

# Legislative Analysis

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## **SUSPEND PUBLIC SCHOOL PENSION IF RETIRANT IS RE-EMPLOYED**

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### **House Bill 4799**

**Sponsor: Rep. Lorence Wenke**

**Committee: Education**

### **Revised Summary**

**Complete to 5-24-07**

## **A REVISED SUMMARY OF HOUSE BILL 4799 AS INTRODUCED 5-17-07**

House Bill 4799 would amend the Public School Employees Retirement Act to freeze retirement allowance payments of a retired public school employee if the individual were re-employed in schools directly or indirectly (including through third-party contracts). The retirement payments would remain suspended during the period of re-employment. The pension suspension provision would begin on the effective date of the bill.

Currently, if a retirant is re-employed in a school system, the retirement allowance is reduced using a formula spelled out in the statute. The bill would instead suspend the payment of a retirement allowance.

Also under current law, school retirees can be re-employed by a school district as administrators and teachers for up to six years—without a reduction in the retirement allowance—in school districts where there are critical shortages of eligible personnel to fill those roles. The superintendent of public instruction compiles a list of critical shortage disciplines, and that list is updated annually. Under the bill, these provisions would be eliminated.

MCL 38.1361

## **FISCAL IMPACT:**

The bill would have an indeterminate fiscal impact. More data is needed to evaluate the impact on community colleges, whose employees are part of the Public School Employees' Retirement Act.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.