

SENATE BILL NO. 878

February 16, 2022, Introduced by Senators HERTEL, WOJNO, HOLLIER, ALEXANDER, GEISS, CHANG, POLEHANKI, MCCANN, BRINKS, BULLOCK and BAYER and referred to the Committee on Appropriations.

A bill to amend 1992 PA 234, entitled
"The judges retirement act of 1992,"
by amending section 714 (MCL 38.2664), as amended by 2002 PA 95.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 714. (1) This section is subject to the vesting
2 requirements of section 715.

3 (2) A qualified participant's employer shall contribute to the
4 qualified participant's account in Tier 2 an amount equal to 4% of
5 the qualified participant's salary.

6 (3) ~~A~~**Except as otherwise provided in this subsection, a**
7 qualified participant may periodically elect to contribute up to 3%

1 of his or her salary to his or her Tier 2 account. **Beginning on the**
 2 **effective date of the amendatory act that added this sentence, a**
 3 **qualified participant may periodically elect to contribute up to 5%**
 4 **of his or her salary to his or her Tier 2 account.** The qualified
 5 participant's employer shall make an additional contribution to the
 6 qualified participant's Tier 2 account in an amount equal to the
 7 contribution made by the qualified participant under this
 8 subsection.

9 (4) A qualified participant may make contributions in addition
 10 to contributions made under subsection (3) to his or her Tier 2
 11 account as permitted by the state treasurer and the internal
 12 revenue code. The qualified participant's employer shall not match
 13 contributions made by the qualified participant under this
 14 subsection.

15 (5) A qualified participant who makes a written election under
 16 section 701a may elect to contribute up to 6% of his or her salary
 17 to his or her Tier 2 account. In lieu of employer contributions
 18 under subsection (3), the qualified participant's employer shall
 19 make an additional contribution to the qualified participant's Tier
 20 2 account in an amount equal to the contribution made by the
 21 qualified participant under this subsection. This subsection
 22 applies for a period as determined by the department that equals
 23 the time in which a Tier 1 member was not able to make
 24 contributions to the Tier 2 plan because of the temporary
 25 restraining order issued in the case of Michigan judges assn v
 26 Treasurer of the State of Michigan, case no. 98-DT-72771-CV (Ed
 27 Mi). **Michigan Judges Assn v Treasurer of Michigan, opinion of the**
 28 **United States District Court for the Eastern District of Michigan**
 29 **(Case No. 98-DT-72771-CV).**

1 (6) Beginning January 1, 2002, ~~each~~**a** qualified participant
2 who is a plan 1 member or a plan 2 member, ~~upon~~**on** taking office
3 and ~~so long as~~**while** he or she remains in office, shall contribute
4 2.0% of the qualified participant's compensation to the retirement
5 system. The retirement system shall deposit the contribution under
6 this subsection into the reserve for health benefits for hospital
7 and medical-surgical and sick care benefits as provided in section
8 719.