



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1189 (as reported without amendment)
Sponsor: Senator Mark C. Jansen
Committee: Appropriations

(as enrolled)

CONTENT

The bill would add Section 8a to the Public Employee Retirement Benefit Protection Act to require a retirement system that has both members and retirants eligible to be elected to the governing board, to comply with the section as follows:

- The retirement system and the political subdivision sponsoring the retirement system would have to ensure equal treatment of all individuals elected to or seeking election to the position of member of the governing board.
- The retirement system or the political subdivision sponsoring it could not require a retirant who is elected or who seeks election to the board to meet more stringent or additional requirements to serve, be elected, or participate in the election process than a member elected or seeking election to the retirement board.
- If the retirement system or the political subdivision sponsoring it compensates a member who is elected to the governing board, the retirement system or the political subdivision would have to compensate a retirant elected to the board at an amount at least equal to the least amount of compensation provided to a member elected to the board.

The bill would define "compensate" and "compensation" as any form of remuneration for performing duties as a member of the board, and would define "member of the governing board" as a trustee, commissioner, or other official member of the governing board vested with the general administration, management, and operation of the retirement system or other decision-making body responsible for the retirement system.

Proposed MCL 38.1688a

FISCAL IMPACT

The bill would have a fiscal impact in situations in which a retirant serving as a member of the governing board of a retirement system is compensated at a lesser amount than paid to an actively working member also serving as a member of the board. Under the bill, the retirant elected to and serving on the board would have to be compensated at least as much as the least amount of compensation provided to an actively working member who is on the board.

Date Completed: 9-19-12

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