

HOUSE BILL No. 5689

December 10, 2009, Introduced by Rep. Dillon and referred to the Committee on Public Employee Health Care Reform.

A bill to amend 1986 PA 182, entitled
"State police retirement act of 1986,"
by amending section 42 (MCL 38.1642), as amended by 2004 PA 50.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 42. (1) Hospitalization and medical coverage insurance
2 premiums payable by a retirant or his or her retirement allowance
3 beneficiary and his or her dependents under any group health plan
4 authorized by the Michigan civil service commission and the
5 department shall be paid in amounts provided by this subsection
6 from appropriations for this purpose made to the retirement system.
7 COVERAGE PROVIDED AND PLANS AUTHORIZED UNDER THIS SECTION SHALL BE
8 PROVIDED AND AUTHORIZED IN ACCORDANCE WITH THE MICHIGAN HEALTH
9 BENEFITS PROGRAM ACT. COVERAGE PROVIDED AND PLANS AUTHORIZED IN

1 **ACCORDANCE WITH THE MICHIGAN HEALTH BENEFITS PROGRAM ACT SHALL BE**
2 **SUBJECT TO SECTION 21 OF THE MICHIGAN HEALTH BENEFITS PROGRAM ACT.**

3 Until October 1, 1989, the amount payable by the retirement system
4 shall be 90% of the entire monthly premium payable for
5 hospitalization and medical coverage insurance. Beginning October
6 1, 1989, the amount payable by the retirement system shall be 95%
7 of the entire monthly premium payable for hospitalization and
8 medical coverage insurance.

9 (2) Effective October 1, 1989, dental coverage and vision
10 coverage insurance premiums payable by a retirant or his or her
11 retirement allowance beneficiary and his or her dependents under
12 any group health plan authorized by the Michigan civil service
13 commission and the department shall be paid in amounts provided by
14 this subsection from appropriations for this purpose made to the
15 retirement system. **COVERAGE PROVIDED AND PLANS AUTHORIZED UNDER**
16 **THIS SECTION SHALL BE IN ACCORDANCE WITH THE MICHIGAN HEALTH**
17 **BENEFITS PROGRAM ACT.** The amount payable by the retirement system
18 shall be 90% of the entire monthly premium payable for dental
19 coverage and vision coverage insurance.

20 (3) The health-dental-vision benefits fund is created and
21 shall be the fund into which appropriations of the state for
22 health, dental, and vision benefits are paid. Benefits payable
23 pursuant to subsections (1) and (2) shall be payable from the
24 health-dental-vision benefits fund. The assets and any earnings on
25 the assets contained in the health-dental-vision benefits fund and
26 the health advance funding subaccount are not to be treated as
27 pension assets for any purpose.

1 (4) The health advance funding subaccount is the account to
2 which amounts transferred pursuant to section 14(3) are credited.
3 Any amounts received from the health advance funding subaccount and
4 accumulated earnings on those amounts shall not be expended until
5 the actuarial accrued liability for health benefits under this
6 section is at least 100% funded. The department may expend funds or
7 transfer funds to another account to expend for health benefits
8 under this section if the actuarial accrued liability for health
9 benefits under this section is at least 100% funded.

10 (5) Notwithstanding any other provision of this section, the
11 department may transfer amounts from the health advance funding
12 subaccount to the reserve for employer contributions created by
13 section 16 if the actuarial valuation prepared pursuant to section
14 14 demonstrates that, as of the beginning of a fiscal year, and
15 after all credits and transfers required by this act for the
16 previous fiscal year have been made, the sum of the actuarial value
17 of assets and the actuarial present value of future normal cost
18 contributions does not exceed the actuarial present value of
19 benefits.

20 Enacting section 1. This amendatory act does not take effect
21 unless House Bill No. 5345 of the 95th Legislature is enacted into
22 law.