

# HOUSE BILL No. 6334

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

A bill to amend 1984 PA 427, entitled  
"Municipal employees retirement act of 1984,"  
(MCL 38.1501 to 38.1555) by adding section 36b.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 36B. BEGINNING WITH EMPLOYEES WHO WERE HIRED ON AND AFTER  
2        OCTOBER 1, 2010, A MUNICIPALITY SHALL NOT OFFER ANY MEMBER A  
3        DEFINED BENEFIT RETIREMENT BENEFIT THAT EXCEEDS, ON AN ANNUAL  
4        BASIS, 55% OF THE BASE PAY OF THE MEMBER THAT THE MUNICIPALITY  
5        UTILIZED TO CALCULATE THE BENEFIT. IF A COLLECTIVE BARGAINING  
6        AGREEMENT OR OTHER BINDING AGREEMENT THAT AFFECTS THE DEFINED  
7        BENEFIT PENSION AMOUNT IS IN EFFECT ON SEPTEMBER 30, 2010, THE  
8        DEFINED BENEFIT PENSION AMOUNT SHALL BE PAID IN ACCORDANCE WITH THE  
9        TERMS OF THE COLLECTIVE BARGAINING OR OTHER BINDING AGREEMENT UNTIL  
10       THE AGREEMENT EXPIRES OR IS REVISED OR RENEWED. AS USED IN THIS

1 SECTION, "BASE PAY" MEANS THE HOURLY PAY RATE OF THE MEMBER UP TO  
2 40 HOURS PER WEEK AND 52 WEEKS PER YEAR. BASE PAY SHALL NOT INCLUDE  
3 ANY OF THE FOLLOWING:

4 (A) OVERTIME PAY.

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

6 (C) BONUS PAY.

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

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