



MICHIGAN OFFICE OF RETIREMENT SERVICES

Big Plans. Small Steps.

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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 or (517) 636-0166.

A. Critical Shortage List Positions

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

Who Hired Retiree?	Retirement Effective Date	Length of Retirement	Reporting Unit Action		Retiree Restrictions	
			DB Retiree – Basic/MIP	Qualified Participant*	DB Retiree – Basic/MIP	Qualified Participant*
Reporting Unit ONLY	Any retirement effective date	12 months or more	Reporting unit must report to ORS.	Reporting unit must report to ORS.	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.	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.
			Reporting unit must pay 100% of 20.96% UAAL** on earnings.	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 .	Reporting unit must pay DC employer and employee contributions as appropriate. See contribution chart .		
			Report DTL 2 only	Report DTL 2 and DTL 4		
			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.

*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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- 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](#).

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

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B. Substitute Teachers

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

Who Hired Retiree?	Retirement Effective Date	Length of Retirement	Reporting Unit Action		Retiree Restrictions	
			DB Retiree – Basic/MIP	Qualified Participant	DB Retiree – Basic/MIP	Qualified Participant
Reporting Unit	On or after July 1, 2010	1 month or more	Reporting unit must report to ORS.	Reporting unit must report all retirees.	Subject to 1/3 of FAC earnings limit.	Subject to 1/3 of FAC earnings limit.
			Reporting unit must pay 100% of 20.96% UAAL** retiree earnings.	Reporting unit must pay 100% of 20.96% UAAL** earnings.		
				Reporting unit must pay DC employer and employee contributions as appropriate. See contribution chart .		
			Report DTL 2 Only	Report DTL 2 and DTL 4		
			USE CLASS CODES: 9033 – Non-CS Direct Hire Retiree (Teacher) 9034- Non-CS Direct Hire Retiree (Admin) 9035- Non-CS Direct Hire Retiree (Other)			
3 rd 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 it to ORS according to your pay cycle.		Subject to 1/3 of FAC earnings limit.	Subject to 1/3 of FAC earnings limit.
			Reporting unit must pay 100% of 20.96% UAAL** retiree earnings.			
			Report DTL2 only			
			USE CLASS CODES: 9023 - 3 rd Party Retiree (Teacher) 9024 – 3 rd Party Retiree (Admin) 9025 – 3 rd Party Retiree (Other)			

NOTE: If retired before July 1, 2010, normal working after retirement rules apply. See www.michigan.gov/orsschools > [After Retirement > Working After You Retire](#).

*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.

Who Hired Retiree?	Retirement Effective Date	Length of Retirement	Reporting Unit Action		Retiree Restrictions	
			DB Retiree – Basic/MIP	Qualified Participant*	DB Retiree – Basic/MIP	Qualified Participant*
Reporting Unit	On or after July 1, 2010	1 month, but less than 12 months	Reporting unit must report all retirees.	Reporting unit must report all retirees.	Subject to 1/3 of FAC earnings limit.	Subject to 1/3 of FAC earnings limit.
			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 .	Reporting unit must pay DC employer and employee contributions as appropriate. See contribution chart .		
			Report DTL 2 Only	Report DTL2 and DTL 4		
			USE CLASS CODES: 9003- Retiree Teacher 9004- Retiree Admin 9005- Retiree Other	USE CLASS CODES: 9033-Non CS Direct Hire Retiree (Teacher) 9034- Non CS Direct Hire Retiree (Admin) 9035- Non CS Direct Hire Retiree (Other)		
Reporting Unit	On or after July 1, 2010	12 months or more	Covered under the Critical Shortage Provision (See A. Critical Shortage chart and notes . Once the Critical Shortage provision no longer applies, the rules revert to the above line item).			
3 rd Party Vendor or Independent Contractor	On or after July 1, 2010	1 month or more	Reporting unit must obtain earnings from 3 rd party vendor or independent contractor and report them to ORS according to your pay cycle.		Subject to 1/3 of FAC earnings limit.	Subject to 1/3 of FAC earnings limit.
			Reporting unit must pay 100% of 20.96% UAAL** on retiree earnings.			
			Report DTL 2 Only			
			USE CLASS CODES: 9023 - 3 rd Party Retiree (Teacher) 9024 – 3 rd Party Retiree (Admin) 9025 – 3 rd Party Retiree (Other)			

NOTE: If retired prior to July 1, 2010 and hired directly by the reporting unit, refer to [A. 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)

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