

HOUSE BILL No. 5128

December 9, 2015, Introduced by Reps. Rendon, LaFontaine, Cole, Johnson, Potvin, Graves, Goike, Jenkins, Pettalia and McBroom and referred to the Committee on Natural Resources.

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
11 this state on October 1, 2007 while he or she remains in the

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

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

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

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

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

1 act.

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

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

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

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

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

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

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

1 state.

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

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

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

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

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

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

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

24 (b) The attorney general determines that, as result of the
25 retirant's previous employment with this state, the retirant
26 possesses specialized expertise and experience necessary for the
27 litigation and the contract is the most cost-effective option for

1 the state.

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

4 (7) SUBSECTION (1) DOES NOT APPLY TO A RETIRANT IF THE
5 RETIRANT IS HIRED BY THE DEPARTMENT OF NATURAL RESOURCES FOR
6 WILDLAND FIRE MANAGEMENT SERVICES AS THE DEPARTMENT OF NATURAL
7 RESOURCES DETERMINES NECESSARY, TO A POSITION THAT IS LIMITED IN
8 TERM, NO BENEFITS ARE PAID, AND THE PAY IS NOT MORE THAN 80% OF THE
9 MAXIMUM HOURLY WAGE GRANTED TO CLASSIFIED CIVIL SERVICE EMPLOYEES
10 EMPLOYED BY THE DEPARTMENT OF NATURAL RESOURCES TO PERFORM THE SAME
11 DUTIES AS THE RETIRANT FOR THE FISCAL YEAR DURING WHICH THE
12 RETIRANT IS EMPLOYED.