

HOUSE BILL No. 5876

September 11, 2012, Introduced by Rep. Meadows and referred to the Committee on Appropriations.

A bill to amend 1943 PA 240, entitled "State employees' retirement act," by amending section 68c (MCL 38.68c), as amended by 2010 PA 185.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 68c. (1) Except as otherwise provided in this section, a
2 retirant who is receiving a retirement allowance under this act and
3 is employed by this state beginning on or after October 2, 2007
4 agrees to forfeit his or her right to receive that retirement
5 allowance during this period of state employment. The retirement
6 system shall cease payment of the retirement allowance to a
7 retirant described in this subsection during this period of state
8 employment and shall reinstate payment of the retirement allowance
9 without recalculation when the period of state employment ceases.
10 This subsection does not apply to a retirant who is **DIRECTLY OR**

1 **INDIRECTLY** employed by this state on October 1, 2007 ~~so long as~~ **IF**
2 he or she remains in the position held by the retirant on October
3 1, 2007. As used in this subsection, "employed by this state" means
4 employed directly by this state as an employee, ~~or~~ indirectly by
5 this state through a contractual arrangement with other parties -
6 ~~Beginning after October 1, 2010, "employed by this state" shall~~
7 ~~also include~~ **TO PERFORM THE SAME OR SIMILAR DUTIES THAT WERE BEING**
8 **PERFORMED BY THE RETIRANT ON THE DATE OF HIS OR HER RETIREMENT, OR**
9 **BY** engagement **OF THE RETIRANT** by ~~the~~ **THIS** state as an independent
10 contractor. This subsection does not apply to a retirant who is
11 engaged as an independent contractor on October 1, 2010 ~~so long as~~
12 **IF** the retirant remains engaged in the same contract that was held
13 by the retirant on October 1, 2010 without amendment or extension.

14 (2) A hospital, medical-surgical, and sick care benefits plan,
15 dental plan, vision plan, and hearing plan that covers retirants,
16 retirant allowance beneficiaries, former qualified participants,
17 and health benefit dependents under this act shall contain a
18 coordination of benefits provision that provides all of the
19 following:

20 (a) If the person covered under any of the plans is also
21 eligible for medicare, then the benefits under medicare shall be
22 determined before the health insurance benefits under this act.

23 (b) If a person covered under any of the plans provided by
24 this act is also covered under another plan that contains a
25 coordination of benefits provision, the benefits shall be
26 coordinated as provided in the coordination of benefits act, 1984
27 PA 64, MCL 550.251 to 550.255.

1 (c) If the person covered under any of the plans provided by
2 this act is also covered under another plan that does not contain a
3 coordination of benefits provision, the benefits under the other
4 plan shall be determined before the benefits provided pursuant to
5 this act.

6 (3) Subsection (1) does not apply to a retirant if all of the
7 following apply:

8 (a) The retirant is hired to provide health care services to
9 individuals under the jurisdiction of the department of
10 corrections.

11 (b) The retirant is hired in a position that is limited in
12 term, no benefits are paid, and pay is on a per diem basis.

13 (c) The department of corrections provides written notice to
14 the state budget office and the department of technology,
15 management, and budget that attempts have been made to fill the
16 position through postings and recruitment and that the position
17 vacancy still exists.

18 (d) The department of corrections reports the employment of a
19 retirant under this subsection within 30 days of employment of the
20 retirant to the state budget office and the department of
21 technology, management, and budget. The report shall include the
22 name of the retirant, the capacity in which the retirant is
23 employed, and the total compensation paid to the retirant.

24 (4) Subsection (1) does not apply to the appointment of a
25 retirant who was an assistant attorney general as a special
26 assistant attorney general when the attorney general determines
27 that, as a result of his or her previous employment with the state,

1 the retirant possesses specialized expertise and experience
2 necessary for the appointment and that the appointment is the most
3 cost-effective option for this state.

4 (5) SUBSECTION (1) DOES NOT APPLY TO A RETIRANT WHO IS ENGAGED
5 BY THIS STATE AS AN INDEPENDENT CONTRACTOR IF THE RETIRANT IS AT
6 LEAST 60 YEARS OF AGE AND THE TOTAL AMOUNT OF COMPENSATION PAID TO
7 THE RETIRANT DURING ANY ANNUAL PERIOD DOES NOT EXCEED 50% OF THE
8 RETIRANT'S ANNUAL RETIREMENT ALLOWANCE.

9 (6) SUBSECTION (1) DOES NOT APPLY TO A RETIRANT IF HE OR SHE
10 IS HIRED IN A POSITION THAT IS IN A DIFFERENT DEPARTMENT AND IN A
11 POSITION THAT PERFORMS DIFFERENT DUTIES THAN THE POSITION THE
12 RETIRANT HELD ON THE DATE OF HIS OR HER RETIREMENT. THIS SUBSECTION
13 DOES NOT APPLY TO A RETIRANT WHO IS EMPLOYED BY THIS STATE ON THE
14 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION IF
15 HE OR SHE REMAINS IN THE POSITION HELD BY THE RETIRANT ON THAT
16 DATE.