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House Bill 5328 (as reported without amendment)
Sponsor: Representative Jimmie Wilson, Jr.
House Committee: Judiciary
Senate Committee: Appropriations

CONTENT

The bill would amend Section 714 of the Judges Retirement Act to increase, from 3% to 5%, the amount of contributions a qualified employee can make that are matched by the employer, beginning April 10, 2025. Essentially, this would allow for an additional 2% of employer-matching contributions to a qualified employee's defined contribution (DC) retirement account.

Qualified employees in the Judges Retirement System include the Governor, Lieutenant Governor, Secretary of State, Attorney General, Legislative Auditor General, State Court Administrator, and Michigan judges. Michigan judges include judges of the Supreme Court, Court of Appeals, circuit courts, district courts, probate courts, and the Recorder's Court of the City of Detroit.

MCL 38.2664

FISCAL IMPACT

The most recent estimated payroll for the qualified employees mentioned above totals \$97.6 million. Historical contributions suggest that most people would contribute the full 5% and thereby earn the additional 2% match from the State. An additional 2% cost applied to \$97.6 million in payroll would result in an additional annual cost of \$2.0 million, growing each year by the payroll growth assumption (2.75%); if actual payroll grew by more than 2.75%, then the cost would grow by that percentage. The additional cost of roughly \$2.0 million annually would be borne by the General Fund.

Date Completed: 10-17-24

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Bill Analysis @ www.senate.michigan.gov/sfa

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