

Legislative Analysis



INCREASE MAXIMUM CONTRIBUTION AND MATCH FOR JUDGES RETIREMENT SYSTEM TIER 2 PLANS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5328 as introduced
Sponsor: Rep. Jimmie Wilson, Jr.
Committee: Judiciary
Complete to 2-20-24

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

SUMMARY:

House Bill 5328 would amend the Judges Retirement Act to increase the amount that a qualified participant in a Tier 2 (defined contribution) plan can contribute to their account, from 3% of their salary under current law to 5% of their salary under the bill. The qualified participant's employer must match contributions the qualified participant makes under these provisions, so the bill would also effectively increase the amount subject to that match from 3% to 5% of salary.

MCL 38.2664

FISCAL IMPACT:

The bill would increase employer retirement contribution costs by approximately \$1.9 million according to the Office of Retirement Services. The increased costs ultimately would depend on the extent to which qualified participants made additional contributions that necessitated additional employer matching contributions. Under the current defined contribution plan, the employer makes a mandatory contribution of 4%. The employer also matches 100% of the contributions made by the employee, up to a maximum of 3%. The provisions of the bill would increase the employee contribution subject to a match to 5%, a two percentage point increase.

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