

# SENATE BILL No. 696

November 30, 2017, Introduced by Senators STAMAS and MARLEAU and referred to the Committee on Michigan Competitiveness.

A bill to amend 1846 RS 16, entitled

"Of the powers and duties of townships, the election and duties of township officers, and the division of townships,"

by amending section 110b (MCL 41.110b), as amended by 1999 PA 209.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 110b. (1) ~~A~~**SUBJECT TO THE PROTECTING LOCAL GOVERNMENT**  
2 **RETIREMENT AND BENEFITS ACT, A** township may do all of the  
3 following:

4           (a) Establish a retirement system for its employees and  
5 provide for financing, funding, and the payment of benefits in the  
6 same manner and to the same extent as permitted counties under  
7 section 12a of 1851 PA 156, ~~MCL 46.12A,~~ **MCL 46.12A,** or make  
8 contracts of insurance with an insurance company authorized to  
9 transact business within this state.

10           (b) Make arrangements with a prepayment plan authorized to

1 transact business within ~~the~~ **THIS** state, insuring and covering 1 or  
2 more of the following under policies of group insurance or  
3 prepayment plan contracts, or both, covering life, accident, dental  
4 care, vision care, health, hospitalization, and medical and  
5 surgical service and expense insurance:

6 (i) Elected or appointed township officers and employees, and  
7 dependents of those officers or those employees.

8 (ii) Any classes of elected or appointed township officers and  
9 employees, and dependents of those officers or those employees.

10 (iii) Any classes of retired township officers and employees,  
11 and dependents of those officers or those employees.

12 (c) Establish a cafeteria plan authorized under section 125 of  
13 the internal revenue code of 1986, **26 USC 125**, for its elected or  
14 appointed officers and employees, any classes of elected or  
15 appointed officers and employees, and dependents of those officers  
16 and those employees. As used in this subdivision, "cafeteria plan"  
17 means that term as defined in section 125 of the internal revenue  
18 code of 1986, **26 USC 125**.

19 (d) Contract with a company that grants annuities or pensions  
20 for the pensioning of the officers and employees and for these  
21 purposes pay any part of the premiums or charges for insurance,  
22 prepayment plan coverage, annuities, or pensions.

23 (e) Offer any other employment benefit authorized by state or  
24 federal law.

25 (2) Notwithstanding any other provision of law, the proper  
26 disbursing officer of the township may deduct from an officer's or  
27 employee's pay, salary, or compensation that part of the premium or

1 charge that is payable by the officer or employee.

2 (3) A contract of insurance or arrangement for prepayment plan  
3 coverage procured under this section may provide that each elected  
4 or appointed officer or employee becoming eligible for insurance or  
5 coverage becomes insured or covered automatically when he or she  
6 becomes eligible, subject to any actively-at-work requirements or  
7 effective retirement dates specified in the contract or  
8 arrangement. If the insurance or coverage under the contract or  
9 arrangement requires contributions from the individual, any  
10 individual desiring not to be insured or covered under the contract  
11 or arrangement shall give written notice to his or her employing  
12 office that he or she desires not to be insured or covered, and if  
13 the notice is received before the individual has become insured or  
14 covered under the contract or arrangement, he or she shall not be  
15 insured or covered. If the notice is received after the individual  
16 has become insured or covered, his or her insurance or coverage  
17 under the contract or arrangement shall cease as provided for in  
18 the contract or arrangement.

19 (4) ~~This~~ **SUBJECT TO THE PROTECTING LOCAL GOVERNMENT RETIREMENT**  
20 **AND BENEFITS ACT, THIS** section does not affect the validity of a  
21 retirement program or contract of group insurance or arrangement  
22 for prepayment plan coverage entered into by the township before  
23 June 20, 1989.

24 (5) The authority given under this section is in addition to  
25 and not in derogation of any power existing in the township under  
26 the laws of this state. A township may exercise the powers granted  
27 under this section by ordinance without the necessity of amending

1 its charter.

2 Enacting section 1. This amendatory act does not take effect

3 unless Senate Bill No.\_686

4 of the 99th Legislature is enacted into law.