

SENATE BILL No. 1132

November 6, 2014, Introduced by Senator KAHN and referred to the Committee on Reforms, Restructuring and Reinventing.

A bill to amend 1943 PA 240, entitled
 "State employees' retirement act,"
 by amending section 64 (MCL 38.64), as amended by 2011 PA 264.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 64. (1) A qualified participant is immediately 100%
 2 vested in his or her contributions made to Tier 2 and employer
 3 contributions under the banked leave time program. Except as
 4 otherwise provided in this section, a qualified participant ~~shall~~
 5 ~~vest~~ **VESTS** in the employer contributions made on his or her behalf
 6 to Tier 2 according to the following schedule:

- 7 (a) Upon completion of 2 years of service, 50%.
 8 (b) Upon completion of 3 years of service, 75%.
 9 (c) Upon completion of 4 years of service, 100%.

1 (2) A qualified participant is eligible for the health
2 insurance coverage provided in section 68 if the qualified
3 participant meets 1 of the following requirements:

4 (a) The qualified participant has completed 10 years of
5 service as a qualified participant, was not a member, deferred
6 member, or former nonvested member of Tier 1, was first employed
7 and entered upon the payroll of his or her employer before January
8 1, 2012, and did not make an election to opt out of health
9 insurance coverage under section 68b.

10 (b) The qualified participant was a member, deferred member,
11 or former nonvested member of Tier 1 who made an election to
12 participate in Tier 2 ~~pursuant to~~ **UNDER** section 50, 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 20d.

15 **(3) A QUALIFIED PARTICIPANT WHO IS APPOINTED AFTER DECEMBER**
16 **31, 2014 BY THE GOVERNOR TO OCCUPY AN UNCLASSIFIED POSITION IN THE**
17 **STATE CIVIL SERVICE, OR TO AN APPOINTED LEGISLATIVE POSITION**
18 **PURSUANT TO AUTHORITY OF THE LEGISLATURE, IS IMMEDIATELY 50% VESTED**
19 **IN THE EMPLOYER CONTRIBUTIONS MADE ON HIS OR HER BEHALF TO TIER 2**
20 **AND VESTS IN THE REMAINING EMPLOYER CONTRIBUTIONS MADE ON HIS OR**
21 **HER BEHALF TO TIER 2 ACCORDING TO THE FOLLOWING SCHEDULE:**

22 (A) UPON COMPLETION OF 1 YEAR OF SERVICE, 75%.

23 (B) UPON COMPLETION OF 2 YEARS OF SERVICE, 100%.