

SENATE BILL No. 1542

September 25, 2008, Introduced by Senator KUIPERS and referred to the Committee on Local, Urban and State Affairs.

A bill to amend 1943 PA 240, entitled
"State employees' retirement act,"
by amending section 68c (MCL 38.68c), as added by 2007 PA 95.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

1 retirant who is employed by this state on the day before ~~the~~
2 ~~effective date of this section~~ **OCTOBER 1, 2007** so long as he or she
3 remains in the position held by the retirant on the day before ~~the~~
4 ~~effective date of this section~~ **OCTOBER 1, 2007**. As used in this
5 subsection, "employed by this state" means employed directly by
6 this state as an employee ~~or indirectly by this state through a~~
7 ~~contractual arrangement with other parties~~ **OCTOBER 1, 2007**.

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

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

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

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