(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Revises the definition of "excess compensation" with regard to payments used in the calculation of an employee's retirement allowance.

Requires the local government self-insurance program of the department of enterprise services to support employers of law enforcement officers' and firefighters' retirement system plan 1 retirees to develop a voluntary risk pool to share the noninsured retiree medical costs of long-term care and major medical services.

Prohibits a collective bargaining agreement covering certain employees from including a provision that bases employee eligibility for voluntary overtime on seniority or eligibility for retirement.

Requires the department of retirement systems to: (1) Review compensation increases reported for persons who retired from the law enforcement officers and firefighters retirement system plan 1 since July 1, 2010; and

(2) Conduct an on-site audit of certain employer compensation records.

Provides a right to appeal an order or determination to the director of the department of retirement systems for a member or employer feeling aggrieved by an order or determination of a disability board granting or denying coverage for a service or item requested as a medical service.