



Summary of Public Act 184 of 2022

Michigan Public School Employees' Retirement System working after retirement legislation.

This summary highlights the details of Public Act (PA) 184 of 2022, simplifying the rules for public school retirees returning to work at a Michigan public school. All previous rules have been repealed, except for disability retirements. PA 184 of 2022 allows for public school retirees to return to work at a Michigan public school reporting unit after a bona fide termination and being retired for nine consecutive months with no earnings limitations or loss of insurance premium subsidy.

General rule for working after retirement:

If a retiree becomes employed at a reporting unit, they forfeit their pension and insurance premium subsidy for the entire month in each month the retiree is working for a reporting unit:

- The retiree can still retain insurance if they pay the full cost of insurance which includes both the retiree's premium plus the subsidized portion of the premium.
- The pension and insurance premium subsidy will resume on the first of the month following termination from public school employment.

The rules for returning to work after receiving a disability pension have not changed. Please see the website for further information.

May return to work at universities at any time:

Public school retirees may return to work at one of the seven universities considered to be Michigan public school reporting units at any time without forfeiture of either their pension or insurance premium subsidy. The universities are Eastern Michigan, Western Michigan, Northern Michigan, Central Michigan, Lake Superior State, Ferris State, and Michigan Technological universities.

General rule does not apply to employed retirees at the time of implementation:

The general rule above does not apply to a retiree who is employed at a reporting unit at the time this act goes into effect. If that employee's pension and insurance premium subsidy had been previously forfeited, both would be reinstated effective immediately.

General rule does not apply if two criteria are met:

The general rule does not apply if both of the following occur:

- The retiree has retired after a *bona fide* termination.
- The retiree has been retired for nine consecutive months.

If both these criteria are met, a retiree could return to work in a Michigan public school reporting unit with no forfeiture of either their pension or insurance premium subsidy.

Bona fide termination is defined by PA 184 of 2022 as a complete severing of the employer-employee relationship and stipulates:

- The retiree is *not* working for a Michigan public school reporting unit during the month of the retiree's retirement effective date, and
- The retiree does not intend or expect to have an offer or contingency to become employed at a Michigan public school reporting unit.

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The act also contains provisions for the Michigan Office of Retirement Services:

PA 184 of 2022 also defines responsibilities of the Michigan Office of Retirement Services (ORS):

- The act requires the reporting of the employment of each retiree to the retirement system, in a manner determined by the retirement system which shall include the name of the retiree, the capacity in which the retiree is employed, and the compensation.
- The act allows ORS to determine whether a retiree retired after a *bona fide* termination. If the retirement system determines the pension began before a bona fide termination occurred, the retirement system can adjust the retirement effective date accordingly and offset the future pension.
- The act allows ORS to recover erroneously paid retirement benefits by reducing future pension amounts of either the retiree or the survivor beneficiary.

Further clarification of working at a reporting unit:

Part of the changes in this law is the clarification of if a retiree is “employed at a reporting unit.” This includes not only the direct hiring of the retiree by the reporting unit, but also indirect employment through either a contractual arrangement with other parties, or as an independent contractor.