

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5128**

A bill to amend 1943 PA 240, entitled
"State employees' retirement act,"
by amending section 68c (MCL 38.68c), as amended by 2015 PA 20.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

1 this state on October 1, 2007 while he or she remains in the
2 position held by the retirant on October 1, 2007. As used in this
3 subsection, "employed by this state" means employed directly by
4 this state as an employee, indirectly by this state through a
5 contractual arrangement with other parties, or by engagement of the
6 retirant by this state as an independent contractor. This
7 subsection does not apply to a retirant who is engaged as an
8 independent contractor on October 1, 2010 while the retirant
9 remains engaged in the same contract that was held by the retirant
10 on October 1, 2010 without amendment or extension.

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

17 (a) If the person covered under any of the plans is also
18 eligible for Medicare, ~~then~~ the benefits under Medicare must be
19 determined before the health insurance benefits under this act.

20 (b) If a person covered under any of the plans provided by
21 this act is also covered under another plan that contains a
22 coordination of benefits provision, the benefits must be
23 coordinated as provided in the coordination of benefits act, 1984
24 PA 64, MCL 550.251 to ~~550.255~~. **550.254**.

25 (c) If the person covered under any of the plans provided by
26 this act is also covered under another plan that does not contain a
27 coordination of benefits provision, the benefits under the other

1 plan must be determined before the benefits provided under this
2 act.

3 (3) Subsection (1) does not apply to a retirant if all of the
4 following apply:

5 (a) The retirant is hired to provide health care services to
6 individuals under the jurisdiction of the department of
7 corrections.

8 (b) The retirant is hired in a position that is limited in
9 term, no benefits are paid, and pay is on a per diem basis.

10 (c) The department of corrections provides written notice to
11 the state budget office and the department of technology,
12 management, and budget that attempts have been made to fill the
13 position through postings and recruitment and that the position
14 vacancy still exists.

15 (d) The department of corrections reports the employment of a
16 retirant under this subsection within 30 days ~~of~~**AFTER** employment
17 of the retirant to the state budget office and the department of
18 technology, management, and budget. The report must include the
19 name of the retirant, the capacity in which the retirant is
20 employed, and the total compensation paid to the retirant.

21 (e) The retirant retired after a bona fide termination.

22 (4) Subsection (1) does not apply to the appointment of a
23 retirant who retired after a bona fide termination and who was an
24 assistant attorney general as a special assistant attorney general
25 if the attorney general determines that, as a result of his or her
26 previous employment with this state, the retirant possesses
27 specialized expertise and experience necessary for the appointment

1 and that the appointment is the most cost-effective option for this
2 state.

3 (5) Until September 30, 2015, subsection (1) does not apply to
4 a retirant if all of the following apply:

5 (a) The retirant is hired to provide for the custody of
6 individuals under the jurisdiction of the department of
7 corrections.

8 (b) The retirant is hired in a position that is limited in
9 term, no benefits are paid, and the pay is not more than 80% of the
10 maximum hourly wage granted to classified civil service employees
11 employed by the department of corrections to perform the same
12 duties as the retirant for the fiscal year during which the
13 retirant is employed.

14 (c) The retirant works no more than 1,040 hours in a 12-month
15 period of state employment.

16 (d) The retirant retired after a bona fide termination of
17 employment.

18 (6) Subsection (1) does not apply to a retirant if all of the
19 following apply:

20 (a) The department of attorney general contracts with the
21 retirant as a witness, expert, or consultant for litigation
22 involving this state. The contract must provide that the retirant's
23 service as a witness, expert, or consultant ends at the conclusion
24 of the litigation.

25 (b) The attorney general determines that, as result of the
26 retirant's previous employment with this state, the retirant
27 possesses specialized expertise and experience necessary for the

1 litigation and the contract is the most cost-effective option for
2 the state.

3 (c) The retirant retired after a bona fide termination of
4 employment.

5 (7) SUBSECTION (1) DOES NOT APPLY TO A RETIRANT IF ALL OF THE
6 FOLLOWING APPLY:

7 (A) THE RETIRANT IS HIRED BY THE DEPARTMENT OF NATURAL
8 RESOURCES FOR ACTIVE WILDLAND FIRE SUPPRESSION.

9 (B) THERE IS AN IMMEDIATE CONTINUAL NEED FOR PREQUALIFIED,
10 SKILLED, AND TRAINED PERSONNEL TO ADDRESS WILDFIRE SUPPRESSION.

11 (C) THE RETIRANT WORKS NO MORE THAN 600 HOURS IN A FISCAL
12 YEAR.

13 (D) THE RETIRANT IS HIRED IN A POSITION THAT IS LIMITED IN
14 TERM, NO BENEFITS ARE PAID, AND THE PAY IS NOT MORE THAN 70% OF THE
15 MAXIMUM HOURLY WAGE GRANTED TO CLASSIFIED CIVIL SERVICE EMPLOYEES
16 EMPLOYED BY THE DEPARTMENT OF NATURAL RESOURCES TO PERFORM THE SAME
17 DUTIES AS THE RETIRANT FOR THE FISCAL YEAR DURING WHICH THE
18 RETIRANT IS EMPLOYED.

19 (E) THE DEPARTMENT OF NATURAL RESOURCES REPORTS THE EMPLOYMENT
20 OF A RETIRANT UNDER THIS SUBSECTION WITHIN 30 DAYS AFTER EMPLOYMENT
21 AND WITHIN 30 DAYS AFTER TERMINATION OF EMPLOYMENT OR WITHIN 30
22 DAYS AFTER THE END OF EACH FISCAL YEAR, WHICHEVER OCCURS FIRST, TO
23 THE STATE BUDGET OFFICE AND THE DEPARTMENT OF TECHNOLOGY,
24 MANAGEMENT, AND BUDGET. THE REPORT REQUIRED UNDER THIS SUBDIVISION
25 MUST INCLUDE THE NAME OF THE RETIRANT, THE CAPACITY IN WHICH THE
26 RETIRANT IS EMPLOYED, THE EQUIVALENT CIVIL SERVICE POSITION IN
27 WHICH THE RETIRANT IS EMPLOYED, THE HOURLY WAGE PAID TO THE

1 RETIRANT, AND THE TOTAL HOURS OF SERVICE PROVIDED BY THE RETIRANT
2 FOR THE FISCAL YEAR. THE DEPARTMENT OF NATURAL RESOURCES MAY SUBMIT
3 A REPORT REQUIRED UNDER THIS SUBDIVISION ELECTRONICALLY.

4 (F) BY MARCH 1 OF EACH YEAR, THE DEPARTMENT OF NATURAL
5 RESOURCES SUBMITS A SUMMARY OF ALL THE REPORTS REQUIRED UNDER
6 SUBDIVISION (E) FOR THE PRECEDING FISCAL YEAR TO THE HOUSE OF
7 REPRESENTATIVES AND SENATE APPROPRIATIONS SUBCOMMITTEES THAT
8 CONSIDER THE BUDGET OF THE DEPARTMENT OF NATURAL RESOURCES, THE
9 STATE BUDGET OFFICE, THE HOUSE AND SENATE FISCAL AGENCIES, AND THE
10 DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET. THE DEPARTMENT OF
11 NATURAL RESOURCES MAY SUBMIT A SUMMARY REQUIRED UNDER THIS
12 SUBDIVISION ELECTRONICALLY.