

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4082

A bill to amend 1980 PA 300, entitled
"The public school employees retirement act of 1979,"
by amending section 61 (MCL 38.1361), as amended by 1989 PA 194.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 61. (1) ~~If~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SEC-
2 TION, IF a retirant is receiving a retirement allowance other
3 than a disability allowance payable under this act or under
4 former ~~Act No. 136 of the Public Acts of 1945~~ 1945 PA 136, on
5 account of either age or years of personal service performed, or
6 both, and becomes employed by a reporting unit, the following
7 shall take place:

8 (a) The retirant shall not be entitled to a new final aver-
9 age compensation or additional service credit under this
10 retirement system unless additional service is performed
11 equivalent to 5 or more years of service credit or, if the

1 retirant has contributed to the member investment plan, the
2 equivalent of 3 or more years of service credit. The retirant
3 may elect to have the retirement allowance recomputed based on
4 the added credit or the final average compensation resulting from
5 the added service, or both. A retirement allowance shall not be
6 recomputed until the retirant pays into the retirement system an
7 amount equal to the retirant's new final average compensation
8 multiplied by the percentage determined under section 41(2) for
9 normal cost and unfunded actuarial accrued liabilities, not
10 including the percentage required for the funding of health bene-
11 fits, multiplied by the total service credit in the period in
12 which the retirant's additional service was performed.

13 (b) The retirant's retirement allowance shall be reduced by
14 the lesser of the amount that the earnings in a calendar year
15 exceed the amount permitted without a reduction of benefits under
16 the social security act, chapter 531, 49 ~~stat.~~ STAT. 620, or
17 1/3 of the retirant's final average compensation. For purposes
18 of computing allowable earnings under this subdivision, the final
19 average compensation shall be increased by 5% for each full year
20 of retirement.

21 (2) ~~-(c)-~~ The retirement system may offset retirement bene-
22 fits payable under this act against amounts owed to the retire-
23 ment system by a retirant or retirement allowance beneficiary.

24 (3) [REDACTED] SUBSECTION (1) DOES NOT APPLY TO A
25 RETIRANT IF ALL OF THE FOLLOWING CIRCUMSTANCES EXIST:

26 (A) THE RETIRANT IS A FORMER TEACHER OR ADMINISTRATOR
27 EMPLOYED IN A TEACHING OR RESEARCH CAPACITY BY A UNIVERSITY THAT

1 IS CONSIDERED A REPORTING UNIT FOR THE LIMITED PURPOSE DESCRIBED
2 IN SECTION 7(3).

3 (B) THE RETIRANT IS NOT ELIGIBLE TO USE ANY SERVICE OR COM-
4 PENSATION ATTRIBUTABLE TO THE EMPLOYMENT DESCRIBED IN SUBDIVISION
5 (A) FOR A RECOMPUTATION OF HIS OR HER RETIREMENT ALLOWANCE.

6 (C) A UNIVERSITY THAT EMPLOYS A RETIRANT PURSUANT TO THIS
7 SUBSECTION SHALL REPORT SUCH EMPLOYMENT TO THE RETIREMENT SYSTEM
8 BY JULY 1 OF EACH YEAR. THE REPORT TO BE FILED SHALL INCLUDE THE
9 NAME OF THE RETIRANT, THE CAPACITY IN WHICH THE RETIRANT IS
10 EMPLOYED, AND THE TOTAL ANNUAL COMPENSATION PAID TO THE
11 RETIRANT.

12 (4) UNTIL JULY 1, 2002, SUBSECTION (1) DOES NOT APPLY TO A
13 RETIRANT IF ALL OF THE FOLLOWING CIRCUMSTANCES EXIST:

14 (A) THE RETIRANT IS EMPLOYED BY A REPORTING UNIT THAT HAS AN
15 APPROVED EMERGENCY SITUATION, NOT INCLUDING A SITUATION CAUSED BY
16 A LABOR DISPUTE, THAT NECESSITATES THE HIRING OF A RETIRANT IN
17 THE CAPACITY OF A TEACHER OR PRINCIPAL TO PREVENT DEPRIVING STU-
18 DENTS OF AN EDUCATION. THE CHIEF EXECUTIVE OFFICER OR SUPERIN-
19 TENDENT OF THE SCHOOL DISTRICT SHALL INCLUDE WITH THE WRITTEN
20 NOTIFICATION DOCUMENTATION SHOWING THAT MORE THAN 8% OF ALL
21 CLASSES IN THE DISTRICT DURING THE 1998-99 SCHOOL YEAR ARE TAUGHT
22 BY FULL-TIME SUBSTITUTE TEACHERS WHO ARE NOT CERTIFICATED IN THE
23 SUBJECTS OR GRADE LEVELS WHICH THEY TEACH. WITHIN 30 DAYS AFTER
24 RECEIPT OF THE NOTIFICATION AND DOCUMENTATION UNDER THIS SUBDIVI-
25 SION, THE DEPARTMENT OF EDUCATION SHALL NOTIFY THE CHIEF EXECU-
26 TIVE OFFICER OR SUPERINTENDENT AND THE RETIREMENT SYSTEM OF ITS
27 APPROVAL OR DISAPPROVAL OF THE EMERGENCY SITUATION. IF

HB 4082, As Passed Senate, June 9, 1999

House Bill No. 4082 as amended June 9, 1999

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1 DISAPPROVED BY THE DEPARTMENT OF EDUCATION, THIS SUBSECTION DOES
2 NOT APPLY.

3 (B) THE RETIRANT IS EMPLOYED UNDER AN EMERGENCY SITUATION
4 DESCRIBED IN SUBDIVISION (A) FOR A PERIOD NOT TO EXCEED 3 YEARS.

5 (C) THE RETIRANT IS NOT ELIGIBLE TO USE ANY SERVICE OR COM-
6 PENSATION ATTRIBUTABLE TO THE EMPLOYMENT DESCRIBED IN SUBDIVISION
7 (A) FOR A RECOMPUTATION OF HIS OR HER RETIREMENT ALLOWANCE.

8 (5) ON OR BEFORE JULY 1, 1999, THE STATE SUPERINTENDENT OF
9 PUBLIC INSTRUCTION SHALL COMPILE A LISTING OF CRITICAL SHORTAGE
10 DISCIPLINES. THIS LISTING SHALL BE UPDATED ANNUALLY.

11 (6) UNTIL JULY 1, 2002, SUBSECTION (1) DOES NOT APPLY TO A
12 RETIRANT IF ALL OF THE FOLLOWING CIRCUMSTANCES EXIST:

13 (A) THE RETIRANT IS EMPLOYED BY A REPORTING UNIT THAT HAS A
14 SITUATION, NOT INCLUDING A SITUATION CAUSED BY A LABOR DISPUTE,
15 THAT NECESSITATES THE HIRING OF A RETIRANT IN AN AREA THAT HAS
16 BEEN IDENTIFIED BY THE STATE SUPERINTENDENT OF PUBLIC INSTRUCTION
17 AS A CRITICAL SHORTAGE DISCIPLINE PURSUANT TO SUBSECTION (5).

18 (B) THE RETIRANT IS EMPLOYED UNDER A SITUATION DESCRIBED IN
19 SUBDIVISION (A) FOR A PERIOD NOT TO EXCEED 3 YEARS.

20 (C) THE RETIRANT IS NOT ELIGIBLE TO USE ANY SERVICE OR COM-
21 PENSATION ATTRIBUTABLE TO THE EMPLOYMENT DESCRIBED IN SUBDIVISION
22 (A) FOR A RECOMPUTATION OF HIS OR HER RETIREMENT ALLOWANCE.

23 (7) THE PROVISIONS OF SUBSECTIONS (4) AND (6) SHALL
24 ONLY APPLY FOR RETIRANTS WHO RETIRED PRIOR TO JULY 1, 1999.