

Senator _____ offered the following amendments to Senate Bill No. 1040 (H-3):

1. Amend page 8, following line 22, by inserting:

"(7) **"TRANSITION DATE" MEANS THE FIRST DAY OF THE PAY PERIOD THAT BEGINS ON OR AFTER DECEMBER 1, 2012 FOR THE APPLICABLE MEMBER. THE RETIREMENT SYSTEM SHALL DETERMINE A METHOD OF DETERMINING SERVICE CREDIT, COMPENSATION, AND ANY APPLICABLE CONTRIBUTIONS FOR PURPOSES OF IMPLEMENTING PROVISIONS OF THIS ACT THAT REFER TO THE TRANSITION DATE.**" and renumbering the remaining subsection.

2. Amend page 9, line 17, after **"BEGINNING"** by striking out **"JULY"** and inserting **"SEPTEMBER"**.

3. Amend page 10, following line 23, by inserting:

"Sec. 28. (1) By April 15 of each year, the department shall furnish to the governor, the legislature, each retirement allowance recipient, and each member ~~upon request~~ a summary of the fiscal transactions of the retirement system for the last completed fiscal year. The summary shall contain at least the following information from the financial and actuarial statements:

(a) A statement of assets and liabilities.

(b) A statement of investments by, and amount earned in, each category.

(c) A statement of revenues and expenditures.

(D) IN ADDITION TO OTHER DISCLOSURES REQUIRED UNDER THIS ACT THAT ARE BASED ON EXPECTED RETURNS ON ASSETS, A DISCLOSURE OF THE MARKET-VALUE DISCOUNT RATE THAT IS USED IN CALCULATING SYSTEM LIABILITIES AND FUNDED STATUS OF THE SYSTEM. THE RETIREMENT SYSTEM SHALL USE THE INDIVIDUAL PROJECTED BENEFIT ENTRY AGE NORMAL COST METHOD OF VALUATION WHEN MAKING THE DISCLOSURE REQUIRED IN THIS SUBDIVISION.

(E) A DISCLOSURE OF THE FUNDED STATUS OF THE SYSTEM THAT IS BASED ON THE MARKET VALUE OF ASSETS WITH NO SMOOTHING. THE RETIREMENT SYSTEM SHALL USE THE INDIVIDUAL PROJECTED BENEFIT ENTRY AGE NORMAL COST METHOD OF VALUATION WHEN MAKING THE DISCLOSURE REQUIRED IN THIS SUBDIVISION.

(F) A 5-YEAR PROJECTION OF THE ANNUAL LEVEL PERCENTAGE OF PAYROLL CONTRIBUTION RATE REQUIRED OF REPORTING UNITS UNDER THIS ACT.

(G) USING THE MARKET-VALUE DISCOUNT RATE DISCLOSED UNDER SUBDIVISION (D), A DISCLOSURE OF THE NORMAL COST CONTRIBUTION RATE.

(H) ~~(d)~~ Other information the department or the retirement board considers necessary.

(2) The department shall furnish sufficient copies of a description of retirement benefits under this act to each reporting

unit for the purpose of distribution to each of its employees as often as the department considers necessary, but not less than once every 3 years. The description shall contain the information the department considers necessary.

(3) BY APRIL 15 OF EACH YEAR, THE DEPARTMENT SHALL POST ON ITS INTERNET WEBSITE THE INFORMATION REQUIRED UNDER SUBSECTION (1) AND SHALL SEND THE INFORMATION VIA ELECTRONIC MAIL TO EACH RETIREMENT ALLOWANCE RECIPIENT AND EACH MEMBER FOR WHICH IT HAS AN ELECTRONIC MAIL ADDRESS.

(4) THE DEPARTMENT SHALL COLLECT AND MAINTAIN AN ELECTRONIC MAIL ADDRESS FOR RETIREMENT ALLOWANCE RECIPIENTS AND MEMBERS UNDER THIS ACT. IN CONJUNCTION WITH THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION IN THE STATE BUDGET OFFICE, THE DEPARTMENT SHALL DEVELOP AND MAINTAIN A DATABASE OF ELECTRONIC MAIL ADDRESSES FOR RETIREMENT ALLOWANCE RECIPIENTS AND MEMBERS UNDER THIS ACT. THE DEPARTMENT SHALL ALLOW THE DEPARTMENT OF EDUCATION TO ACCESS THE ELECTRONIC MAIL DATABASE DEVELOPED AND MAINTAINED UNDER THIS SUBSECTION ON AN AS-NEEDED BASIS. THE ELECTRONIC MAIL ADDRESSES OF INDIVIDUALS IN THE DATABASE UNDER THIS SUBSECTION ARE CONFIDENTIAL AND ARE NOT SUBJECT TO THE DISCLOSURE REQUIREMENTS OF THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246."

4. Amend page 10, line 25, after "rate" by striking out the balance of the line through "**APPLICABLE,**" on line 26.

5. Amend page 12, line 8, after "compensation" by striking out the balance of the line through the second "**YEAR**" on line 10.

6. Amend page 12, line 14, after "date." by striking out the balance of the line through "**ACTUARY.**" on line 25.

7. Amend page 12, line 27, after "**THE**" by striking out the balance of the line through "**ADDITIONAL**" on line 4 of page 13 and inserting "**NORMAL COST CONTRIBUTION RATE AND THE UNFUNDED ACTUARIAL ACCRUED LIABILITY CONTRIBUTION RATE SHALL NOT EXCEED 24.46% IN THE AGGREGATE. ANY ADDITIONAL NORMAL COST OR**".

8. Amend page 13, line 15, after "year" by striking out the balance of the subsection and inserting a period.

9. Amend page 17, line 10, after "rate" by striking out the balance of the line through "**APPLICABLE,**" on line 11.

10. Amend page 17, line 25, by striking out the balance of the section.

11. Amend page 25, line 7, after "**BEGINNING**" by striking out "**NOVEMBER 1, 2012**" and inserting "**ON THE TRANSITION DATE**".

12. Amend page 25, line 13, after "**BEGINNING**" by striking out "**NOVEMBER 1, 2012**" and inserting "**ON THE TRANSITION DATE**".

13. Amend page 25, line 22, by striking out "**NOVEMBER 1, 2012**" and inserting "**ON THE TRANSITION DATE**".

14. Amend page 25, line 27, after "**BEGINNING**" by striking out "**NOVEMBER 1, 2012**" and inserting "**ON THE TRANSITION DATE**".

15. Amend page 26, line 8, after "**BEFORE**" by striking out "**AUGUST 1**" and inserting "**SEPTEMBER 4**".

16. Amend page 27, line 4, after "**BEGINNING**" by striking out the balance of the line through "**2012**" on line 5 and inserting "**ON THE TRANSITION DATE**".

17. Amend page 27, line 13, after "**COMPENSATION**" by striking out the balance of the line and inserting "**FOR THAT MEMBER ON OR AFTER THE TRANSITION DATE.**".

18. Amend page 27, line 16, after "**COMPENSATION**" by striking out "**EARNED BEFORE NOVEMBER 1, 2012**" and inserting "**BEFORE THE TRANSITION DATE**".

19. Amend page 27, line 20, after the first "**OF**" by striking out "**JULY 15**" and inserting "**SEPTEMBER 3**".

20. Amend page 27, line 23, after the first "**OF**" by striking out "**JULY 15**" and inserting "**SEPTEMBER 3**".

21. Amend page 28, line 4, after "**COMPENSATION**" by striking out the balance of the line through "**2012**" on line 5 and inserting "**ON OR AFTER THE TRANSITION DATE**".

22. Amend page 28, line 16, after "**AFTER**" by striking out "**NOVEMBER 1, 2012**" and inserting "**THE TRANSITION DATE**".

23. Amend page 29, line 26, after "**AFTER**" by striking out "**NOVEMBER 1, 2012**" and inserting "**THE TRANSITION DATE**".

24. Amend page 30, line 5, after "**COMPENSATION**" by striking out the balance of the line through "**2012**" on line 6 and inserting "**TO THAT MEMBER AS OF THE DAY BEFORE THE TRANSITION DATE**".

25. Amend page 30, line 8, after "**BEGINNING**" by striking out "**NOVEMBER 1, 2012**" and inserting "**ON THE TRANSITION DATE**".

26. Amend page 30, line 10, after "**BEGINNING**" by striking out "**NOVEMBER 1, 2012**" and inserting "**ON THE TRANSITION DATE**".

27. Amend page 30, line 18, after "**ON**" by striking out "**JULY 16**" and inserting "**SEPTEMBER 4**".

28. Amend page 30, line 19, after "**ON**" by striking out "**SEPTEMBER 28**" and inserting "**OCTOBER 26**".

29. Amend page 31, line 5, after "**ON**" by striking out "**OCTOBER 31, 2012**" and inserting "**THE DAY BEFORE THE TRANSITION DATE**".

30. Amend page 31, line 7, after the second "**ON**" by striking out "**NOVEMBER 1, 2012**" and inserting "**THE TRANSITION DATE**".

31. Amend page 31, line 23, after "**ON**" by striking out "**OCTOBER 31, 2012**" and inserting "**THE DAY BEFORE THE TRANSITION DATE**".

32. Amend page 31, line 25, after the second "**ON**" by striking out "**NOVEMBER 1, 2012**" and inserting "**THE TRANSITION DATE**".

33. Amend page 33, line 1, after the first "**ON**" by striking out "**JULY 15**" and inserting "**SEPTEMBER 3**".

34. Amend page 33, line 2, after "**AFTER**" by striking out "**JULY 16**" and inserting "**SEPTEMBER 4**".

35. Amend page 33, line 5, after "**AFTER**" by striking out "**JULY 16**" and inserting "**SEPTEMBER 4**".

36. Amend page 33, line 18, after "**ENDING**" by striking out "**JULY 15**" and inserting "**SEPTEMBER 3**".

37. Amend page 33, line 19, after "**ON**" by striking out "**JULY 15**" and inserting "**SEPTEMBER 3**".

38. Amend page 37, line 4, after "**AFTER**" by striking out "**AUGUST 1**" and inserting "**SEPTEMBER 4**".

39. Amend page 41, line 9, after "**BEGINNING**" by striking out "**NOVEMBER**" and inserting "**DECEMBER**".

40. Amend page 41, line 17, after "**BEFORE**" by striking out "**NOVEMBER 1, 2012**" and inserting "**THE TRANSITION DATE**".
41. Amend page 41, line 18, after "**BEFORE**" by striking out "**NOVEMBER**" and inserting "**DECEMBER**".
42. Amend page 41, line 21, after "**OF**" by striking out "**OCTOBER 31**" and inserting "**NOVEMBER 30**".
43. Amend page 41, line 24, after "**BEGINNING**" by striking out "**NOVEMBER**" and inserting "**DECEMBER**".
44. Amend page 42, line 3, after "**AFTER**" by striking out "**NOVEMBER 1, 2012**" and inserting "**THE TRANSITION DATE**".
45. Amend page 42, line 4, after "**AFTER**" by striking out "**NOVEMBER**" and inserting "**DECEMBER**".
46. Amend page 42, line 6, after "**BEGINNING**" by striking out "**NOVEMBER**" and inserting "**DECEMBER**".
47. Amend page 42, line 13, after "**BEFORE**" by striking out "**NOVEMBER 1, 2012**" and inserting "**THE TRANSITION DATE**".
48. Amend page 42, line 14, after "**BEFORE**" by striking out "**NOVEMBER**" and inserting "**DECEMBER**".
49. Amend page 42, line 17, after "**OF**" by striking out "**OCTOBER 31**" and inserting "**NOVEMBER 30**".
50. Amend page 42, line 20, after "**BEGINNING**" by striking out "**NOVEMBER**" and inserting "**DECEMBER**".
51. Amend page 42, line 23, after "**AFTER**" by striking out "**NOVEMBER 1, 2012**" and inserting "**THE TRANSITION DATE**".
52. Amend page 42, line 25, by striking out "**NOVEMBER**" and inserting "**DECEMBER**".
53. Amend page 42, line 26, after "**AFTER**" by striking out "**NOVEMBER 1, 2012**" and inserting "**THE TRANSITION DATE**".
54. Amend page 43, line 6, after the second "**OF**" by striking out "**NOVEMBER 1, 2012**" and inserting "**THE TRANSITION DATE**".
55. Amend page 43, line 8, after "**BEGINNING**" by striking out "**NOVEMBER**" and inserting "**DECEMBER**".

56. Amend page 43, line 23, after "**BEGINNING**" by striking out "**NOVEMBER**" and inserting "**DECEMBER**".

57. Amend page 44, line 5, after "**BEGINNING**" by striking out "**NOVEMBER 1, 2012**" and inserting "**ON THE TRANSITION DATE**".

58. Amend page 49, line 21, after "**BEFORE**" by striking out "**AUGUST 1**" and inserting "**SEPTEMBER 4**".

59. Amend page 52, line 20, after the third "plan" by striking out the comma.

60. Amend page 54, line 2, after "**AFTER**" by striking out "**AUGUST 1**" and inserting "**SEPTEMBER 4**".

61. Amend page 55, line 16, after "**AFTER**" by striking out "**AUGUST 1**" and inserting "**SEPTEMBER 4**".

62. Amend page 55, line 25, after "**AFTER**" by striking out "**AUGUST 1**" and inserting "**SEPTEMBER 4**".

63. Amend page 56, line 3, after "**AFTER**" by striking out "**AUGUST 1**" and inserting "**SEPTEMBER 4**".

64. Amend page 56, line 21, after "**AFTER**" by striking out "**NOVEMBER 1, 2012**" and inserting "**THE TRANSITION DATE**".

65. Amend page 56, line 25, by striking out "**JULY 16**" and inserting "**SEPTEMBER 4**".

66. Amend page 56, line 25, after "**ON**" by striking out "**SEPTEMBER 28**" and inserting "**OCTOBER 26**".

67. Amend page 57, line 3, after "**EFFECTIVE**" by striking out "**NOVEMBER 1, 2012**" and inserting "**ON THE TRANSITION DATE**".

68. Amend page 57, line 14, after "**ON**" by striking out "**JULY 15**" and inserting "**SEPTEMBER 3**".

69. Amend page 57, line 15, after "**AFTER**" by striking out "**JULY 16**" and inserting "**SEPTEMBER 4**".

70. Amend page 57, line 25, after "**AFTER**" by striking out "**NOVEMBER 1, 2012**" and inserting "**THE TRANSITION DATE**".

71. Amend page 57, line 26, after "**DEPOSITED**" by inserting

"AS AN EMPLOYER CONTRIBUTION".

72. Amend page 58, line 1, after "AFTER" by striking out "JANUARY" and inserting "FEBRUARY".

73. Amend page 60, line 1, after "AFTER" by striking out "AUGUST 1" and inserting "SEPTEMBER 4".

74. Amend page 60, line 5, after "AFTER" by striking out "AUGUST 1" and inserting "SEPTEMBER 4".

75. Amend page 61, line 6, after "BEFORE" by striking out "AUGUST 1" and inserting "SEPTEMBER 4".

76. Amend page 61, line 8, after "ENDING" by striking out "JULY 15" and inserting "SEPTEMBER 3".

77. Amend page 61, line 9, after "ON" by striking out "JULY 15" and inserting "SEPTEMBER 3".

78. Amend page 62, line 4, by striking out "\$100,000.00" and inserting "\$150,000.00".

79. Amend page 62, line 10, after "BEFORE" by striking out "DECEMBER 31" and inserting "NOVEMBER 15".

80. Amend page 62, line 20, after "RISK," by inserting "STRANDED COST IMPLICATIONS,".

81. Amend page 63, line 9, after "ALLOWANCES," by inserting "RATE OF INVESTMENT RETURNS, MORTALITY RATES AND LONGEVITY,".

82. Amend page 63, line 18, after "A" by striking out the balance of the line and inserting "DEFINED CONTRIBUTION ONLY PLAN THAT IS IDENTICAL TO THE DEFINED CONTRIBUTION".

83. Amend page 63, line 22, after "38.69." by inserting "THE STUDY SHALL INCLUDE SPECIFIC RECOMMENDATIONS ON TRANSITIONING FROM THE TIER 1 AND TIER 2 PLANS TO A DEFINED CONTRIBUTION ONLY PLAN THAT IS IDENTICAL TO THE DEFINED CONTRIBUTION PLAN ESTABLISHED PURSUANT TO SECTION 401(K) OF THE INTERNAL REVENUE CODE, 26 USC 401, AND THAT IS AVAILABLE TO QUALIFIED PARTICIPANTS UNDER SECTIONS 50 TO 69 OF THE STATE EMPLOYEES' RETIREMENT ACT, 1943 PA 240, MCL 38.50 TO 38.69.".

84. Amend page 63, line 23, by striking out all of section 94 and inserting:

"(5) THE STUDY REQUIRED UNDER SUBSECTION (1) SHALL REVIEW THE DEGREE TO WHICH CURRENT OPERATING EXPENDITURES ARE A STABLE, GROWING, AND EQUITABLE BASE FOR CHARGING UNFUNDED ACTUARIAL ACCRUED LIABILITY COSTS TO PUBLIC LOCAL SCHOOL DISTRICTS, AS COMPARED TO ALTERNATE MEASURES OF DISTRICT FINANCIAL ACTIVITY. THE STUDY SHALL INCLUDE AN ANALYSIS OF THE DEGREE TO WHICH CURRENT UNFUNDED ACTUARIAL ACCRUED LIABILITIES ARE THE RESULT OF STRANDED COST FACTORS. THE STUDY SHALL INCLUDE OPTIONS REGARDING THE USE OF CURRENT OPERATING EXPENDITURES OR AN ALTERNATE MEASURE AS THE BASIS FOR CHARGING UNFUNDED ACTUARIAL ACCRUED LIABILITY COSTS TO PUBLIC LOCAL SCHOOL DISTRICTS. AS USED IN THIS SUBSECTION, "CURRENT OPERATING EXPENDITURES" FOR A PUBLIC LOCAL SCHOOL DISTRICT INCLUDES FUNCTIONS 1XX, 2XX, 45X, AND ALL OBJECT CODES EXCEPT 6XXX, AS DEFINED IN THE "MICHIGAN PUBLIC SCHOOL ACCOUNTING MANUAL BULLETIN 1022", AND IS EQUAL TO THE TOTAL OF INSTRUCTIONAL AND SUPPORT SERVICES EXPENDITURES, INCLUDING THE TOTAL GENERAL FUND CHARGES INCURRED IN THE GENERAL, SPECIAL EDUCATION, AND VOCATIONAL EDUCATION FUNDS FOR THE BENEFIT OF THE CURRENT FISCAL YEAR, WHETHER PAID OR UNPAID, AND ALL EXPENDITURES OF THE INSTRUCTIONAL PROGRAMS PLUS APPLICABLE SUPPORTING SERVICE COSTS REDUCED BY CAPITAL OUTLAY, DEBT SERVICE, COMMUNITY SERVICES, AND OUTGOING TRANSFERS AND OTHER TRANSACTIONS. CURRENT OPERATING EXPENDITURES FOR A PUBLIC LOCAL SCHOOL DISTRICT ALSO INCLUDE OPERATING FUNDS FOR ANY PUBLIC SCHOOL OR OTHER PUBLIC EDUCATIONAL ENTITY FIRST AUTHORIZED OR ESTABLISHED BY THE PUBLIC LOCAL SCHOOL DISTRICT ON OR AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION."

85. Amend page 70, line 9, after "BEFORE" by striking out "AUGUST 1, 2012" and inserting "JANUARY 1, 2013".

86. Amend page 70, line 16, by striking out "AUGUST 1, 2012" and inserting "JANUARY 1, 2013".

87. Amend page 71, line 3, by striking out all of subdivision (E).