

SENATE BILL No. 1053

March 29, 2012, Introduced by Senators KAHN and JANSEN 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 2011 PA 264.

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
 11 indirectly employed by this state on October 1, 2007 so long as he

1 or she remains in the position held by the retirant on October 1,
2 2007. As used in this subsection, "employed by this state" means
3 employed directly by this state as an employee, indirectly by this
4 state through a contractual arrangement with other parties, or by
5 engagement of the retirant by this state as an independent
6 contractor. This subsection does not apply to a retirant who is
7 engaged as an independent contractor on October 1, 2010 so long as
8 the retirant remains engaged in the same contract that was held by
9 the retirant on October 1, 2010 without amendment or extension.

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

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

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

24 (c) If the person covered under any of the plans provided by
25 this act is also covered under another plan that does not contain a
26 coordination of benefits provision, the benefits under the other
27 plan shall be determined before the benefits provided pursuant to

1 this act.

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

4 (a) The retirant is hired to provide health care services to
5 individuals under the jurisdiction of the department of
6 corrections.

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

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

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

20 (4) Subsection (1) does not apply to the appointment of a
21 retirant who was an assistant attorney general as a special
22 assistant attorney general if the attorney general determines that,
23 as a result of his or her previous employment with the state, the
24 retirant possesses specialized expertise and experience necessary
25 for the appointment and that the appointment is the most cost-
26 effective option for this state.

27 (5) **SUBSECTION (1) DOES NOT APPLY TO THE APPOINTMENT OF A**

1 RETIRANT WHO WAS AN EMPLOYEE OF THE EXECUTIVE BRANCH IF THE STATE
2 BUDGET DIRECTOR DETERMINES THAT, AS A RESULT OF THE RETIRANT'S
3 PREVIOUS EMPLOYMENT WITH THE EXECUTIVE BRANCH, HE OR SHE POSSESSES
4 SPECIALIZED EXPERTISE AND EXPERIENCE NECESSARY FOR THE APPOINTMENT
5 AND THAT THE APPOINTMENT IS THE MOST COST-EFFECTIVE OPTION FOR THIS
6 STATE.

7 (6) SUBSECTION (1) DOES NOT APPLY TO THE APPOINTMENT OF A
8 RETIRANT WHO WAS AN EMPLOYEE OF THE LEGISLATURE IF THE SPEAKER OF
9 THE HOUSE OF REPRESENTATIVES, THE SENATE MAJORITY LEADER, OR THE
10 LEGISLATIVE COUNCIL ADMINISTRATOR, AS APPROPRIATE, DETERMINES THAT,
11 AS A RESULT OF THE RETIRANT'S PREVIOUS EMPLOYMENT WITH THE
12 LEGISLATURE, HE OR SHE POSSESSES SPECIALIZED EXPERTISE AND
13 EXPERIENCE NECESSARY FOR THE APPOINTMENT AND THAT THE APPOINTMENT
14 IS THE MOST COST-EFFECTIVE OPTION FOR THIS STATE.