

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4752**

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
6 retirant forfeits his or her retirement allowance and the
7 retirement system subsidy for health care benefits from the
8 retirement system for the entire month of each month in which the
9 retirant is employed at the reporting unit. A retirant who has

1 forfeited the retirement system subsidy for health care benefits
2 under this subsection and who wants to retain health care benefits
3 shall pay the retirant's and retirement system's costs for the
4 health care benefits. The retirement allowance and retirement
5 system subsidy for health care benefits must resume without
6 recalculation on the first of the month following the month in
7 which the retirant has terminated reporting unit employment.

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

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

13 (a) The retirant retired after a bona fide termination of
14 employment.

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

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

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

23 (a) The retirant retired after a bona fide termination of
24 employment.

25 (b) The retirant has been retired for at least 9 consecutive
26 months before becoming employed under this subsection.

27 **(6) Until 5 years after the effective date of the amendatory**
28 **act that added this sentence, subsection (1) does not apply to a**
29 **retirant who, at the time of the retirant's retirement, was**

1 employed in a position other than a superintendent and who is
2 employed at a reporting unit if both of the following apply:

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

5 (b) Either of the following applies:

6 (i) The retirant has been retired for at least 6 consecutive
7 months.

8 (ii) The earnings of the retirant do not exceed \$15,100.00 in a
9 calendar year.

10 (7) Until 5 years after the effective date of the amendatory
11 act that added this sentence, subsection (1) does not apply to a
12 retirant who, at the time of the retirant's retirement, was
13 employed as a superintendent and who is employed at a reporting
14 unit if both of the following apply:

15 (a) The retirant retired after a bona fide termination of
16 employment.

17 (b) Either of the following applies:

18 (i) The retirant has been retired for at least 6 consecutive
19 months.

20 (ii) If the retirant is employed in a position other than a
21 superintendent, the earnings of the retirant do not exceed
22 \$15,100.00 in a calendar year.

23 (8) ~~(6)~~A retirant is not eligible to use any service or
24 compensation attributable to the employment described in
25 ~~subsections~~ **subsection** (3), (4), ~~or~~ (5), (6), or (7), for a
26 recomputation of his or her retirement allowance.

27 (9) ~~(7)~~For purposes of subsections (3), (4), ~~and~~ (5), (6),
28 **and (7)**, the retirement system shall determine, in accordance with
29 federal law that governs qualified retirement plans, whether a

1 retirant retired after a bona fide termination of employment. If
2 the retirement system determines that a retirant did not retire
3 after a bona fide termination of employment, the retirement system
4 may adjust the retirant retirement allowance effective date
5 following a bona fide termination.

6 **(10)** ~~(8)~~—A reporting unit shall report the employment of a
7 retirant as described in subsection (3) or (4), as applicable, to
8 the retirement system in a manner determined by the retirement
9 system. The reporting unit shall include in the report the name of
10 the retirant, the capacity in which the retirant is employed, and
11 the compensation paid to the retirant. An employer, other than a
12 reporting unit, that employs retirants as described in subsection
13 (3) or (4) shall provide to the reporting unit all information that
14 the reporting unit is required to report to the retirement system
15 under this subsection.

16 **(11)** ~~(9)~~—As used in this section:

17 (a) "Bona fide termination of employment" means, as determined
18 by the retirement system under subsection ~~(7)~~, **(9)**, a retirant has
19 completely severed the employer-employee relationship with his or
20 her reporting unit employer. Completely severing the employer-
21 employee relationship includes, but is not limited to, a retirant
22 not working for his or her reporting unit employer during the month
23 of the retirant's retirement allowance effective date and, before
24 the severing of the employer-employee relationship, the retirant
25 does not intend or expect or have an offer or contingency to become
26 employed at any reporting unit.

27 (b) "Employed at a reporting unit" means employed directly by
28 a reporting unit as an employee, indirectly by a reporting unit
29 through a contractual arrangement with other parties, or by

- 1 engagement of a retirant by a reporting unit as an independent
- 2 contractor.