



**House
Legislative
Analysis
Section**

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RETIREMENT; INCOME SETOFF

House Bill 4889

**Sponsor: Rep. Wilfred Webb
Committee: Senior Citizens
& Retirement**

Complete to 9-17-91

A SUMMARY OF HOUSE BILL 4489 INTRODUCED 5-30-91

Currently, under the Public School Employees Retirement Act, a retirant who receives a retirement allowance, other than a disability allowance, on account of age or years of service, and who then becomes employed by an educational institution, is not entitled to a new final average compensation or additional service credit unless five or more years of service are performed, or, if the retirant has contributed to the member investment plan, the equivalent of three or more years of service credit. In addition, while employed, the retirant's allowance is reduced by either the amount that the annual earnings exceed the amount that is permitted without a reduction of Social Security benefits, or one-third of the retirant's final average compensation, whichever is less. For the purpose of computing allowable earnings, the final average compensation is increased by five percent for each full year of retirement. Under House Bill 4889, this postretirement income setoff would not apply to a retirant who became employed by a college or university but did not become a member of that institution's retirement system.

MCL 38.1361

House Bill 4889 (9-17-91)