

HOUSE BILL NO. 4305

March 21, 2023, Introduced by Reps. Snyder, Fitzgerald, Mentzer, Liberati, Morse, McFall, Rheingans, Byrnes, Outman, Haadsma, Hood, Paiz, Tsernoglou, Arbit, Tyrone Carter, Glanville, Phil Green, Young, Grant and Kunse and referred to the Committee on Education.

A bill to amend 1980 PA 300, entitled
"The public school employees retirement act of 1979,"
by amending section 61 (MCL 38.1361), as amended by 2022 PA 184.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 61. (1) Except as otherwise provided in this section, if
2 a retirant is receiving a retirement allowance other than a
3 disability allowance payable under this act or under former 1945 PA
4 136, on account of either age or years of personal service
5 performed, or both, and becomes employed at a reporting unit, the

1 retirant forfeits his or her retirement allowance and the
2 retirement system subsidy for health care benefits from the
3 retirement system for the entire month of each month in which the
4 retirant is employed at the reporting unit. A retirant who has
5 forfeited the retirement system subsidy for health care benefits
6 under this subsection and who wants to retain health care benefits
7 shall pay the retirant's and retirement system's costs for the
8 health care benefits. The retirement allowance and retirement
9 system subsidy for health care benefits must resume without
10 recalculation on the first of the month following the month in
11 which the retirant has terminated reporting unit employment.

12 (2) The retirement system may offset retirement benefits
13 payable under this act against amounts owed to the retirement
14 system by a retirant or retirement allowance beneficiary.

15 (3) Subsection (1) does not apply to a retirant who is
16 employed at a reporting unit if both of the following apply:

17 (a) The retirant retired after a bona fide termination of
18 employment.

19 (b) The retirant is employed at any reporting unit on ~~the~~
20 ~~effective date of the amendatory act that added this~~
21 ~~subdivision.~~ **July 25, 2022.**

22 (4) Subsection (1) does not apply to a retirant who is
23 employed by a university that is considered a reporting unit for
24 the limited purpose described in section 7(3).

25 (5) Subsection (1) does not apply to a retirant who is
26 employed at a reporting unit if both of the following apply:

27 (a) The retirant retired after a bona fide termination of
28 employment.

29 (b) The retirant has been retired for at least 9 consecutive

1 months before becoming employed under this subsection.

2 **(6) Subsection (1) does not apply to a retirant who is**
3 **employed at a reporting unit if all of the following apply:**

4 **(a) The retirant retired after a bona fide termination of**
5 **employment.**

6 **(b) The retirant is employed as an interscholastic athletics**
7 **coach or interscholastic sports official and the amount of earnings**
8 **attributable to employment at a reporting unit does not exceed**
9 **\$10,000.00 in a calendar year.**

10 **(7) ~~(6)~~**A retirant is not eligible to use any service or
11 compensation attributable to the employment described in
12 ~~subsections~~**subsection (3), (4), ~~or~~ (5), or (6)** for a recomputation
13 of his or her retirement allowance.

14 **(8) ~~(7)~~**For purposes of subsections (3), (4), ~~and~~ (5), **and**
15 **(6)**, the retirement system shall determine, in accordance with
16 federal law that governs qualified retirement plans, whether a
17 retirant retired after a bona fide termination of employment. If
18 the retirement system determines that a retirant did not retire
19 after a bona fide termination of employment, the retirement system
20 may adjust the retirant retirement allowance effective date
21 following a bona fide termination.

22 **(9) ~~(8)~~**A reporting unit shall report the employment of a
23 retirant as described in subsection (3) or (4), as applicable, to
24 the retirement system in a manner determined by the retirement
25 system. The reporting unit shall include in the report the name of
26 the retirant, the capacity in which the retirant is employed, and
27 the compensation paid to the retirant. An employer, other than a
28 reporting unit, that employs retirants as described in subsection
29 (3) or (4) shall provide to the reporting unit all information that

1 the reporting unit is required to report to the retirement system
2 under this subsection.

3 (10) ~~(9)~~—As used in this section:

4 (a) "Bona fide termination of employment" means, as determined
5 by the retirement system under subsection ~~(7)~~, **(8)**, a retirant has
6 completely severed the employer-employee relationship with his or
7 her reporting unit employer. Completely severing the employer-
8 employee relationship includes, but is not limited to, a retirant
9 not working for his or her reporting unit employer during the month
10 of the retirant's retirement allowance effective date and, before
11 the severing of the employer-employee relationship, the retirant
12 does not intend or expect or have an offer or contingency to become
13 employed at any reporting unit.

14 (b) "Employed at a reporting unit" means employed directly by
15 a reporting unit as an employee, indirectly by a reporting unit
16 through a contractual arrangement with other parties, or by
17 engagement of a retirant by a reporting unit as an independent
18 contractor.