

Legislative Analysis



FORFEITURE OF RETIREMENT HEALTH BENEFITS FOR CERTAIN PUBLIC EMPLOYEES

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<http://www.house.mi.gov/hfa>

House Bill 5918 proposed committee substitute (H-2)

Sponsor: Rep. Peter J. Lucido

Committee: Financial Liability Reform

Complete to 11-7-18

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5918 would amend the Public Employee Retirement Benefits Forfeiture Act to add *retiree health benefits* to the definition of *retirement benefits*, which must be forfeited under the act by current or former public employees upon a criminal conviction or plea for a felony arising out of his or her service as a public employee.

Under the bill, *retiree health benefits* would include an annuity, allowance, payment, or contribution to, for, or on behalf of a current or former public employee or retiree or his or her dependent to pay for any of the following:

- Expenses related to drugs or medical, dental, hearing, or vision care.
- Premiums for insurance covering drugs or medical, dental, hearing, or vision care.
- Expenses or premiums for life, disability, long-term care, or similar welfare benefits.

Applicable public employees or retirees would include any member of a retirement system as defined under the act—meaning a public employee retirement system established by this state or a political subdivision of this state.

MCL 38.2702

FISCAL IMPACT:

House Bill 5918 would reduce costs, although negligibly, for the state or local governments depending on the number of employees for whom the forfeiture would apply, the retirement health benefit for which an applicable employee were eligible, and the public retirement system in which the applicable employee were a member.

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