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PSERS; POST-RETIREMENT EARNINGS LIMIT

House Bill 4585

Sponsor: Rep. Ron Jelinek

Committee: Senior Health, Security and
Retirement

Complete to 7-30-01

A SUMMARY OF HOUSE BILL 4585 AS INTRODUCED 4-17-01

Under the Public School Employees Retirement Act, certain restrictions are placed on the practice of retirees becoming re-employed by a "reporting unit" (a public school, intermediate school district, charter school, community college, etc.). These include a limit on the amount that can be earned without affecting the retiree's pension. If a retiree becomes employed by a reporting unit, the retiree's pension is reduced if earnings exceed either: a) 1/3 of the retiree's final average compensation (increased 5 percent per year), or b) the maximum earnings permitted under the federal Social Security Act. The pension is reduced by the full amount that earnings exceed the lesser of the two limitations. (Certain exceptions apply for re-employment by school districts with emergency situations or those seeking to fill positions in critical shortage disciplines.)

House Bill 4585 would amend the act to specify that the earnings limitation would not apply to a retirant who was a former school counselor.

MCL 38.1361

House Bill 4585 (7-30-01)

Analyst: D. Martens

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