

# HOUSE BILL No. 5637

May 15, 2012, Introduced by Reps. Cavanagh, Horn, Ananich, Durhal, McMillin, Hovey-Wright, Olumba, Daley and Damrow and referred to the Committee on Government Operations.

A bill to prohibit public employers in this state from employing an individual who is receiving benefits from the public employer's defined benefit retirement plan; and to provide sanctions.

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

1           Sec. 1. This act shall be known and may be cited as the "jobs  
2 initiative reform act".

3           Sec. 3. As used in this act, "public employer" means this  
4 state or a county, township, city, village, authority, or other  
5 political subdivision of this state, and includes any entity  
6 jointly created by 2 or more of those entities.

7           Sec. 5. (1) A public employer shall not directly, or  
8 indirectly through a contract with a third party, employ an  
9 individual who is receiving retirement benefits from a public

1 employee defined benefit retirement plan of that public employer.  
2 This section does not apply if the individual waives his or her  
3 right to receive previously accrued retirement benefits from that  
4 public employer's defined benefit retirement plan while reemployed  
5 by the public employer.

6 (2) A public employer that violates this section shall  
7 immediately discontinue the violation of this section and shall  
8 reimburse the defined benefit retirement plan for retirement  
9 benefits that the defined benefit retirement plan paid to the  
10 individual during the prohibited employment.

11 (3) If a public employer violates this act, the attorney  
12 general shall apply to the court of claims for an order to permit  
13 the state treasurer to reduce any payment that is due to that  
14 public employer under the Glenn Steil state revenue sharing act of  
15 1971, 1971 PA 140, MCL 141.901 to 141.921, by an amount equal to 2  
16 times the amount of the payments made in violation of this section.

17 Sec. 7. This act does not apply to an individual who is  
18 employed by a public employer and receiving benefits under the  
19 public employer's defined benefit retirement plan on the effective  
20 date of this act.