

HOUSE BILL No. 6371

September 25, 2018, Introduced by Rep. Lower and referred to the Committee on Michigan Competitiveness.

A bill to amend 2017 PA 202, entitled
"Protecting local government retirement and benefits act,"
(MCL 38.2801 to 38.2812) by adding section 4a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 4A. BEGINNING JUNE 1, 2019, IF A LOCAL UNIT OF GOVERNMENT
2 HAS OPTED OR OPTS TO OFFER OR PROVIDE AN EMPLOYEE OF THE LOCAL UNIT
3 OF GOVERNMENT, OR FORMER EMPLOYEE FIRST EMPLOYED BY THE LOCAL UNIT
4 OF GOVERNMENT BEFORE JUNE 1, 2019, WITH A RETIREMENT PENSION
5 BENEFIT, EXCEPT AS PROVIDED IN THIS SECTION, BEGINNING WITH FISCAL
6 YEARS THAT BEGIN AFTER DECEMBER 31, 2020, THE LOCAL UNIT OF
7 GOVERNMENT SHALL NOT USE OR APPLY A ROLLING AMORTIZATION METHOD, AN
8 OPEN AMORTIZATION METHOD, OR OTHER ADJUSTABLE AMORTIZATION METHOD
9 FOR AN UNFUNDED ACTUARIAL ACCRUED LIABILITY OF RETIREMENT PENSION

1 BENEFITS UNDER A RETIREMENT SYSTEM OF THE LOCAL UNIT OF GOVERNMENT.
2 AN AMORTIZATION PERIOD FOR AN UNFUNDED ACTUARIAL ACCRUED LIABILITY
3 OF RETIREMENT PENSION BENEFITS UNDER A RETIREMENT SYSTEM OF THE
4 LOCAL UNIT OF GOVERNMENT MUST NOT BE EXTENDED BY THE LOCAL UNIT OF
5 GOVERNMENT AFTER DECEMBER 31, 2020. THE LOCAL UNIT OF GOVERNMENT
6 MAY REQUEST AND THE STATE TREASURER MAY GRANT 1 EXTENSION OF THE
7 DECEMBER 31, 2020 DEADLINE UNDER THIS SECTION TO A NEW DEADLINE NO
8 LATER THAN DECEMBER 31, 2025. THE STATE TREASURER MAY APPROVE THE
9 EXTENSION OF AN AMORTIZATION PERIOD IN EFFECT AS OF JUNE 1, 2019
10 IF, AFTER CONSULTATION WITH, AND AGREEMENT BY, THE RETIREMENT
11 SYSTEM FIDUCIARY, THE LOCAL UNIT OF GOVERNMENT REQUESTS AN
12 EXTENSION OF THE AMORTIZATION PERIOD AND THE STATE TREASURER
13 DETERMINES THAT THE EXTENSION IS IN THE BEST FINANCIAL INTERESTS OF
14 THE LOCAL UNIT OF GOVERNMENT.