

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4248

A bill to amend 1943 PA 240, entitled
"State employees' retirement act,"
by amending section 68c (MCL 38.68c), as added by 2007 PA 95.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 68c. (1) Except as otherwise provided in this ~~subsection~~
2 **SECTION**, a retirant who is receiving a retirement allowance under
3 this act and is employed by this state beginning on or after ~~the~~
4 ~~effective date of this section~~ **OCTOBER 1, 2007** agrees to forfeit
5 his or her right to receive that retirement allowance during this
6 period of state employment. The retirement system shall cease
7 payment of the retirement allowance to a retirant described in this
8 subsection during this period of state employment and shall
9 reinstate payment of the retirement allowance without recalculation
10 when the period of state employment ceases. This subsection does

1 not apply to a retirant who is employed by this state on ~~the day~~
2 ~~before the effective date of this section~~ **SEPTEMBER 30, 2007** so
3 long as he or she remains in the position held by the retirant on
4 ~~the day before the effective date of this section~~ **SEPTEMBER 30,**
5 **2007.** As used in this subsection, "employed by this state" means
6 employed directly by this state as an employee or indirectly by
7 this state through a contractual arrangement with other parties.

8 (2) A hospital, medical-surgical, and sick care benefits plan,
9 dental plan, vision plan, and hearing plan that covers retirants,
10 retirant allowance beneficiaries, former qualified participants,
11 and health benefit dependents under this act shall contain a
12 coordination of benefits provision that provides all of the
13 following:

14 (a) If the person covered under any of the plans is also
15 eligible for medicare, then the benefits under medicare shall be
16 determined before the health insurance benefits under this act.

17 (b) If a person covered under any of the plans provided by
18 this act is also covered under another plan that contains a
19 coordination of benefits provision, the benefits shall be
20 coordinated as provided in the coordination of benefits act, 1984
21 PA 64, MCL 550.251 to 550.255.

22 (c) If the person covered under any of the plans provided by
23 this act is also covered under another plan that does not contain a
24 coordination of benefits provision, the benefits under the other
25 plan shall be determined before the benefits provided pursuant to
26 this act.

27 **(3) SUBSECTION (1) DOES NOT APPLY TO A RETIRANT IF ALL OF THE**

1 FOLLOWING APPLY:

2 (A) THE RETIRANT IS HIRED TO PROVIDE HEALTH CARE SERVICES TO
3 INDIVIDUALS UNDER THE JURISDICTION OF THE DEPARTMENT OF
4 CORRECTIONS.

5 (B) THE RETIRANT IS HIRED IN A POSITION THAT IS LIMITED IN
6 TERM, NO BENEFITS ARE PAID, AND PAY IS ON A PER DIEM BASIS.

7 (C) THE DEPARTMENT OF CORRECTIONS PROVIDES WRITTEN NOTICE TO
8 THE STATE BUDGET OFFICE AND THE DEPARTMENT OF TECHNOLOGY,
9 MANAGEMENT, AND BUDGET THAT ATTEMPTS HAVE BEEN MADE TO FILL THE
10 POSITION THROUGH POSTINGS AND RECRUITMENT AND THAT THE POSITION
11 VACANCY STILL EXISTS.

12 (D) THE DEPARTMENT OF CORRECTIONS REPORTS THE EMPLOYMENT OF A
13 RETIRANT UNDER THIS SUBSECTION WITHIN 30 DAYS OF EMPLOYMENT OF THE
14 RETIRANT TO THE STATE BUDGET OFFICE AND THE DEPARTMENT OF
15 TECHNOLOGY, MANAGEMENT, AND BUDGET. THE REPORT SHALL INCLUDE THE
16 NAME OF THE RETIRANT, THE CAPACITY IN WHICH THE RETIRANT IS
17 EMPLOYED, AND THE TOTAL COMPENSATION PAID TO THE RETIRANT.