

Act No. 182  
Public Acts of 1989  
Approved by the Governor  
September 20, 1989  
Filed by the Secretary of State  
September 20, 1989

**STATE OF MICHIGAN**  
**85TH LEGISLATURE**  
**REGULAR SESSION OF 1989**

Introduced by Rep. Jacobetti

# ENROLLED HOUSE BILL No. 4339

AN ACT to make appropriations for the public school employees' retirement system for the fiscal year ending September 30, 1990; to provide for the expenditure of the appropriations; to provide for the assignment of the payroll contribution rate to local school districts and intermediate school districts; and to provide for the disposition of other income received by the retirement system.

*The People of the State of Michigan enact:*

Sec. 101. There is appropriated for the public school employees' retirement system for the fiscal year ending September 30, 1990, the following amounts:

**PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

**APPROPRIATIONS SUMMARY:**

GROSS APPROPRIATION ..... \$ 343,499,200

Interdepartmental grant revenues:

ADJUSTED GROSS APPROPRIATION ..... \$ 343,499,200

Federal revenues:

Total federal revenues ..... 12,550,000

Special revenue funds:

Total other state restricted revenues ..... 318,447,100

State general fund/general purpose ..... \$ 12,502,100

**RETIREMENT ALLOWANCE**

Normal cost ..... \$ 115,042,500

Unfunded accrued liabilities ..... 36,813,600

Deficient interdepartmental grant revenues ..... 5,751,000

GROSS APPROPRIATION ..... \$ 157,607,100

Appropriated from:

Federal revenues:

Retirement contribution pass-through ..... 12,550,000

Special revenue funds:

School aid fund ..... 139,306,100

State general fund/general purpose ..... \$ 5,751,000

**HEALTH INSURANCE**

Normal cost ..... \$ 97,658,300

Unfunded accrued liabilities ..... 77,717,600

Deficient interdepartmental grant revenues ..... 6,751,100

GROSS APPROPRIATION ..... \$ 182,127,000

Appropriated from:

Special revenue funds:

	For Fiscal Year Ending Sept. 30, 1990
School aid fund.....	\$ 175,375,900
State general fund/general purpose .....	\$ 6,751,100
RECONCILIATION	
Prior year reconciled contribution, 1986-87 credit correction .....	\$ (6,452,600)
Prior year reconciled contribution, 1987-88 debit correction .....	10,217,700
GROSS APPROPRIATION .....	\$ 3,765,100
Appropriated from:	
Special revenue funds:	
School aid fund.....	3,765,100
State general fund/general purpose .....	\$ 0

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending in this act is \$330,949,200.00. There are no state appropriations to be paid to local units of government in section 101.

Sec. 202. Adjustments are made under the reconciliation appropriation unit to reflect the differences between the estimated and actual 1986-87 contribution requirements and the estimated and actual 1987-88 contribution requirements for the public school employees' retirement system as required in section 41 of the public school employees retirement act of 1979, Act No. 300 of the Public Acts of 1980, being section 38.1341 of the Michigan Compiled Laws. The net amount of these adjustments shall be applied to the pension accumulation fund created by section 30 of Act No. 300 of the Public Acts of 1980, being section 38.1330 of the Michigan Compiled Laws.

Sec. 203. (1) The appropriations in this act are made pursuant to the public school employees retirement act of 1979, Act No. 300 of the Public Acts of 1980, being sections 38.1301 to 38.1407 of the Michigan Compiled Laws.

(2) The appropriations are to be allocated, using the entry age normal cost actuarial method and risk assumptions adopted by the retirement board and the department of management and budget, from the school aid fund established by section 11 of article IX of the state constitution of 1963.

(3) The annual level percentage of payroll contribution rate assumed for 1989-90 is 11.4%. The portion of the contribution rate assigned to local school districts and intermediate school districts for 1989-90 is 5.0 percentage points of the total 11.4 percentage points.

Sec. 204. The director of the department of management and budget shall submit a report to the senate and house of representatives subcommittees on retirement before October 1, 1989 describing how the various provisions on spousal benefits differ among retirement systems managed by the department. The report shall specifically address the effect of a member's death on the benefit eligibility of a divorced spouse when there is a subsequent marriage.

This act is ordered to take immediate effect.

\_\_\_\_\_  
Clerk of the House of Representatives.

\_\_\_\_\_  
Secretary of the Senate.

Approved.....

\_\_\_\_\_  
Governor.