

HOUSE BILL No. 5022

May 28, 2009, Introduced by Reps. Young, Geiss and Tlaib and referred to the Committee on Labor.

A bill to encourage and expand the use of cafeteria plans by small employers; to create a fund; to authorize grants; to provide powers and duties of certain state departments and officers; and to authorize the promulgation of rules.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "small
2 employer health benefits cafeteria plan development program act".

3 Sec. 2. As used in this act:

4 (a) "Cafeteria plan" means a benefit plan authorized under
5 section 125 of the internal revenue code of 1986, 26 USC 125, that
6 allows an employee to pay medical expenses with pretax dollars.

7 (b) "Department" means the department of community health.

8 (c) "Fund" means the cafeteria plan implementation assistance

1 fund created in section 4.

2 (d) "Small employer" means an employer that employs 50 or
3 fewer employees.

4 Sec. 3. (1) Subject to appropriation and in accordance with
5 the provisions of this act, the department may provide grants from
6 the fund to small employers that do not already have a cafeteria
7 plan for the purpose of establishing a cafeteria plan.

8 (2) The department shall develop and implement marketing
9 strategies to ensure that small employers are aware of the program
10 established in this act and to demonstrate the benefits to both the
11 employer and employee of establishing a cafeteria plan.

12 (3) The department may contract with third-party
13 administrators of cafeteria plans to help develop and implement the
14 provisions of this act.

15 (4) The department shall seek and apply for federal funds to
16 implement this act.

17 Sec. 4. (1) The cafeteria plan implementation assistance fund
18 is created in the state treasury.

19 (2) The state treasurer may receive money or other assets from
20 any source for deposit into the fund. The state treasurer shall
21 direct the investment of the fund. The state treasurer shall credit
22 to the fund interest and earnings from fund investments.

23 (3) Money in the fund at the close of the fiscal year shall
24 remain in the fund and shall not lapse to the general fund.

25 (4) The department shall be the administrator of the fund for
26 auditing purposes.

27 (5) The department shall expend money from the fund, upon

1 appropriation, only for purposes permitted under this act.

2 Sec. 5. The department may promulgate rules under the
3 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
4 24.328, to implement this act.