

**STATE POLICE RETIREMENT ACT OF 1986 (EXCERPT)**  
**Act 182 of 1986**

**38.1642 Payment of hospitalization and medical, dental, and vision coverage insurance premiums; creation and function of health-dental-and vision benefits fund; health advance funding subaccount; transfer of funds; application of section to certain members.**

Sec. 42. (1) Hospitalization and medical coverage insurance premiums payable by a retirant or his or her retirement allowance beneficiary and his or her dependents under any group health plan authorized by the Michigan civil service commission and the department must be paid in amounts provided by this subsection from appropriations for this purpose made to the retirement system. Until October 1, 1989, the amount payable by the retirement system must be 90% of the entire monthly premium payable for hospitalization and medical coverage insurance. Beginning October 1, 1989, the amount payable by the retirement system must be 95% of the entire monthly premium payable for hospitalization and medical coverage insurance.

(2) Effective October 1, 1989, dental coverage and vision coverage insurance premiums payable by a retirant or his or her retirement allowance beneficiary and his or her dependents under any group health plan authorized by the Michigan civil service commission and the department must be paid in amounts provided by this subsection from appropriations for this purpose made to the retirement system. The amount payable by the retirement system must be 90% of the entire monthly premium payable for dental coverage and vision coverage insurance.

(3) The health-dental-vision benefits fund is created and is the fund into which appropriations of this state for health, dental, and vision benefits are paid. Benefits payable under subsections (1) and (2) are payable from the health-dental-vision benefits fund. The assets and any earnings on the assets contained in the health-dental-vision benefits fund and the health advance funding subaccount are not to be treated as pension assets.

(4) The health advance funding subaccount is the account to which amounts transferred under section 14(3) are credited. Any amounts received from the health advance funding subaccount and accumulated earnings on those amounts must not be expended until the actuarial accrued liability for health benefits under this section is at least 100% funded. The department may expend funds or transfer funds to another account to expend for health benefits under this section if the actuarial accrued liability for health benefits under this section is at least 100% funded.

(5) Notwithstanding any other provision of this section, the department may transfer amounts from the health advance funding subaccount to the reserve for employer contributions created by section 16 if the actuarial valuation prepared under section 14 demonstrates that, as of the beginning of a fiscal year, and after all credits and transfers required by this act for the previous fiscal year have been made, the sum of the actuarial value of assets and the actuarial present value of future normal cost contributions does not exceed the actuarial present value of benefits.

(6) Except as otherwise provided in sections 25 to 28, this section does not apply to a member who first becomes a member on or after June 10, 2012.

**History:** 1986, Act 182, Eff. Oct. 1, 1986;—Am. 1989, Act 191, Imd. Eff. Aug. 25, 1989;—Am. 2004, Act 50, Eff. Apr. 22, 2004;—Am. 2018, Act 674, Imd. Eff. Dec. 28, 2018.