

MEMORANDUM

STATE OF MICHIGAN

DEPARTMENT OF MANAGEMENT AND BUDGET

LANSING

Date: April 9, 1975

To: Governor William G. Milliken

From: Department of Management and Budget

Subject: Analysis of House Bill 4580

1. What is the purpose of the bill?

To provide legislative authority for the Civil Service Commission to administer and operate a deferred compensation plan with various alternatives.

2. (a) Was the bill introduced at the agency's request?

No.

(b) Does it have the agency's support?

Yes.

3. Are there revenue or budgetary implications in the bill?

(a) To the department?

No.

(b) To the State?

Maybe--this depends on how the Civil Service Commission elects to finance the administrative costs of operating the plan.

4. Is there any local government implications in the bill?

No.

5. What other principal departments might the bill affect?

None.

6. What are the arguments for and against the bill?

Arguments for:

The availability of various options in the plan will provide employee participants with a more diversified investment opportunity while deferring income.

Arguments against;

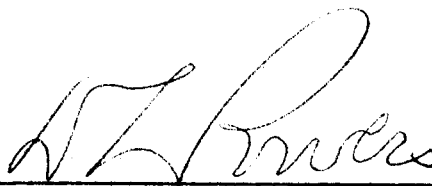
None.

7. Does the department suggest amendments?

No.

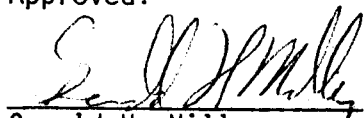
8. Background information:

An Attorney General's opinion dated August 7, 1974 indicated legislation was required to give Civil Service Commission the authority to invest monies and operate such a plan with options. This bill is to provide such authority.



D. L. Powers, Director
Accounting Division

Approved:



Gerald H. Miller
Director