

**SUBSTITUTE FOR  
SENATE BILL NO. 592**

A bill to amend 1943 PA 240, entitled  
"State employees' retirement act,"  
by amending section 68c (MCL 38.68c), as amended by 2020 PA 18.

**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       stop payment of the retirement allowance to a retirant described in  
7       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

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

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

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

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

26 (c) If the person covered under any of the plans provided by  
27 this act is also covered under another plan that does not contain a  
28 coordination of benefits provision, the benefits under the other  
29 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  
28 state.

29 (5) Until September 30, 2015, subsection (1) does not apply to

1 a retirant if all of the following apply:

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

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

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

13 (d) The retirant retired after a bona fide termination of  
14 employment.

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

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

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

27 (c) The retirant retired after a bona fide termination of  
28 employment.

29 (7) Subsection (1) does not apply to a retirant if all of the

1 following apply:

2 (a) The retirant is hired by the department of natural  
3 resources for active wildland fire suppression.

4 (b) There is an immediate continual need for prequalified,  
5 skilled, and trained personnel to address wildfire suppression.

6 (c) The retirant works no more than 600 hours in a fiscal  
7 year.

8 (d) The retirant is hired in a position that is limited in  
9 term, no benefits are paid, and the pay is not more than 70% of the  
10 maximum hourly wage granted to classified civil service employees  
11 employed by the department of natural resources to perform the same  
12 duties as the retirant for the fiscal year during which the  
13 retirant is employed.

14 (e) The department of natural resources reports the employment  
15 of a retirant under this subsection within 30 days after employment  
16 and within 30 days after termination of employment or within 30  
17 days after the end of each fiscal year, whichever occurs first, to  
18 the state budget office and the department of technology,  
19 management, and budget. The report required under this subdivision  
20 must include the name of the retirant, the capacity in which the  
21 retirant is employed, the equivalent civil service position in  
22 which the retirant is employed, the hourly wage paid to the  
23 retirant, and the total hours of service provided by the retirant  
24 for the fiscal year. The department of natural resources may submit  
25 a report required under this subdivision electronically.

26 (f) By March 1 of each year, the department of natural  
27 resources submits a summary of all the reports required under  
28 subdivision (e) for the preceding fiscal year to the house of  
29 representatives and senate appropriations subcommittees that

1 consider the budget of the department of natural resources, the  
2 state budget office, the house and senate fiscal agencies, and the  
3 department of technology, management, and budget. The department of  
4 natural resources may submit a summary required under this  
5 subdivision electronically.

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

8 (a) The retirant is employed by the legislative service bureau  
9 as legal counsel through a contractual arrangement.

10 (b) The legislative council administrator determines that, as  
11 a result of the retirant's previous employment with this state, the  
12 retirant possesses specialized expertise and experience necessary  
13 for the hiring of the retirant and that the hiring of the retirant  
14 is the most cost-effective option for this state.

15 (c) The legislative service bureau reports the employment of a  
16 retirant under this subsection within 30 days after employment and  
17 within 30 days after termination of employment to the department of  
18 technology, management, and budget, office of retirement services.  
19 The legislative service bureau may submit a report required under  
20 this subdivision electronically.

21 (9) Subsection (1) does not apply to a retirant if all of the  
22 following apply:

23 (a) The department of health and human services hires the  
24 retirant as a psychiatrist to provide mental health services to  
25 individuals in psychiatric hospitals operated by the department of  
26 health and human services.

27 (b) The department of health and human services determines  
28 that, as a result of the retirant's previous employment with this  
29 state, the retirant possesses specialized expertise and experience

1 necessary for the hiring of the retirant and that the hiring of the  
2 retirant is the most cost-effective option for this state.

3 (c) The retirant retired before October 1, 2015 and after a  
4 bona fide termination of employment.

5 (d) The department of health and human services reports the  
6 employment of a retirant under this subsection within 30 days after  
7 employment and within 30 days after termination of employment or  
8 within 30 days after the end of each fiscal year, whichever occurs  
9 first, to the state budget office and the department of technology,  
10 management, and budget. The report required under this subdivision  
11 must include the name of the retirant, the capacity in which the  
12 retirant is employed, the equivalent civil service position in  
13 which the retirant is employed, the hourly wage paid to the  
14 retirant, and the total hours of service provided by the retirant  
15 for the fiscal year. The department of health and human services  
16 may submit a report required under this subdivision electronically.

17 (e) By March 1 of each year, the department of health and  
18 human services submits a summary of all the reports required under  
19 subdivision (d) for the preceding fiscal year to the house of  
20 representatives and senate appropriations subcommittees that  
21 consider the budget of the department of health and human services,  
22 the state budget office, the house and senate fiscal agencies, and  
23 the department of technology, management, and budget. The  
24 department of health and human services may submit a summary  
25 required under this subdivision electronically.

26 (10) Until September 30, 2023, subsection (1) does not apply  
27 to a retirant if all of the following apply:

28 (a) The department of health and human services hires the  
29 retirant as a mental health professional other than a psychiatrist

1 to provide mental health services to individuals in psychiatric  
2 hospitals operated by the department of health and human services.

3 (b) The retirant retired before October 1, 2015 and after a  
4 bona fide termination of employment.

5 (c) The department of health and human services determines  
6 that, as a result of the retirant's previous employment with this  
7 state, the retirant possesses specialized expertise and experience  
8 necessary for the hiring of the retirant and that the hiring of the  
9 retirant is the most cost-effective option for this state.

10 (d) The department of health and human services reports the  
11 employment of a retirant under this subsection within 30 days after  
12 employment and within 30 days after termination of employment or  
13 within 30 days after the end of each fiscal year, whichever occurs  
14 first, to the state budget office and the department of technology,  
15 management, and budget. The report required under this subdivision  
16 must include the name of the retirant, the capacity in which the  
17 retirant is employed, the equivalent civil service position in  
18 which the retirant is employed, the hourly wage paid to the  
19 retirant, and the total hours of service provided by the retirant  
20 for the fiscal year. The department of health and human services  
21 may submit a report required under this subdivision electronically.

22 (e) By March 1 of each year, the department of health and  
23 human services submits a summary of all the reports required under  
24 subdivision (d) for the preceding fiscal year to the house of  
25 representatives and senate appropriations subcommittees that  
26 consider the budget of the department of health and human services,  
27 the state budget office, the house and senate fiscal agencies, and  
28 the department of technology, management, and budget. The  
29 department of health and human services may submit a summary

1 required under this subdivision electronically.

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

4 (a) The retirant retired from the department of corrections.

5 (b) The retirant is hired indirectly by this state through a  
6 contractual arrangement with another party providing  
7 telecommunications services to the department of corrections for  
8 the primary purpose of collecting or analyzing intelligence  
9 generated within the department of corrections.

10 (c) The retirant has been retired for at least 30 days.

11 (d) The department of corrections determines that, as a result  
12 of the retirant's previous employment with this state, the retirant  
13 possesses specialized expertise and experience necessary for the  
14 hiring of the retirant to complete the tasks under subdivision (b).

15 (e) The department of corrections reports the employment of a  
16 retirant under this subsection within 30 days after employment and  
17 within 30 days after termination of employment or within 30 days  
18 after the end of each fiscal year, whichever occurs first, to the  
19 state budget office and the office of retirement services. The  
20 report required under this subdivision must include the name of the  
21 retirant and the capacity in which the retirant is employed. The  
22 department of corrections may submit a report required under this  
23 subdivision electronically.

24 (12) ~~(11)~~—As used in this section:

25 (a) "Mental health professional" means that term as defined in  
26 section 100b of the mental health code, 1974 PA 258, MCL 330.1100b.

27 (b) "Mental health service" means service as that term as  
28 defined in section 100d of the mental health code, 1974 PA 258, MCL  
29 330.1100d.

1 (c) "Psychiatric hospital" means that term as defined in  
2 section 100b of the mental health code, 1974 PA 258, MCL 330.1100b.

3 (d) "Psychiatrist" means that term as defined in section 100c  
4 of the mental health code, 1974 PA 258, MCL 330.1100c.