

AERONAUTICS CODE OF THE STATE OF MICHIGAN (EXCERPT)
Act 327 of 1945

259.146 Employees; transfer to regional authority; dates; terms of employment; collective bargaining agreement; regional authority as employer; retirement system or pension plan; transfer of amounts under subsection (3); assumption of retiree health benefit or payment obligations by regional authority; eligibility of employee hired by regional authority to participate in benefit plan; definitions.

Sec. 146. (1) Employees at an airport may transfer to the regional authority to which operational jurisdiction of the airport will be transferred as provided in this section on 1 or more dates agreed to by the regional authority and the local government. The date or dates must be as soon as administratively feasible, but not later than 180 days after the approval date. The initial terms of employment, including for purposes of pension and other benefits, for transferring employees must be substantially similar to the terms of employment for the employees immediately before the transfer. The regional authority shall offer to enter into a collective bargaining agreement covering transferring employees who on their transfer date were covered by a collective bargaining agreement with the local government. The agreement offered by the regional authority must have substantially similar terms of employment as the local government collective bargaining agreement and remain in effect for the same period. The regional authority shall become the employer of transferring employees on the date of transfer without a break in employment and shall recognize the length of service of the transferring employees with the local government for purposes of the regional authority's benefit plans and programs. The local government is not an employer of any employee at the airport after the transfer date. The accrued local government pension benefits or credits of a transferring employee must not be diminished because of the transfer. Instead, the pension benefits and credits must be transferred to the retirement system or pension plan established by the regional authority as provided in subsections (2) and (3).

(2) By the approval date, the regional authority shall establish a retirement system or pension plan that initially provides benefits to each transferring employee that are substantially similar to the benefits provided by the local government's retirement system or pension plan before the approval date. The regional authority's retirement system or pension plan shall credit a transferring employee for his or her prior employment with the local government, including for purposes of eligibility, vesting, and accruals, and the employee shall make any mandatory employee contribution to the regional authority's retirement system or pension plan.

(3) The local government shall, as soon as administratively feasible, but not later than 180 days after all employee transfers under subsection (1), transfer to the trustees of the regional authority retirement system or pension plan both of the following:

(a) For defined benefit plans, all accrued benefits, all accrued liabilities, and a share of the assets of the local government's plan sufficient to fund the transferring employees' accrued benefits to the extent that the benefits have been funded by the local government on or before the transfer date.

(b) For defined contribution plans, the amount credited to each transferring employee's account in the local government's retirement system or pension plan on or before the transfer date. For purposes of this subparagraph, the local government shall fully vest the account of the transferring employee on the day immediately preceding the transfer date and shall make contributions on behalf of the transferring employee for the portion of the transfer year in which the employee was employed by the local government and eligible to participate in the plans regardless of any allocation requirements that otherwise might prevent the transferring employee from receiving a contribution for the year of the transfer.

(4) The local government shall transfer the amounts to be transferred under subsection (3) in cash or in some other form acceptable to the trustees. The transfer of money to the trustees under this subsection terminates the local government's obligation to the transferring employees and the transferring employees' rights under the local government's retirement system and pension plans.

(5) If the local government has an obligation to provide retiree health benefits or payments to transferring employees, the regional authority shall assume the obligations. The regional authority shall not assume obligations in excess of the amount properly allocable to the transferring employees. The local government shall, as soon as administratively feasible but not later than 180 days after all employee transfers under subsection (1), transfer to the regional authority an amount sufficient to fund the transferring employees' accrued benefits to the extent that the benefits have been funded by the local government on or before the transfer date. The regional authority shall transfer the amounts required to be transferred under this subsection to a qualifying entity established by the regional authority in cash, or in some other form acceptable to the qualifying entity. The transfer of money to a qualifying entity established by the regional authority under this subsection terminates the local government's obligations to the transferring employees and the transferring employees' rights to receive the benefits from the local government.

(6) This section only applies to local government employees who transfer their employment to the regional authority in accordance with this section.

(7) An employee hired by the regional authority, other than a transferring employee, is eligible to participate in the benefit plans established by the regional authority, in accordance with and subject to the terms of the plans as established by the regional authority, in its sole discretion.

(8) As used in this section:

(a) "Transfer date" means the earlier of the date of transfer or the deadline for transfer of employment to the regional authority.

(b) "Transferring employee" means an employee at the airport who timely transfers to the regional authority by the transfer date.

History: Add. 2015, Act 95, Imd. Eff. June 30, 2015.