

**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) **Either of the following applies:**

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

28 (ii) **The earnings of the retirant do not exceed \$10,100.00 in a**
29 **calendar year.**



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

5 (7) For purposes of subsections (3), (4), and (5), the
6 retirement system shall determine, in accordance with federal law
7 that governs qualified retirement plans, whether a retirant retired
8 after a bona fide termination of employment. If the retirement
9 system determines that a retirant did not retire after a bona fide
10 termination of employment, the retirement system may adjust the
11 retirant retirement allowance effective date following a bona fide
12 termination.

13 (8) A reporting unit shall report the employment of a retirant
14 as described in subsection (3) or (4), as applicable, to the
15 retirement system in a manner determined by the retirement system.
16 The reporting unit shall include in the report the name of the
17 retirant, the capacity in which the retirant is employed, and the
18 compensation paid to the retirant. An employer, other than a
19 reporting unit, that employs retirants as described in subsection
20 (3) or (4) shall provide to the reporting unit all information that
21 the reporting unit is required to report to the retirement system
22 under this subsection.

23 (9) As used in this section:

24 (a) "Bona fide termination of employment" means, as determined
25 by the retirement system under subsection (7), a retirant has
26 completely severed the employer-employee relationship with his or
27 her reporting unit employer. Completely severing the employer-
28 employee relationship includes, but is not limited to, a retirant
29 not working for his or her reporting unit employer during the month



1 of the retirant's retirement allowance effective date and, before
2 the severing of the employer-employee relationship, the retirant
3 does not intend or expect or have an offer or contingency to become
4 employed at any reporting unit.

5 (b) "Employed at a reporting unit" means employed directly by
6 a reporting unit as an employee, indirectly by a reporting unit
7 through a contractual arrangement with other parties, or by
8 engagement of a retirant by a reporting unit as an independent
9 contractor.

