

Act No. 184
Public Acts of 2022
Approved by the Governor
July 25, 2022
Filed with the Secretary of State
July 25, 2022
EFFECTIVE DATE: July 25, 2022

**STATE OF MICHIGAN
101ST LEGISLATURE
REGULAR SESSION OF 2022**

Introduced by Reps. Steven Johnson and Meerman

ENROLLED HOUSE BILL No. 4375

AN ACT to amend 1980 PA 300, entitled “An act to provide a retirement system for the public school employees of this state; to create certain funds for this retirement system; to provide for the creation of a retirement board; to prescribe the powers and duties of the retirement board; to prescribe the powers and duties of certain state departments, agencies, officials, and employees; to authorize and make appropriations for the retirement system; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,” by amending section 61 (MCL 38.1361), as amended by 2020 PA 267.

The People of the State of Michigan enact:

Sec. 61. (1) Except as otherwise provided in this section, if a retirant is receiving a retirement allowance other than a disability allowance payable under this act or under former 1945 PA 136, on account of either age or years of personal service performed, or both, and becomes employed at a reporting unit, the retirant forfeits his or her retirement allowance and the retirement system subsidy for health care benefits from the retirement system for the entire month of each month in which the retirant is employed at the reporting unit. A retirant who has forfeited the retirement system subsidy for health care benefits under this subsection and who wants to retain health care benefits shall pay the retirant’s and retirement system’s costs for the health care benefits. The retirement allowance and retirement system subsidy for health care benefits must resume without recalculation on the first of the month following the month in which the retirant has terminated reporting unit employment.

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

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

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

(b) The retirant is employed at any reporting unit on the effective date of the amendatory act that added this subdivision.

(4) Subsection (1) does not apply to a retirant

who is employed by a university that is considered a reporting unit for the limited purpose described in section 7(3).

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

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

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

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

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

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

(9) As used in this section:

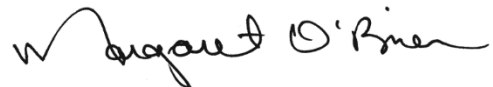
(a) "Bona fide termination of employment" means, as determined by the retirement system under subsection (7), a retirant has completely severed the employer-employee relationship with his or her reporting unit employer. Completely severing the employer-employee relationship includes, but is not limited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

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor