

**STATE POLICE RETIREMENT ACT OF 1986 (EXCERPT)**  
**Act 182 of 1986**

**38.1642a Elimination of health insurance coverage premium for certain members; contributions into Tier 2 account; credit to health reimbursement account.**

Sec. 42a.

(1) A member who first becomes a member on or after June 10, 2012 must not receive any health insurance coverage premium from the retirement system under section 42. In lieu of any health insurance coverage premium that might have been paid by the retirement system under section 42, a member's employer shall make a matching contribution up to 2% of the member's compensation to the Tier 2 plan for each member who first becomes a member on or after June 10, 2012. A matching contribution under this subsection must not be used as the basis for a loan from an employee's Tier 2 account.

(2) A member who first becomes a member on or after June 10, 2012 may make a contribution up to 2% of the member's compensation to a Tier 2 account. A member described in this subsection may make additional contributions to his or her Tier 2 account as permitted by the department and the internal revenue code.

(3) Except as otherwise provided in this subsection, a member is vested in employer contributions made to his or her Tier 2 account under subsections (1) and (2) according to the vesting provisions under section 42b(2). A member who is eligible for health insurance coverage under section 42 or as a result of benefits provided under sections 25 to 28 is not vested in any employer contributions under subsection (1) and forfeits the contributions and earnings on the contributions.

(4) The contributions described in this section must begin with the first payday after the member is employed and end on his or her termination of employment.

(5) An individual who was a former member on June 9, 2012 and who is reemployed by the department of state police and who subscribes to the constitutional oath of office after June 10, 2012 is treated in a manner as determined by the retirement system in consultation with the office of state employer.

(6) In lieu of any other health insurance coverage that might have been paid by the retirement system, a \$2,000.00 credit to a health reimbursement account within the trust created under the public employee retirement health care funding act, 2010 PA 77, MCL 38.2731 to 38.2747, must be made by the employer for a member who first becomes a member on or after June 10, 2012 who has at least 10 years of service at his or her first termination of employment.

(7) The retirement system shall determine a method to implement subsections (5) and (6), including a method for crediting the amounts in subsection (6) to comply with any agreements between the office of state employer and members, and the internal revenue code, as applicable.

**History:** Add. 2018, Act 674, Imd. Eff. Dec. 28, 2018