

# Legislative Analysis



## **MPSERS RETIREES CORE SERVICES**

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**Senate Bill 1225 as passed by the Senate**  
**Sponsor: Sen. Mike Shirkey**  
**House Committee: Education Reform**  
**Senate Committee: Michigan Competitiveness**  
**Complete to 12-12-18**

Analysis available at  
<http://www.legislature.mi.gov>

### **SUMMARY:**

Senate Bill 1225 would amend the Public School Employees Retirement Act to allow retirees who perform custodial, food, or transportation services for a school to retain their retirement allowances and health benefits, as those services would be classified as non-core services in accordance with current practice.

Currently, the Act reduces either pension or retiree health benefits or both while a Michigan Public School Employees' Retirement System (MPSERS) retiree returns to work in a reporting unit, with varying reductions depending on the retirement date and the circumstances of the new employment. (The Act defines a reporting unit as a public school district, intermediate school district, public school academy, tax-supported community or junior college, or university (with exceptions), or an agency having employees on its payroll who are members of this retirement system.)

However, the Act exempts certain categories of employment from those benefit reductions. The bill would provide that, as used when determining benefit reductions in Subsection (8), the "core services" designation triggering a reduction would not include custodial, food, or transportation services. This codifies current practice, as those categories are not included in the Michigan Office of Retirement Services' (ORS) list of core services.<sup>1</sup>

MCL 38.1361

### **FISCAL IMPACT:**

The bill would have no fiscal impact on the state or local units of government as it simply codifies current practice regarding the ORS definition of core service.

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

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<sup>1</sup> Michigan Office of Retirement Services, [https://www.michigan.gov/psru/0,2496,7-284-75792\\_75816-382732--00.html](https://www.michigan.gov/psru/0,2496,7-284-75792_75816-382732--00.html)