

## FORFEITURE OF RETIREMENT HEALTH BENEFITS FOR CERTAIN PUBLIC EMPLOYEES

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<http://www.house.mi.gov/hfa>

House Bill 5918 proposed committee substitute (H-1)

Sponsor: Rep. Peter J. Lucido

Committee: Financial Liability Reform

Complete to 9-25-18

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 5918 would amend the Public Employee Retirement Benefits Forfeiture Act, beginning with the effective date of the bill, to eliminate *retiree health benefits* for certain public employees upon a criminal conviction or a finding of civil responsibility for willful and wanton neglect of duty arising out of his or her service as a public employee.

Under the bill, *retiree health benefits* would mean an annuity, allowance, payment, or contribution to, for, or on behalf of a current or former public employee or retiree or his or her dependent to pay for any of the following:

- Expenses related to drugs or medical, dental, hearing, or vision care.
- Premiums for insurance covering drugs or medical, dental, hearing, or vision care.
- Expenses or premiums for life, disability, long-term care, or similar welfare benefits.

Applicable public employees or retirees would include any member of a retirement system as defined under the act—meaning a public employee retirement system established by this state or a political subdivision of this state.

The bill would also require that the Attorney General notify the applicable retirement system of a criminal conviction or finding under this section.

### FISCAL IMPACT:

House Bill 5918 would reduce costs, although negligibly, for the applicable retirement system depending on the number of employees for whom the forfeiture would apply, the retirement health benefit for which an applicable employee were eligible—as benefits have diminished over time, and in which public retirement system the applicable employee were a member.

The bill could create administrative costs to the Department of Attorney General to create a system to track and report the bill's required notifications.

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