

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.