

# HOUSE BILL No. 6333

July 21, 2010, Introduced by Rep. Geiss and referred to the Committee on Intergovernmental and Regional Affairs.

A bill to amend 1846 RS 16, entitled

"Of the powers and duties of townships, the election and duties of township officers, and the division of townships,"

by amending section 110b (MCL 41.110b), as amended by 1999 PA 209.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 110b. (1) ~~A-EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,~~

2       A township may do all of the following:

3       (a) Establish a retirement system for its employees and  
4       provide for financing, funding, and the payment of benefits in the  
5       same manner and to the same extent as permitted counties under  
6       section 12a of 1851 PA 156, MCL ~~46.12A~~, **46.12A** or make contracts of  
7       insurance with an insurance company authorized to transact business  
8       within this state.

9       (b) Make arrangements with a prepayment plan authorized to  
10      transact business within the state, insuring and covering 1 or more

1 of the following under policies of group insurance or prepayment  
2 plan contracts, or both, covering life, accident, dental care,  
3 vision care, health, hospitalization, and medical and surgical  
4 service and expense insurance:

5 (i) Elected or appointed township officers and employees, and  
6 dependents of those officers or those employees.

7 (ii) Any classes of elected or appointed township officers and  
8 employees, and dependents of those officers or those employees.

9 (iii) Any classes of retired township officers and employees,  
10 and dependents of those officers or those employees.

11 (c) Establish a cafeteria plan authorized under section 125 of  
12 the internal revenue code of 1986 for its elected or appointed  
13 officers and employees, any classes of elected or appointed  
14 officers and employees, and dependents of those officers and those  
15 employees. As used in this subdivision, "cafeteria plan" means that  
16 term as defined in section 125 of the internal revenue code of  
17 1986.

18 (d) Contract with a company that grants annuities or pensions  
19 for the pensioning of the officers and employees and for these  
20 purposes pay any part of the premiums or charges for insurance,  
21 prepayment plan coverage, annuities, or pensions.

22 (e) Offer any other employment benefit authorized by state or  
23 federal law.

24 (2) Notwithstanding any other provision of law, the proper  
25 disbursing officer of the township may deduct from an officer's or  
26 employee's pay, salary, or compensation that part of the premium or  
27 charge that is payable by the officer or employee.

1           (3) A contract of insurance or arrangement for prepayment plan  
2 coverage procured under this section may provide that each elected  
3 or appointed officer or employee becoming eligible for insurance or  
4 coverage becomes insured or covered automatically when he or she  
5 becomes eligible, subject to any actively-at-work requirements or  
6 effective retirement dates specified in the contract or  
7 arrangement. If the insurance or coverage under the contract or  
8 arrangement requires contributions from the individual, any  
9 individual desiring not to be insured or covered under the contract  
10 or arrangement shall give written notice to his or her employing  
11 office that he or she desires not to be insured or covered, and if  
12 the notice is received before the individual has become insured or  
13 covered under the contract or arrangement, he or she shall not be  
14 insured or covered. If the notice is received after the individual  
15 has become insured or covered, his or her insurance or coverage  
16 under the contract or arrangement shall cease as provided for in  
17 the contract or arrangement.

18           (4) This section does not affect the validity of a retirement  
19 program or contract of group insurance or arrangement for  
20 prepayment plan coverage entered into by the township before June  
21 20, 1989.

22           **(5) BEGINNING WITH EMPLOYEES HIRED ON AND AFTER OCTOBER 1,**  
23 **2010, A TOWNSHIP SHALL NOT PAY AN EMPLOYEE WHO HAS RETIRED A**  
24 **DEFINED BENEFIT RETIREMENT BENEFIT THAT IS GREATER THAN 55% OF THE**  
25 **EMPLOYEE'S BASE PAY ON AN ANNUAL BASIS. IF A COLLECTIVE BARGAINING**  
26 **AGREEMENT OR OTHER BINDING AGREEMENT THAT AFFECTS THE DEFINED**  
27 **BENEFIT PENSION AMOUNT IS IN EFFECT ON SEPTEMBER 30, 2011, THE**

1 DEFINED BENEFIT PENSION AMOUNT SHALL BE PAID IN ACCORDANCE WITH THE  
2 TERMS OF THE COLLECTIVE BARGAINING OR OTHER BINDING AGREEMENT UNTIL  
3 THE AGREEMENT EXPIRES OR IS REVISED OR RENEWED. AS USED IN THIS  
4 SECTION, "BASE PAY" MEANS THE HOURLY PAY RATE OF THE EMPLOYEE UP TO  
5 40 HOURS PER WEEK AND 52 WEEKS PER YEAR. BASE PAY SHALL NOT INCLUDE  
6 ANY OF THE FOLLOWING:

7 (A) OVERTIME PAY.

8 (B) ACCRUED SICK LEAVE OR ACCRUED VACATION TIME.

9 (C) BONUS PAY.

10 (D) THE COST OF HEALTH INSURANCE OR OTHER FRINGE BENEFITS.

11 (E) ONE-TIME LUMP-SUM PAYMENTS.

12 (6) ~~(5)~~—The authority given under this section is in addition  
13 to and not in derogation of any power existing in the township  
14 under the laws of this state. A township may exercise the powers  
15 granted under this section by ordinance without the necessity of  
16 amending its charter.