



Summary of Public Act (PA) 250 of 2023

Michigan Public School Employees' Retirement System Reform

This summary highlights changes to the Public School Employees' Retirement Act signed into law Nov. 30, 2023. The full law can be reviewed [here](#).

No changes to existing pension and retiree healthcare benefits

PA 250 of 2023 does not change the pension and retiree healthcare benefits of those already retired, nor does it change the benefits or requirements for receiving a pension and retiree healthcare for members who first worked for a Michigan public school before July 1, 2010. In addition, PA 250 of 2023 does not change the Defined Contribution Plan, the Pension Plus retirement plan, or the Pension Plus 2 retirement plan.

General rule for new Michigan public school employees

New Michigan public school employees can choose between two retirement plans:

- The *Defined Contribution Plan*, which is a savings plan only.
- The *Pension Plus 2 Plan*, which pairs a pension with a savings plan.

New employees have 75 days after their first paycheck to elect their retirement plan. If they don't make their election within 75 days, they will be placed in the default plan. New employees cannot change plans once they've made their election or the deadline passes.

Change in the default option for new public school employees — begins July 1, 2024

PA 250 of 2023 changes the default option for new Michigan public school employees.

Beginning July 1, 2024, an employee must affirmatively elect the Defined Contribution Plan to become a participant in that plan. If the employee does not elect their retirement plan within 75 days, the default set by PA 250 of 2023 means the employee will automatically be enrolled in the Pension Plus 2 Plan.