

# Legislative Analysis



## **MPSERS RETIREES CORE SERVICES**

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**Senate Bill 1225 as reported from House committee**

**Sponsor: Sen. Mike Shirkey**

**House Committee: Education Reform**

**Senate Committee: Michigan Competitiveness**

**Complete to 12-19-18**

Analysis available at  
<http://www.legislature.mi.gov>

*(Enacted as Public Act 482 of 2018)*

## **SUMMARY:**

Senate Bill 1225 would amend the Public School Employees Retirement Act to allow retirees who perform custodial, food, or transportation services for a school to retain their retirement allowances and health benefits, as those services would be classified as non-core services in accordance with current practice.

Currently, the Act reduces either pension or retiree health benefits or both while a Michigan Public School Employees' Retirement System (MPSERS) retiree returns to work in a reporting unit, with varying reductions depending on the retirement date and the circumstances of the new employment. (The Act defines a reporting unit as a public school district, intermediate school district, public school academy, tax-supported community or junior college, or university (with exceptions), or an agency having employees on its payroll who are members of this retirement system.)

However, the Act exempts certain categories of employment from those benefit reductions. The bill would provide that, as used when determining benefit reductions in Subsection (8), the "core services" designation triggering a reduction would not include custodial, food, or transportation services. This codifies current practice, as those categories are not included in the Michigan Office of Retirement Services' (ORS) list of core services.<sup>1</sup>

MCL 38.1361

## **HOUSE COMMITTEE ACTION:**

The House Committee on Education Reform reported the Senate-passed version of the bill without amendment.

## **FISCAL IMPACT:**

The bill would have no fiscal impact on the state or local units of government as it simply codifies current practice regarding the ORS definition of core service.

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<sup>1</sup> Michigan Office of Retirement Services, [https://www.michigan.gov/psru/0,2496,7-284-75792\\_75816-382732--00.html](https://www.michigan.gov/psru/0,2496,7-284-75792_75816-382732--00.html)

## POSITIONS:

A representative of Dean Transportation testified in support of the bill. (12-19-18)

The Department of Technology, Management, and Budget indicated that it has no position on the bill. (12-19-18)

The following entities indicated opposition to the bill (12-19-18):

- AFSCME Council 25
- SEIU (Service Employees International Union)
- CSR-MI

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.