Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5203 (as passed by the House)
Sponsor: Representative Kelly Breen
House Committee: Local Government and Municipal Finance
Senate Committee: Local Government

Date Completed: 6-4-24

CONTENT

The bill would amend Public Act 156 of 1851, which governs county boards of commissioners and allows counties to create retirement plans for their employees, to allow a retiree to continue to collect retirement benefits without any change when reemployed by the county from which the retiree retired if the retiree were employed by a county sheriff's office.

Generally, if a retiree becomes employed by a county from which the retiree retired, the retiree's pension or retirement benefit is temporarily suspended for the time of employment; however, payment of a pension or retirement benefit to a retiree continues without change in amount or condition if the retiree meets several requirements described further below and is one of the following:

-- The retiree is employed by the county for not more than 1,000 hours in any 12-month period.
-- For a retiree who was not an elected or appointed county official at retirement, the retiree is elected or appointed as a county official for a term of office that begins after the retiree's retirement allowance effective date.
-- For a retiree who was an elected or appointed county official at retirement, the retiree is elected or appointed as an official to a different office from which the retiree retired for a term of office that begins after the retiree's retirement allowance effective date.
-- For a retiree who was an elected or appointed county official at retirement, the retiree is elected or appointed as an official to the same office from which the retiree retired for a term that begins at least two years after the retiree's retirement allowance effective date.

The bill would add to the list of exemptions above a retiree who was employed by a county sheriff's office. The retiree would have to meet all other current requirements described below for a pension's or retirement benefit's continuation.

Retirees also must meet the following requirements for the payment of pension or retirement benefits to continue upon reemployment with the county:

-- The retiree must not be eligible for any benefits from the county other than those required by law or otherwise provided to the retiree's status as a retiree.
-- The retiree must not be a member of the plan during reemployment.
-- The retiree must not receive additional retirement credits during the period of reemployment.
-- The retiree must not receive an increase in pension or retirement benefits because of reemployment.

MCL 46.12a

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill would have a negative fiscal impact on local governmental units and no fiscal impact on the State. The bill would allow certain employees the ability to retire and continue working, thus allowing the employees to gain retirement benefits and still be employed. This type of action would increase the unfunded liabilities for the government. The amount of increased costs is indeterminate as it would depend on how many employees of a county sheriff's office took advantage of this.

Fiscal Analyst: Bobby Canell

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