

SUBSTITUTE FOR
HOUSE BILL NO. 4072

A bill to amend 1943 PA 240, entitled
"State employees' retirement act,"
by amending section 20d (MCL 38.20d), as amended by 2002 PA 93.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20d. (1) On and after July 1, 1974 **AND BEFORE OCTOBER 1,**
2 **2009,** hospitalization and medical coverage insurance premium
3 payable by any retirant or his or her beneficiary and his or her
4 dependents under any group health plan authorized by the Michigan
5 civil service commission and the department of management and
6 budget shall be paid by the retirement board from the health
7 insurance reserve fund created in section 11. **ON AND AFTER OCTOBER**
8 **1, 2009, HOSPITALIZATION AND MEDICAL COVERAGE INSURANCE PREMIUM**
9 **PAYABLE BY ANY RETIRANT OR HIS OR HER BENEFICIARY AND HIS OR HER**
10 **DEPENDENTS UNDER A GROUP HEALTH PLAN AUTHORIZED BY THE CIVIL**

1 SERVICE COMMISSION, THE RETIREMENT BOARD, AND THE DEPARTMENT OF
2 MANAGEMENT AND BUDGET SHALL BE PAID BY THE RETIREMENT BOARD FROM
3 THE HEALTH INSURANCE RESERVE FUND CREATED IN SECTION 11. ON AND
4 AFTER OCTOBER 1, 2009, THE GROUP HEALTH PLAN SHALL BE AUTHORIZED BY
5 THE CIVIL SERVICE COMMISSION, THE RETIREMENT BOARD, AND THE OFFICE
6 OF RETIREMENT SERVICES IN THE DEPARTMENT OF MANAGEMENT AND BUDGET
7 AND SELECTED AND ADMINISTERED BY THE OFFICE OF RETIREMENT SERVICES
8 IN THE DEPARTMENT OF MANAGEMENT AND BUDGET. The amount payable
9 shall be in the same proportion of premium payable by the state of
10 Michigan for the classified employees occupying positions in the
11 state civil service. The hospitalization and medical insurance
12 premium payable shall be paid from appropriations made for this
13 purpose to the health insurance reserve fund sufficient to cover
14 the premium payment needed to be made.

15 (2) Effective January 1, 1988 **AND BEFORE OCTOBER 1, 2009**, 90%
16 of the premium payable by a retirant or the retirant's beneficiary
17 and his or her dependents for dental coverage or vision coverage,
18 or both, under any group plan authorized by the Michigan civil
19 service commission and the department of management and budget
20 shall be paid by the retirement board from the health insurance
21 reserve fund created in section 11. **ON AND AFTER OCTOBER 1, 2009,**
22 **90% OF THE PREMIUM PAYABLE BY A RETIRANT OR THE RETIRANT'S**
23 **BENEFICIARY AND HIS OR HER DEPENDENTS FOR DENTAL COVERAGE OR VISION**
24 **COVERAGE, OR BOTH, UNDER ANY GROUP PLAN AUTHORIZED BY THE**
25 **RETIREMENT BOARD AND THE DEPARTMENT OF MANAGEMENT AND BUDGET SHALL**
26 **BE PAID BY THE RETIREMENT BOARD FROM THE HEALTH INSURANCE RESERVE**
27 **FUND CREATED IN SECTION 11. ON AND AFTER OCTOBER 1, 2009, THE GROUP**

1 PLAN FOR DENTAL COVERAGE OR VISION COVERAGE, OR BOTH, SHALL BE
2 AUTHORIZED BY THE CIVIL SERVICE COMMISSION, THE RETIREMENT BOARD,
3 AND THE OFFICE OF RETIREMENT SERVICES IN THE DEPARTMENT OF
4 MANAGEMENT AND BUDGET AND SELECTED AND ADMINISTERED BY THE OFFICE
5 OF RETIREMENT SERVICES IN THE DEPARTMENT OF MANAGEMENT AND BUDGET.

6 (3) The department of management and budget shall calculate
7 for each fiscal year any cost savings that have accrued to this
8 state as a result of the implementation of 1996 PA 487 over the
9 costs that would have been incurred by this state to fund premiums
10 payable pursuant to section 68 had 1996 PA 487 not been
11 implemented. The total amount of the cost savings, if any, shall be
12 allocated to the health advance funding subaccount created under
13 section 11(9).

14 (4) On and after March 31, 1997, the retirement system shall
15 also pay health insurance premiums described in this section in the
16 manner prescribed in section 68. ON AND AFTER OCTOBER 1, 2009, THE
17 CIVIL SERVICE COMMISSION, THE RETIREMENT BOARD, AND THE OFFICE OF
18 RETIREMENT SERVICES IN THE DEPARTMENT OF MANAGEMENT AND BUDGET
19 SHALL AUTHORIZE GROUP PLANS FOR QUALIFIED PARTICIPANTS FOR
20 HOSPITALIZATION, MEDICAL COVERAGE, DENTAL COVERAGE, AND VISION
21 COVERAGE. THE AUTHORIZED PLANS SHALL BE SELECTED AND ADMINISTERED
22 BY THE OFFICE OF RETIREMENT SERVICES IN THE DEPARTMENT OF
23 MANAGEMENT AND BUDGET.

24 (5) For purposes of this section, "retirant" includes a person
25 who retires under section 306 or 410 of the Michigan military act,
26 1967 PA 150, MCL 32.706 and 32.810.