

## **Post-retirement Employment Options Expanded for MPSERS**

Legislation (HB 5261) recently signed into law as PA 464 of 2012 increases the ability of some school retirees to retain their retirement allowances and health benefits while returning to work in critical shortage areas in school districts or as substitute teachers, instructional coaches or school improvement facilitators. Previously state law had reduced either pension or retiree health benefits (or both), with the reductions depending on a number of factors, including the date of retirement.

Under the new law, retirees can return to work in “critical shortage disciplines”, providing that the reporting unit pays the full contribution rate for both pension and retiree health benefits for retirees hired back under this provision. Critical shortage lists will again be updated annually by the State Superintendent of Public Instruction. (A list of “critical shortage areas” is expected to be posted by the Michigan Department of Education on Thursday, January 10). Also, the retiree must:

- Have been retired for at least 12 months prior to re-employment.
- Be re-employed for no more than 3 years.
- Not use any of the new service time or compensation to re-compute his or her pension.

The new law also exempts retirees who retired after July 1, 2010 from the current benefit reductions if they are hired as substitute teachers, instructional coaches, or school improvement facilitators. Just as for retirees re-employed in critical shortage disciplines, this provision applies until July 1, 2014 and requires that employers pay 100% of the contribution rate for both pension and retiree health benefits for retirees hired back. Certain provisions apply to retirees as well, including the prohibition against having the pension recalculated, using the new service time and compensation. Additionally, retirees in this category must:

- Have been retired for at least one month before being re-employed.
- May earn no more than one-third of his or her final average compensation

CSR will post on its website the information regarding the critical shortage list once it is available from the Michigan Department of Education.