

SUBSTITUTE FOR
HOUSE BILL NO. 4087

A bill to amend 1957 PA 261, entitled
"Michigan legislative retirement system act,"
by amending section 75 (MCL 38.1075), as amended by 1998 PA 501.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 75. (1) A qualified participant is immediately 100%
2 vested in his or her contributions made to Tier 2. A qualified
3 participant shall vest in the employer contributions made on his or
4 her behalf to Tier 2 according to the following schedule:

5 (a) Upon completion of 2 years of service, 50%.

6 (b) Upon completion of 3 years of service, 75%.

7 (c) Upon completion of 4 years of service, 100%.

8 (2) A qualified participant is vested in the health insurance
9 coverage provided in section 79 if the qualified participant meets
10 1 of the following requirements:

11 (a) The qualified participant ~~has completed 6 years of service~~

1 ~~as a qualified participant and was not a member, deferred vested~~
2 ~~member, or former nonvested member of Tier 1.~~ **MEETS ALL OF THE**
3 **FOLLOWING REQUIREMENTS:**

4 (i) **FIRST BECAME A QUALIFIED PARTICIPANT BEFORE JANUARY 1,**
5 **2007.**

6 (ii) **HAS COMPLETED 6 YEARS OF SERVICE AS A QUALIFIED**
7 **PARTICIPANT.**

8 (iii) **WAS NOT A MEMBER, DEFERRED VESTED MEMBER, OR FORMER**
9 **NONVESTED MEMBER OF TIER 1.**

10 (b) The qualified participant was a member, deferred vested
11 member, or former nonvested member of Tier 1 who made an election
12 to participate in Tier 2 pursuant to section 61, and who has met
13 the service requirements he or she would have been required to meet
14 in order to vest in health benefits under section 50b.

15 (c) The qualified participant meets all of the following
16 requirements:

17 (i) Was not a member, deferred vested member, or former
18 nonvested member of Tier 1.

19 (ii) Was first elected to fill a vacancy in the house of
20 representatives for a period less than the full term but more than
21 1/2 of the term of office.

22 (iii) Has completed 5 years of service as a qualified
23 participant.

24 (iv) **FIRST BECAME A QUALIFIED PARTICIPANT BEFORE JANUARY 1,**
25 **2007.**