

HOUSE BILL No. 5534

February 4, 1998, Introduced by Reps. Rhead, McNutt, Llewellyn, LeTarte, Mathieu, DeHart and Hammerstrom and referred to the Committee on Public Retirement.

A bill to amend 1957 PA 261, entitled
"Michigan legislative retirement system act,"
by amending section 50a (MCL 38.1050a), as amended by 1994 PA
35.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 50a. (1) The grants and insurance revolving fund is
2 created in the state treasury as a separate fund, into which
3 shall be paid legislative grants, earnings from the fund, pay-
4 ments by or on behalf of members, and revenue from other sources
5 accepted by the board. Money appropriated to the grants and
6 insurance revolving fund shall not revert to the general fund at
7 the close of the fiscal year but shall remain in the grants and
8 insurance revolving fund. The legislative grants in the grants
9 and insurance revolving fund shall not be expended except upon
10 express direction of the legislature; but all other money in the

1 grants and insurance revolving fund may be expended for the
2 purposes and in the manner provided in this section.

3 (2) Beginning with salary received that is attributable to
4 service performed on and after January 1, 1995, each legislator
5 or member shall pay a sum equal to 0.5% of salary common to all
6 members to the grants and insurance revolving fund to be eligible
7 for the benefits provided in this section. The sum shall be col-
8 lected by payroll deductions in the manner prescribed in this
9 act.

10 (3) The board shall self-insure or shall purchase and pay
11 the premiums on a life insurance policy or policies to provide
12 life insurance death or other benefits for retirants, deferred
13 vested members, and the spouses, eligible children, or eligible
14 beneficiaries of retirants and deferred vested members from the
15 amounts paid pursuant to subsection (2) for this purpose to the
16 grants and insurance revolving fund. Life insurance benefits
17 provided on June 23, 1987 shall not be diminished due to the
18 amendments to this section by ~~Act No. 58 of the Public Acts of~~
19 ~~1987~~ 1987 PA 58.

20 ~~(4) A member or deferred vested member, upon application to~~
21 ~~retire under this act, shall elect to have the board provide life~~
22 ~~insurance benefits under this section or to have the actuarial~~
23 ~~present value of the life insurance benefits as of the date of~~
24 ~~retirement used to purchase an additional monthly life annuity~~
25 ~~for the member or deferred vested member. The election under~~
26 ~~this section made by the member or deferred vested member is~~
27 ~~irrevocable. If the member or deferred vested member elects an~~

~~1 annuity under this section, the person's spouse and any person
2 previously designated as a beneficiary of a life insurance policy
3 by a member or a deferred vested member under this section shall
4 sign a statement prepared by the retirement board acknowledging
5 the election of the member. The additional monthly life annuity
6 shall be paid from the grants and insurance revolving fund.~~