

Legislative Analysis



LEGISLATIVE RETIREMENT SYSTEM: PAY 80% OF HEALTH INSURANCE PREMIUM

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House Bill 5548 (Substitute H-1)
Sponsor: Rep. Andrea LaFontaine
Committee: Government Operations

Complete to 5-29-12

A SUMMARY OF HOUSE BILL 5548 AS REPORTED FROM HOUSE COMMITTEE

Currently, the Michigan Legislative Retirement System pays health insurance premiums for retired legislators and their dependents under certain conditions. Currently, generally speaking, a legislator vests in the health insurance portion of retirement benefits after serving six years (the maximum allowable years of service in the House of Representatives under term limits). The retiree health insurance coverage becomes available when the individual reaches 55 years of age. The MLRS pays 90% of the cost now. Under House Bill 5548, the portion of the health insurance coverage premium paid by the state could not exceed 80% of the entire premium.

House Bill 5548 would amend the Legislative Retirement System Act to specify that beginning January 1, 2013, the retirement system would pay 80% of the entire monthly premium for hospitalization and medical insurance coverage and dental and vision coverage for retirants, deferred vested members, and the spouses, eligible children, and survivors of those retirants and deferred vested members who are eligible for the coverage.

[Recent legislation—Public Act 200 of 2011 (House Bill 4087)—amended the Legislative Retirement System Act to eliminate retiree health care benefits for legislators who had not served at least six years before January 1, 2013.]

MCL 38.1050b & 1079

FISCAL IMPACT:

A fiscal analysis is in process.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.