



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bill 5203 (Substitute S-1)  
Sponsor: Representative Kelly Breen  
House Committee: Local Government and Municipal Finance  
Senate Committee: Local Government

Date Completed: 6-6-24

## **CONTENT**

**The bill would amend Public Act 156 of 1851, which governs county boards of commissioners and allows counties to create retirement plans for their employees, to delete the cap of 1,000 hours per 12-month period that a reemployed county retiree may work with the county and continue to collect retirement benefits. The bill also specifies that employment in the county sheriff's office would be considered work with the county under this provision.**

Generally, if a retiree becomes employed by a county from which the retiree retired, the retiree's pension or retirement benefit is temporarily suspended for the time of employment; however, payment of a pension or retirement benefit to a retiree continues without change in amount or condition if the retiree meets several requirements described further below and is one of the following:

- For a retiree who was not an elected or appointed county official at retirement, the retiree is elected or appointed as a county official for a term of office that begins after the retiree's retirement allowance effective date.
- For a retiree who was an elected or appointed county official at retirement, the retiree is elected or appointed as an official to a different office from which the retiree retired for a term of office that begins after the retiree's retirement allowance effective date.
- For a retiree who was an elected or appointed county official at retirement, the retiree is elected or appointed as an official to the same office from which the retiree retired for a term that begins at least two years after the retiree's retirement allowance effective date.

Additionally, payment of a pension or retirement benefit continues if the retiree meets the requirements described further below and is reemployed by the county for up to 1,000 hours in any 12-month period. Instead, under the bill, payment of a pension or retirement benefit would continue if the retiree met the requirements below and was reemployed by the county, including by the county sheriff's office.

Retirees also must meet the following requirements for the payment of pension or retirement benefits to continue upon reemployment with the county:

- The retiree must not be eligible for any benefits from the county other than those required by law or otherwise provided to the retiree's status as a retiree.
- The retiree must not be a member of the plan.
- The retiree must not receive additional retirement credits.
- The retiree must not receive an increase in pension or retirement benefits.

MCL 46.12a

Legislative Analyst: Alex Krabill

## **FISCAL IMPACT**

The bill would have a negative fiscal impact on local governmental units and no fiscal impact on the State. The bill would allow certain employees the ability to retire and continue working, thus allowing the employees to gain retirement benefits and still be employed. This type of action would increase the unfunded liabilities for the government. The amount of increased costs is indeterminate as it would depend on how many employees of a county sheriff's office took advantage of this.

Fiscal Analyst: Bobby Canell

SAS\S2324\s5203sb

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.