SFA BILL ANALYSIS

Senate Fiscal Agency • Lansing, Michigan 48909 • (517) 373-5383

House Bill 4751
Sponsor: Representative Justine Barns
House Committee: Senior Citizens and Retirement
Senate Committee: Judiciary

Date Completed: 2-25-88

SUMMARY OF HOUSE BILL 4751 as passed by the House:

The bill would amend Public Act 156 of 1851, which allows a county board of commissioners to adopt and establish a pension or retirement plan for county employees, to provide that a plan could provide benefits for the dependents of a county employee who died after leaving county employment with at least the number of years of service required to vest in the plan but before becoming eligible to receive a pension or retirement benefit.

The bill also would delete a provision that allows the county board of commissioners the option to require that employees be retired from county service when they reach a specific age designated in the plan.

MCL 46.12a Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would increase administrative costs by an indeterminate amount for the Department of Management Budget to review resulting changes in county pension plans. The amount of the increase would depend on the number of plans revised and the amount of staff resources required to review each plan.

The bill would increase benefit costs by a small amount to county governments which elected to provide the additional benefits to beneficiaries. The total amount of the increase would depend on the number of beneficiaries of county officials eligible for the additional benefits and the amount of benefits each would be eligible to receive. County governments would be required to increase their contributions to their retirement systems to reflect the actuarial cost of the increased liability.

Fiscal Analyst: B. Klein

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