**PA 464 – Employer Action Guide**

For more details, please refer to [PA 464 Retirees Returning to Work](#) correspondence sent 2/28/13. If you have further questions, please contact Employer Reporting at [ORS_Web_Reporting@michigan.gov](mailto:ORS_Web_Reporting@michigan.gov) or (517) 636-0166.

### A. Critical Shortage List Positions

*Applies to K-12 school districts, intermediate school districts, and charter schools/public school academies.*

<table>
<thead>
<tr>
<th>Who Hired Retiree?</th>
<th>Retirement Effective Date</th>
<th>Length of Retirement</th>
<th>Reporting Unit Action</th>
<th>Retiree Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Unit ONLY</td>
<td>Any retirement effective date</td>
<td>12 months or more</td>
<td>Reporting unit must report to ORS. Reporting unit must pay 100% of 20.96% UAAL** on earnings. Reporting unit must pay DC employer and employee contributions as appropriate. See contribution chart. Report DTL 2 only</td>
<td>May work without an earnings limit for no more than 3 years in a Critical Shortage Position, or until July 1, 2014, whichever comes first. After this period, the Critical Shortage class codes no longer apply.</td>
</tr>
</tbody>
</table>

**USE CLASS CODES:**
- 9013 – Critical Shortage Retiree (Teacher)
- 9014 – Critical Shortage Retiree (Admin)
- 9015 – Critical Shortage Retiree (Other)

**NOTE:** Normal working after retirement rules are applicable when:

- The employer is a third party or independent contractor.
  - If the retiree is working as a school improvement facilitator or instruction coach go to section C. School Improvement Facilitator or Instructional Coach.
- The employer is a university, community college, or a district library.
- The length of retirement is less than 12 months.
- The retiree has worked 3 years under the Critical Shortage Provision, or it is July 1, 2014, whichever comes first.

See [www.michigan.gov/orsschools > After Retirement > Working After You Retire](http://www.michigan.gov/orsschools).

*Qualified Participant: an individual who is a participant in the Defined Contribution (DC) plan and/or the Personal Healthcare Fund (PHF)*

**UAAL = Unfunded Actuarial Accrued Liability**

Important Note: A bona fide termination must exist in all cases. A bona fide termination is a complete severing of the employee/employer relationship. Retiree cannot have in place a promise of reemployment or a contract for future employment before terminating Michigan public school employment.

R1066C (Rev. 7/2013) Authority: 1980 PA 300, as amended
**B. Substitute Teachers**

Applies to K-12 school districts, intermediate school districts, charter schools/public school academies, and district libraries.

<table>
<thead>
<tr>
<th>Who Hired Retiree?</th>
<th>Retirement Effective Date</th>
<th>Length of Retirement</th>
<th>Reporting Unit Action</th>
<th>Retiree Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reporting Unit</strong></td>
<td>On or after July 1, 2010</td>
<td>1 month or more</td>
<td>Reporting unit must report to ORS. Reporting unit must pay 100% of 20.96% UAAL** retiree earnings. Reporting unit must pay DC employer and employee contributions as appropriate. See contribution chart. Subject to 1/3 of FAC earnings limit.</td>
<td>Subject to 1/3 of FAC earnings limit.</td>
</tr>
<tr>
<td><strong>3rd Party Vendor or Independent Contractor</strong></td>
<td>On or after July 1, 2010</td>
<td>1 month or more</td>
<td>Reporting unit must obtain earnings from 3rd party vendor or independent contractor and report it to ORS according to your pay cycle. Reporting unit must pay 100% of 20.96% UAAL** retiree earnings. Subject to 1/3 of FAC earnings limit.</td>
<td>Subject to 1/3 of FAC earnings limit.</td>
</tr>
</tbody>
</table>

**USE CLASS CODES:**
- 9033 – Non-CS Direct Hire Retiree (Teacher)
- 9034- Non-CS Direct Hire Retiree (Admin)
- 9035- Non-CS Direct Hire Retiree (Other)
- 9023 - 3rd Party Retiree (Teacher)
- 9024 – 3rd Party Retiree (Admin)
- 9025 – 3rd Party Retiree (Other)


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*Qualified Participant: an individual who is a participant in the Defined Contribution (DC) plan and/or the Personal Healthcare Fund (PHF)

**UAAL = Unfunded Actuarial Accrued Liability

Important Note: A bona fide termination must exist in all cases. A bona fide termination is a complete severing of the employee/employer relationship. Retiree cannot have in place a promise of reemployment or a contract for future employment before terminating Michigan public school employment.
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**C. School Improvement Facilitator or Instructional Coach**

Applies to K-12 school districts, intermediate school districts, and charter schools/public school academies.

<table>
<thead>
<tr>
<th>Who Hired Retiree?</th>
<th>Retirement Effective Date</th>
<th>Length of Retirement</th>
<th>Reporting Unit Action</th>
<th>Retiree Restrictions</th>
</tr>
</thead>
</table>
| Reporting Unit     | On or after July 1, 2010  | 1 month, but less than 12 months | Reporting unit must report all retirees.  
Reporting unit does not pay UAAL**.  
Reporting unit must pay 100% of 20.96% UAAL** earnings.  
Reporting unit must pay DC employer and employee contributions as appropriate. See contribution chart. | Subject to 1/3 of FAC earnings limit. |

**NOTE:** USE CLASS CODES:  
9003- Retiree Teacher  
9004- Retiree Admin  
9005- Retiree Other  

<table>
<thead>
<tr>
<th>Reporting Unit</th>
<th>On or after July 1, 2010</th>
<th>12 months or more</th>
<th>Covered under the Critical Shortage Provision (See C. Critical Shortage chart and notes. Once the Critical Shortage provision no longer applies, the rules revert to the above line item.)</th>
<th>Subject to 1/3 of FAC earnings limit.</th>
</tr>
</thead>
</table>
| 3rd Party Vendor or Independent Contractor | On or after July 1, 2010 | 1 month or more | Reporting unit must obtain earnings from 3rd party vendor or independent contractor and report them to ORS according to your pay cycle.  
Reporting unit must pay 100% of 20.96% UAAL** on retiree earnings. | Subject to 1/3 of FAC earnings limit. |

**NOTE:** If retired prior to July 1, 2010 and hired directly by the reporting unit, refer to C. Critical Shortage chart and notes for action items.

*Qualified Participant: an individual who is a participant in the Defined Contribution (DC) plan and/or the Personal Healthcare Fund (PHF)

**UAAL = Unfunded Actuarial Accrued Liability**

Important Note: A bona fide termination must exist in all cases. A bona fide termination is a complete severing of the employee/employer relationship. Retiree cannot have in place a promise of reemployment or a contract for future employment before terminating Michigan public school employment.