

# HOUSE BILL NO. 4846

May 18, 2021, Introduced by Rep. VanWoerkom and referred to the Committee on Appropriations.

A bill to amend 1943 PA 240, entitled  
"State employees' retirement act,"  
by amending section 68c (MCL 38.68c), as amended by 2020 PA 314.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 68c. (1) Except as otherwise provided in this section, a  
2    retirant who is receiving a retirement allowance under this act and  
3    is employed by this state beginning after October 1, 2007 agrees to  
4    forfeit his or her right to receive that retirement allowance  
5    during this period of state employment. The retirement system shall

1 stop payment of the retirement allowance to a retirant described in  
2 this subsection during this period of state employment and shall  
3 reinstate payment of the retirement allowance without recalculation  
4 when the period of state employment ceases. This subsection does  
5 not apply to a retirant who is directly or indirectly employed by  
6 this state on October 1, 2007 while he or she remains in the  
7 position held by the retirant on October 1, 2007. As used in this  
8 subsection, "employed by this state" means employed directly by  
9 this state as an employee, indirectly by this state through a  
10 contractual arrangement with other parties, or by engagement of the  
11 retirant by this state as an independent contractor. This  
12 subsection does not apply to a retirant who is engaged as an  
13 independent contractor on October 1, 2010 while the retirant  
14 remains engaged in the same contract that was held by the retirant  
15 on October 1, 2010 without amendment or extension.

16 (2) A hospital, medical-surgical, and sick care benefits plan,  
17 dental plan, vision plan, and hearing plan that covers retirants,  
18 retirant allowance beneficiaries, former qualified participants,  
19 and health benefit dependents under this act must contain a  
20 coordination of benefits provision that provides all of the  
21 following:

22 (a) If the person covered under any of the plans is also  
23 eligible for Medicare, the benefits under Medicare must be  
24 determined before the health insurance benefits under this act.

25 (b) If a person covered under any of the plans provided by  
26 this act is also covered under another plan that contains a  
27 coordination of benefits provision, the benefits must be  
28 coordinated as provided in the coordination of benefits act, 1984  
29 PA 64, MCL 550.251 to 550.254.

1 (c) If the person covered under any of the plans provided by  
2 this act is also covered under another plan that does not contain a  
3 coordination of benefits provision, the benefits under the other  
4 plan must be determined before the benefits provided under this  
5 act.

6 (3) Subsection (1) does not apply to a retirant if all of the  
7 following apply:

8 (a) The retirant is hired to provide health care services to  
9 individuals under the jurisdiction of the department of  
10 corrections.

11 (b) The retirant is hired in a position that is limited in  
12 term, no benefits are paid, and pay is on a per diem basis.

13 (c) The department of corrections provides written notice to  
14 the state budget office and the department of technology,  
15 management, and budget that attempts have been made to fill the  
16 position through postings and recruitment and that the position  
17 vacancy still exists.

18 (d) The department of corrections reports the employment of a  
19 retirant under this subsection within 30 days of employment of the  
20 retirant to the state budget office and the department of  
21 technology, management, and budget. The report must include the  
22 name of the retirant, the capacity in which the retirant is  
23 employed, and the total compensation paid to the retirant.

24 (e) The retirant retired after a bona fide termination.

25 (4) Subsection (1) does not apply to the appointment of a  
26 retirant who retired after a bona fide termination and who was an  
27 assistant attorney general as a special assistant attorney general  
28 if the attorney general determines that, as a result of his or her  
29 previous employment with this state, the retirant possesses

1 specialized expertise and experience necessary for the appointment  
2 and that the appointment is the most cost-effective option for this  
3 state.

4 (5) Until September 30, 2015, subsection (1) does not apply to  
5 a retirant if all of the following apply:

6 (a) The retirant is hired to provide for the custody of  
7 individuals under the jurisdiction of the department of  
8 corrections.

9 (b) The retirant is hired in a position that is limited in  
10 term, no benefits are paid, and the pay is not more than 80% of the  
11 maximum hourly wage granted to classified civil service employees  
12 employed by the department of corrections to perform the same  
13 duties as the retirant for the fiscal year during which the  
14 retirant is employed.

15 (c) The retirant works ~~no~~**not** more than 1,040 hours in a 12-  
16 month period of state employment.

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

19 (6) Subsection (1) does not apply to a retirant if all of the  
20 following apply:

21 (a) The department of attorney general contracts with the  
22 retirant as a witness, expert, or consultant for litigation  
23 involving this state. The contract must provide that the retirant's  
24 service as a witness, expert, or consultant ends at the conclusion  
25 of the litigation.

26 (b) The attorney general determines that, as a result of the  
27 retirant's previous employment with this state, the retirant  
28 possesses specialized expertise and experience necessary for the  
29 litigation and the contract is the most cost-effective option for

1 the state.

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

4 (7) Subsection (1) does not apply to a retirant if all of the  
5 following apply:

6 (a) The retirant is hired by the department of natural  
7 resources for active wildland fire suppression.

8 (b) There is an immediate continual need for prequalified,  
9 skilled, and trained personnel to address wildfire suppression.

10 (c) The retirant works ~~no~~**not** more than 600 hours in a fiscal  
11 year.

12 (d) The retirant is hired in a position that is limited in  
13 term, no benefits are paid, and the pay is not more than 70% of the  
14 maximum hourly wage granted to classified civil service employees  
15 employed by the department of natural resources to perform the same  
16 duties as the retirant for the fiscal year during which the  
17 retirant is employed.

18 (e) The department of natural resources reports the employment  
19 of a retirant under this subsection within 30 days after employment  
20 and within 30 days after termination of employment or within 30  
21 days after the end of each fiscal year, whichever occurs first, to  
22 the state budget office and the department of technology,  
23 management, and budget. The report required under this subdivision  
24 must include the name of the retirant, the capacity in which the  
25 retirant is employed, the equivalent civil service position in  
26 which the retirant is employed, the hourly wage paid to the  
27 retirant, and the total hours of service provided by the retirant  
28 for the fiscal year. The department of natural resources may submit  
29 a report required under this subdivision electronically.

1 (f) By March 1 of each year, the department of natural  
2 resources submits a summary of all the reports required under  
3 subdivision (e) for the preceding fiscal year to the house of  
4 representatives and senate appropriations subcommittees that  
5 consider the budget of the department of natural resources, the  
6 state budget office, the house and senate fiscal agencies, and the  
7 department of technology, management, and budget. The department of  
8 natural resources may submit a summary required under this  
9 subdivision electronically.

10 (8) Subsection (1) does not apply to a retirant if all of the  
11 following apply:

12 (a) The retirant is employed by the legislative service bureau  
13 as legal counsel through a contractual arrangement.

14 (b) The legislative council administrator determines that, as  
15 a result of the retirant's previous employment with this state, the  
16 retirant possesses specialized expertise and experience necessary  
17 for the hiring of the retirant and that the hiring of the retirant  
18 is the most cost-effective option for this state.

19 (c) The legislative service bureau reports the employment of a  
20 retirant under this subsection within 30 days after employment and  
21 within 30 days after termination of employment to the department of  
22 technology, management, and budget, office of retirement services.  
23 The legislative service bureau may submit a report required under  
24 this subdivision electronically.

25 (9) Subsection (1) does not apply to a retirant if all of the  
26 following apply:

27 (a) The department of health and human services hires the  
28 retirant as a psychiatrist to provide mental health services to  
29 individuals in psychiatric hospitals operated by the department of

1 health and human services.

2 (b) The department of health and human services determines  
3 that, as a result of the retirant's previous employment with this  
4 state, the retirant possesses specialized expertise and experience  
5 necessary for the hiring of the retirant and that the hiring of the  
6 retirant is the most cost-effective option for this state.

7 (c) The retirant retired before October 1, 2015 and after a  
8 bona fide termination of employment.

9 (d) The department of health and human services reports the  
10 employment of a retirant under this subsection within 30 days after  
11 employment and within 30 days after termination of employment or  
12 within 30 days after the end of each fiscal year, whichever occurs  
13 first, to the state budget office and the department of technology,  
14 management, and budget. The report required under this subdivision  
15 must include the name of the retirant, the capacity in which the  
16 retirant is employed, the equivalent civil service position in  
17 which the retirant is employed, the hourly wage paid to the  
18 retirant, and the total hours of service provided by the retirant  
19 for the fiscal year. The department of health and human services  
20 may submit a report required under this subdivision electronically.

21 (e) By March 1 of each year, the department of health and  
22 human services submits a summary of all the reports required under  
23 subdivision (d) for the preceding fiscal year to the house of  
24 representatives and senate appropriations subcommittees that  
25 consider the budget of the department of health and human services,  
26 the state budget office, the house and senate fiscal agencies, and  
27 the department of technology, management, and budget. The  
28 department of health and human services may submit a summary  
29 required under this subdivision electronically.

1           (10) Until September 30, 2023, subsection (1) does not apply  
2 to a retirant if all of the following apply:

3           (a) The department of health and human services hires the  
4 retirant as a mental health professional other than a psychiatrist  
5 to provide mental health services to individuals in psychiatric  
6 hospitals operated by the department of health and human services.

7           (b) The retirant retired before October 1, 2015 and after a  
8 bona fide termination of employment.

9           (c) The department of health and human services determines  
10 that, as a result of the retirant's previous employment with this  
11 state, the retirant possesses specialized expertise and experience  
12 necessary for the hiring of the retirant and that the hiring of the  
13 retirant is the most cost-effective option for this state.

14           (d) The department of health and human services reports the  
15 employment of a retirant under this subsection within 30 days after  
16 employment and within 30 days after termination of employment or  
17 within 30 days after the end of each fiscal year, whichever occurs  
18 first, to the state budget office and the department of technology,  
19 management, and budget. The report required under this subdivision  
20 must include the name of the retirant, the capacity in which the  
21 retirant is employed, the equivalent civil service position in  
22 which the retirant is employed, the hourly wage paid to the  
23 retirant, and the total hours of service provided by the retirant  
24 for the fiscal year. The department of health and human services  
25 may submit a report required under this subdivision electronically.

26           (e) By March 1 of each year, the department of health and  
27 human services submits a summary of all the reports required under  
28 subdivision (d) for the preceding fiscal year to the house of  
29 representatives and senate appropriations subcommittees that



1 consider the budget of the department of health and human services,  
2 the state budget office, the house and senate fiscal agencies, and  
3 the department of technology, management, and budget. The  
4 department of health and human services may submit a summary  
5 required under this subdivision electronically.

6 (11) Until March 31, 2021, subsection (1) does not apply to a  
7 retirant if all of the following apply:

8 (a) The Michigan unemployment insurance agency hires the  
9 retirant after March 15, 2020.

10 (b) The department of labor and economic opportunity  
11 determines that, as a result of the retirant's previous employment  
12 with this state, the retirant possesses specialized expertise and  
13 experience necessary for the hiring of the retirant and that the  
14 hiring of the retirant is the most cost-effective option for this  
15 state.

16 (c) The department of labor and economic opportunity reports  
17 the employment of the retirant under this subsection within 30 days  
18 after employment or by November 19, 2020, whichever occurs first,  
19 and within 30 days after termination of employment or within 30  
20 days after the end of each fiscal year, whichever occurs first, to  
21 the state budget office and the department of technology,  
22 management, and budget. The report required under this subdivision  
23 must include the name of the retirant, the capacity in which the  
24 retirant is employed, the equivalent civil service position in  
25 which the retirant is employed, the hourly wage paid to the  
26 retirant, and the total hours of service provided by the retirant  
27 for the fiscal year. The department of labor and economic  
28 opportunity may submit a report required under this subdivision  
29 electronically.

1 (12) Until October 21, 2020, subsection (1) does not apply to  
2 a retirant if all of the following apply:

3 (a) The Michigan occupational safety and health administration  
4 hires the retirant after March 15, 2020.

5 (b) The Michigan occupational safety and health administration  
6 determines that, as a result of the retirant's previous employment  
7 with this state, the retirant possesses specialized expertise and  
8 experience necessary for the hiring of the retirant and that the  
9 hiring of the retirant is the most cost-effective option for this  
10 state.

11 (c) The Michigan occupational safety and health administration  
12 reports the employment of the retirant under this subsection within  
13 30 days after employment or by November 19, 2020, whichever occurs  
14 first, and within 30 days after termination of employment or within  
15 30 days after the end of each fiscal year, whichever occurs first,  
16 to the state budget office and the department of technology,  
17 management, and budget. The report required under this subdivision  
18 must include the name of the retirant, the capacity in which the  
19 retirant is employed, the equivalent civil service position in  
20 which the retirant is employed, the hourly wage paid to the  
21 retirant, and the total hours of service provided by the retirant  
22 for the fiscal year. The Michigan occupational safety and health  
23 administration may submit a report required under this subdivision  
24 electronically.

25 (13) Subsection (1) does not apply to a retirant if all of the  
26 following apply:

27 (a) The retirant retired from the department of corrections.

28 (b) The retirant is hired indirectly by this state through a  
29 contractual arrangement with another party providing

1 telecommunications services to the department of corrections for  
2 the primary purpose of collecting or analyzing intelligence  
3 generated within the department of corrections.

4 (c) The retirant has been retired for at least 30 days.

5 (d) The department of corrections determines that, as a result  
6 of the retirant's previous employment with this state, the retirant  
7 possesses specialized expertise and experience necessary for the  
8 hiring of the retirant to complete the tasks under subdivision (b).

9 (e) The department of corrections reports the employment of a  
10 retirant under this subsection within 30 days after employment and  
11 within 30 days after termination of employment or within 30 days  
12 after the end of each fiscal year, whichever occurs first, to the  
13 state budget office and the office of retirement services. The  
14 report required under this subdivision must include the name of the  
15 retirant and the capacity in which the retirant is employed. The  
16 department of corrections may submit a report required under this  
17 subdivision electronically.

18 (f) The department of corrections determines that either of  
19 the following applies:

20 (i) The retirant does not perform work that is the duty,  
21 service, or work included in the job classification of a civil  
22 service employee.

23 (ii) The retirant performs work that is solely the duty,  
24 service, or work included in the job classification of  
25 nonexclusively represented employees.

26 **(14) Until 3 years after the effective date of the amendatory**  
27 **act that added this subsection, subsection (1) does not apply to a**  
28 **retirant if all of the following apply:**

29 (a) The office of auditor general hires the retirant to

1 perform information technology and related services for the office  
2 of auditor general.

3 (b) The retirant works not more than 1,040 hours in a 12-month  
4 period of state employment.

5 (c) The retirant retired after a bona fide termination of  
6 employment.

7 (d) The office of auditor general employs not more than 5  
8 retirants described in this subsection.

9 (15) ~~(14)~~—As used in this section:

10 (a) "Mental health professional" means that term as defined in  
11 section 100b of the mental health code, 1974 PA 258, MCL 330.1100b.

12 (b) "Mental health service" means service as that term as  
13 defined in section 100d of the mental health code, 1974 PA 258, MCL  
14 330.1100d.

15 (c) "Psychiatric hospital" means that term as defined in  
16 section 100b of the mental health code, 1974 PA 258, MCL 330.1100b.

17 (d) "Psychiatrist" means that term as defined in section 100c  
18 of the mental health code, 1974 PA 258, MCL 330.1100c.