

HOUSE BILL No. 4508

April 9, 2013, Introduced by Reps. Cavanagh, Ananich, Geiss, McMillin, Shirkey, McCready, Lane, Durhal, Robinson, Santana, Cotter, Tlaib, Hovey-Wright, Townsend, Rutledge, Howrylak, Daley, Lauwers, Potvin, Bumstead, Yonker, Poleski, Somerville, Zemke, Olumba and MacMaster and referred to the Committee on Government Operations.

A bill to prohibit public employers in this state from employing an individual who is receiving benefits from the public employer's defined benefit retirement plan; and to provide sanctions.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) This act shall be known and may be cited as the
2 "jobs initiative and pension stability act".

3 (2) The legislature intends this act to assist public
4 employers in assessing their future employment needs, training
5 the next generation of workers, and sustaining public employee
6 pensions.

7 Sec. 3. As used in this act, "public employer" means this
8 state or a county, township, city, village, authority, or other
9 political subdivision of this state, and includes any entity

1 jointly created by 2 or more of those entities.

2 Sec. 5. (1) Except as otherwise provided in section 5 of
3 article XI of the state constitution of 1963, section 68c of the
4 state employees' retirement act, 1943 PA 240, MCL 38.68c, or
5 section 61 of the public school employees retirement act of
6 1979, 1980 PA 300, MCL 38.1361, a public employer shall not
7 directly, or indirectly through a contract with a third party,
8 employ an individual who is receiving retirement benefits from a
9 public employee defined benefit retirement plan of that public
10 employer. This section does not apply if the individual waives his
11 or her right to receive previously accrued retirement benefits from
12 that public employer's defined benefit retirement plan while
13 reemployed by the public employer.

14 (2) A public employer that violates this section shall
15 immediately discontinue the violation of this section and shall
16 reimburse the defined benefit retirement plan for retirement
17 benefits that the defined benefit retirement plan paid to the
18 individual during the prohibited employment.

19 (3) If a public employer violates this act, the attorney
20 general shall apply to the court of claims for an order to permit
21 the state treasurer to reduce any payment that is due to that
22 public employer under the Glenn Steil state revenue sharing act of
23 1971, 1971 PA 140, MCL 141.901 to 141.921, by an amount equal to 2
24 times the amount of the payments made in violation of this section.

25 Sec. 7. This act does not apply to an individual who is
26 employed by a public employer and receiving benefits under the
27 public employer's defined benefit retirement plan on the effective

1 date of this act.