

**SUBSTITUTE FOR
HOUSE BILL NO. 5328**

A bill to amend 1992 PA 234, entitled
"The judges retirement act of 1992,"
by amending section 714 (MCL 38.2664), as amended by 2002 PA 95.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 714. (1) This section is subject to the vesting
2 requirements of section 715.

3 (2) A qualified participant's employer shall contribute to the
4 qualified participant's account in Tier 2 an amount equal to 4% of
5 the qualified participant's salary.

6 (3) ~~A~~**Except as otherwise provided in this subsection, a**
7 qualified participant may periodically elect to contribute up to 3%
8 of his or her salary to his or her Tier 2 account. **Beginning April**
9 **10, 2025, a qualified participant may periodically elect to**



1 **contribute up to 5% of his or her salary to his or her Tier 2**
 2 **account.** The qualified participant's employer shall make an
 3 additional contribution to the qualified participant's Tier 2
 4 account in an amount equal to the contribution made by the
 5 qualified participant under this subsection.

6 (4) A qualified participant may make contributions in addition
 7 to contributions made under subsection (3) to ~~his or her the~~
 8 **qualified participant's** Tier 2 account as permitted by the state
 9 treasurer and the internal revenue code. The qualified
 10 participant's employer shall not match contributions made by the
 11 qualified participant under this subsection.

12 (5) A qualified participant who makes a written election under
 13 section 701a may elect to contribute up to 6% of his or her salary
 14 to his or her Tier 2 account. In lieu of employer contributions
 15 under subsection (3), the qualified participant's employer shall
 16 make an additional contribution to the qualified participant's Tier
 17 2 account in an amount equal to the contribution made by the
 18 qualified participant under this subsection. This subsection
 19 applies for a period as determined by the department that equals
 20 the time in which a Tier 1 member was not able to make
 21 contributions to the Tier 2 plan because of the temporary
 22 restraining order issued in the case of ~~Michigan judges assn v~~
 23 ~~Treasurer of the State of Michigan, case no. 98-DT-72771-CV (Ed~~
 24 ~~Mi).~~ **Michigan Judges Assn v Treasurer of Michigan, opinion of the**
 25 **United States District Court for the Eastern District of Michigan**
 26 **(Case No. 98-DT-72771-CV).**

27 (6) Beginning January 1, 2002, ~~each a~~ qualified participant
 28 who is a plan 1 member or a plan 2 member, ~~upon on~~ taking office
 29 and ~~so long as~~ **while** he or she remains in office, shall contribute



1 2.0% of the qualified participant's compensation to the retirement
2 system. The retirement system shall deposit the contribution under
3 this subsection into the reserve for health benefits for hospital
4 and medical-surgical and sick care benefits as provided in section
5 719.

