT

The bill would amend the Michigan Legislative Retirement System Act, under which the State is responsible for contributing 90% of the retiree health insurance premium payments for legislators elected after March 31, 1997, who qualify for retirement with benefits. A legislator must have served at least six years, and must be at least age 55, in order to begin receiving health care provided by the State's plan.

House Bill 4194 (H-3) would eliminate retiree health care coverage for legislators who are elected after November 1, 2010. This would not have an impact on currently elected officials, but would be prospective by affecting those elected after November 1, 2010.

MCL 38.1075

FISCAL IMPACT

The bill would reduce costs to the Legislative Retirement System (LRS), with very minimal savings initially, growing over time as more members are newly elected and not provided with health care benefits upon retirement. In fiscal year 2007-08, \$4.7 million was paid in health care costs under the LRS, covering 341 retirees.

Fiscal Analyst: Kathryn Summers

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