

Public Act 184 of 2022 FAQs

House Bill 4375 of 2021 has been signed into law and is now Public Act (PA) 184 of 2022. The FAQs below outline the impacts of PA 184 of 2022.

Working for Michigan K-12 public schools, charter schools/public school academies, intermediate school districts, tax-supported community colleges, or select libraries and museums:

1. When can a Michigan public school retiree return to work at a public school reporting unit?

The retiree may return to work at a public school reporting unit in any position, either directly or indirectly, with no earnings limit and no effect on their pension or insurance premium subsidy as long as they have a bona fide termination and they've been retired at least nine consecutive months.

2. What is a bona fide termination?

A bona fide termination means there is a complete severing of the employer-employee relationship. You cannot work in a Michigan public school reporting unit during the month of your retirement effective date, even as a volunteer. You can't have a promise of reemployment or a contract for future employment in place to work for a Michigan public school reporting unit before you terminate employment and begin collecting your pension.

3. What does it mean to be employed directly or indirectly?

Directly means you were hired directly by the school. Indirectly means you were hired through a third party or as an independent contractor.

4. PA 184 of 2022 says I must be retired at least nine consecutive months before returning to work at a Michigan public school reporting unit. Nine months, beginning when?

The nine months will begin from your retirement effective date. However, if you return to work at a Michigan public school reporting unit before you've been retired nine consecutive months, the nine consecutive months counter will start over when you terminate your employment as a retiree. It will not resume from your retirement effective date.

For example, if you have a retirement effective date of July 1, 2022, and you return to work at a reporting unit in September 2022, your pension and insurance premium



subsidy will be temporarily forfeited until you terminate employment. If you terminate employment Oct. 1, 2022, you will have to be retired nine consecutive months from Oct. 1, 2022, to return to work at a reporting unit with no impact on your pension or insurance premium subsidy.

5. What is my earnings limit if I return to work after I have been retired for a full nine consecutive months?

There will be no earnings limit, whether you work at a Michigan public school reporting unit or outside of a Michigan public school reporting unit.

6. When did PA 184 of 2022 take effect?

PA 184 of 2022 took effect July 25, 2022.

7. When PA 184 of 2022 went into effect, I was working at a public school as a retiree. What does this mean for me?

Retirees who are working at a Michigan public school reporting unit when PA 184 of 2022 went into effect will be able to continue working, will have no earnings limit, and any suspended pension or insurance premium subsidy will automatically resume.

8. When PA 184 of 2022 went into effect, I was working as a substitute teacher getting paid directly. Am I still subject to an earnings limit until July 1, 2025?

No. Retirees who are working at a Michigan public school reporting unit when PA 184 of 2022 went into effect will be able to continue working, will have no earnings limit, and any suspended pension or insurance premium subsidy will automatically resume.

9. I am a retiree working at a Michigan public school reporting unit as a school renewal coach or high impact leadership facilitator.

Retirees who are working at a Michigan public school reporting unit when PA 184 of 2022 went into effect will be able to continue working, will have no earnings limit, and any suspended pension or insurance premium subsidy will automatically resume.

10. I am working in a non-core service position.



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PA 184 of 2022 eliminated core services and earnings limits. Therefore, you have no earnings limit going forward and your employment would not affect your pension or your insurance premium subsidy.

11. I work in a public school but get paid as a contractor or as an independent contractor.

Retirees who are working at a Michigan public school reporting unit when PA 184 of 2022 went into effect will be able to continue working, will have no earnings limit, and any suspended pension or insurance premium subsidy will automatically resume. This applies to retirees hired directly by the school and those hired indirectly through a third party or as an independent contractor.

12. Can I return to work at a Michigan public school reporting unit with no effect on my pension and insurance premium subsidy *before* I've been retired nine months if I work indirectly through a third party or as an independent contractor?

No. If you return to work, either directly or indirectly, before you've been retired nine consecutive months you will temporarily forfeit your pension and insurance premium subsidy. This means if you're receiving an insurance premium subsidy, you will have to pay the entire insurance premium until you end your employment at the reporting unit.

Also, if you return to work before you've been retired nine consecutive months, the nine consecutive months counter will start over when you terminate your employment as a retiree. It will not resume from your retirement effective date. For example, if you have a retirement effective date of July 1, 2022, and you return to work at a reporting unit in September 2022, your pension and insurance premium subsidy will be temporarily forfeited until you terminate employment. If you terminate employment Oct. 1, 2022, you will have to be retired nine consecutive months from Oct. 1, 2022, to return to work at a reporting unit with no impact on your pension or insurance premium subsidy.

13. What if I return to work at a Michigan public school reporting unit without a bona fide termination?

If you are collecting your pension and it's subsequently discovered that a bona fide termination did not exist, you will be required to repay pension payments you erroneously received. In addition, you will be disenrolled from insurance retroactive to your retirement effective date. Any medical costs you incurred during this time will be your responsibility.



14. My retirement effective date is July 1, 2022. Can I return to work in the fall for a Michigan public school reporting unit with no effect on my pension and insurance premium subsidy?

No. PA 184 of 2022 changed the rules for Michigan public school reporting unit positions.

You must have a bona fide termination and be retired at least nine consecutive months before returning to work at a Michigan public school reporting unit, even as a substitute teacher (or in any position), to have no effect on your pension and insurance premium subsidy.

15. My pension and insurance premium subsidy were suspended because I exceeded my earnings limit or provided a core service. Do I need to do anything to get my pension and subsidy reinstated?

As a result of the legislation, we will be resuming your pension payments and the insurance premium subsidy effective for the month of July. Please allow two to three weeks from the signing of the law for your July pension payment to be deposited. Your August pension payment will arrive as usual on the 25th.

16. My pension and insurance premium subsidy were suspended. During that time, I remained enrolled in the retirement system's insurance, and I paid the full premium. Do I need to do anything?

No. ORS will automatically adjust your premium to reflect your insurance premium subsidy.

17. My pension and insurance premium subsidy were suspended. During that time, I wasn't enrolled in the retirement system's insurance, or I was enrolled but canceled my coverage. What do I need to do to enroll in the retirement system's insurance?

You can make changes to your insurance enrollment online using miAccount.

Once you're logged in to [miAccount](#), go to the Insurance Coverage tab and follow the prompts on each page. Be sure to save your changes when you're finished. Once you have saved these changes, you will receive a confirmation page. Print a copy of the confirmation page and send it along with any necessary proofs to:

Michigan Office of Retirement Services
P.O. Box 30171
Lansing, MI 48909-7671



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Please see [Dependent Coverage](#) for proofs needed for dependents.

Or you may complete and submit the *Insurance Enrollment/Change Request (R0452C)* form, along with any [required proofs](#), to ORS.

You must have a qualifying event to enroll in the insurances without a six-month waiting period. PA 184 of 2022 is considered a qualifying event. ORS must receive your completed application and proofs within 30 days of the qualifying event, which would be 30 days from the date Gov. Whitmer signed it into law. Your coverage can begin as early as the first of the month after you apply and we receive the required proofs.

For retirees with Medicare, your coverage can begin the first of the second month after we receive your request and required proofs.

If you do not meet this time frame, your insurance coverage will begin the first day of the sixth month from the date we received your completed application and proofs.

18. Can I volunteer at a Michigan public school reporting unit during my first nine months of retirement?

Retirees must have a bona fide termination, as required by the IRS and described in [Section 61\(9\)\(a\) of PA 184 of 2022](#). This includes not volunteering at a Michigan public school reporting unit during the month of your retirement effective date. There is nothing that prohibits volunteering after a true bona fide termination.

If you return to a Michigan public school reporting unit as a volunteer at the same district you retired from before nine consecutive months of retirement, doing the same or similar job to the one you left, this brings into question whether a bona fide termination existed. Especially if you are reemployed after nine months, a bona fide termination would be in doubt.

If ORS discovers at a later time that there was no bona fide termination, you will be required to repay pension payments you erroneously received. In addition, you will be disenrolled from insurance retroactive to your retirement effective date. Any medical costs you incurred during this time will be your responsibility. The amount owed back to the retirement system for pension and insurance premiums may be significant depending on how long you were erroneously collecting your pension.

A volunteer is someone who is not paid and/or would not receive remuneration for their services at any time. ORS cannot speak to district and union rules surrounding volunteering in a position that is typically a paid position.



19. I am currently employed at a Michigan public school reporting unit, and I'm also currently employed and providing service to a public school either as an independent contractor or through a third party. When I retire from my Michigan public school reporting unit position, will I have to quit my other job for nine months in order to draw my retirement benefits?

If, as of July 25, 2022, you were already “dually employed” as both an active member in the Michigan Public School Employees' Retirement System and in a position that provides service to a public school, either as an independent contractor or through a third party, you could retire and collect your retirement benefits immediately while continuing to work in your other job as long as you have been continuously employed in the same manner as you were on July 25, 2022.

Here are some examples:

- Mary works as a part-time teacher at Waverly Community Schools. She is also employed as of July 25, 2022, by Michigan Virtual (not a reporting unit, but a third-party employer) to provide asynchronous AP English for a couple of school districts. If Mary continues to be employed in both manners and retires from Waverly Community Schools, she can continue to work for Michigan Virtual without any impact to her retirement benefits. She will not have her pension suspended or be required to wait nine consecutive months to work for Michigan Virtual.
- Bob works in the payroll office at Lansing Public Schools. On Fridays and weekends, he drives a bus — usually for sporting events and special events — for Dean Transportation serving Grand Ledge Public Schools. He was employed in both positions as of July 25, 2022. When he retires from Lansing Public Schools, he can draw his retirement benefits immediately and continue to drive a bus for Dean Transportation.
- Joe is working for DeWitt Public Schools and is planning to retire in the future. He has no other employment as of July 25, 2022. Prior to retirement, he decides to pick up a contract with a third-party transportation provider serving several public schools. When Joe retires from DeWitt Public Schools, he will need to terminate his third-party employment for nine consecutive months, or he will have to forfeit his retirement benefits until terminating employment.

20. I recently retired and want to continue coaching. Can I?

You must have a bona fide termination and be retired at least nine consecutive months before returning to work at a Michigan public school reporting unit to have no effect on your pension and insurance premium subsidy. If, following a bona fide termination, you volunteer to coach before you have been retired nine consecutive months, you can continue to receive your pension and insurance premium subsidy



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while volunteering as long as you are not compensated now or in the future for that time you volunteered.

Here are some examples:

- Mark retires as a teacher from Lowell Public Schools, and he is also their varsity football coach. If Mark volunteers to coach this fall and is not paid now or at any point in the future for that volunteering, he can continue to collect his retirement benefits while volunteering this fall.
- James retires as a counselor at Okemos Public Schools, and he is their cross country and track coach. If James volunteers to coach cross country in the fall and receives delayed compensation for that time during the track season (after he has been retired nine consecutive months), he would not have satisfied the nine consecutive months of retirement provision because the compensation is for time worked within the first nine months of retirement. James will have to repay the pension payments he erroneously received, and he will be retroactively disenrolled from insurance.

Working for a University:

1. What universities participate in the Michigan Public School Employees' Retirement System?

Central Michigan, Eastern Michigan, Northern Michigan, Western Michigan, Ferris State, Lake Superior State, and Michigan Technological universities are limited participants in the Michigan Public School Employees' Retirement System only for those employees hired before Jan. 1, 1996. These universities no longer participate for employees hired after that date.

2. What is a bona fide termination?

A bona fide termination means that you have completely severed the employer-employee relationship with your Michigan public school reporting unit employer. This includes that you do not work for a reporting unit during the month of your retirement effective date and that you do not intend or expect to have an offer or contingency to become employed at any reporting unit.

3. When can I become employed by a university and still receive a retirement allowance?



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<https://www.michigan.gov/orsschools/pa-184-of-2022-faqs>

If you worked anywhere else but at one of the seven universities, you may work at one of the universities immediately after you leave Michigan public school employment.

EXAMPLE 1: Bob retires from Marquette Public Schools and has never worked for a university. He could work for any of the seven universities immediately after retiring with no impact to his pension or insurance premium subsidy.

4. I once worked at one of the seven universities *after* Jan. 1, 1996, but then stopped working there and worked at a public school for the remainder of my career. May I work at a university immediately after retiring with no effect on my pension or insurance premium subsidy?

Yes. If you worked at a university after Jan. 1, 1996, that service is not considered as part of your pension calculation. You may work at one of the seven universities with no effect to your pension or insurance premium subsidy.

EXAMPLE 2: Judy retires from a Michigan K-12 public school. Years ago, she worked for one of the seven universities. She could immediately work at one of the seven universities with no effect on either her pension or insurance premium subsidy.

EXAMPLE 3: Greg retires from Detroit Public Schools and is also employed at Eastern Michigan University (EMU) where he was hired *after* Jan. 1, 1996. Greg does not need a bona fide termination with EMU and can remain employed at EMU and still collect a pension for his work at Detroit Public Schools. Greg would need a bona fide termination from Detroit Public Schools and will need to wait at least nine months before returning to any other reporting unit that is not a university.

EXAMPLE 4: Zee works at Northern Michigan University and was hired by them before Jan. 1, 1996. She plans to retire from Northern Michigan University in December 2022. Zee will need to have a bona fide termination with Northern Michigan University and wait nine consecutive months before she can take a job with any K-12 reporting unit or community college, without forfeiture of her pension and insurance premium subsidy. Zee could take a job at one of the seven universities if she had a bona fide termination of employment when she retired.

EXAMPLE 5: Zee retires with a bona fide termination from Ferris State University (FSU), which includes not working for FSU during the month of her retirement effective date. She could then work for any one of the universities, including FSU, with no impact to her pension and insurance premium subsidy.

Disability Retirement:



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1. What if I'm receiving a disability pension?

PA 184 of 2022 did not change the working after retirement rules for those receiving a disability pension. You still must gain approval from ORS before you return to work for any employer.

Failure to gain approval in advance may result in termination of your disability pension.

If you're under 60 years old:

- **If approval has been received by ORS**, you can earn up to the difference between your final average compensation (FAC) (increased by 2% for each 12 months passed since retirement) and annual pension without your pension being reduced. The earnings limit is 1/3 of your FAC. Pension and insurance premium subsidy are forfeited in the month you exceed your earnings limit, and you must pay the full insurance premium; if you cancel your insurance, you may be subject to a six-month waiting period to reenroll.

If you're 60 or older:

- Once you are age 60, if you work for a reporting unit, and were a retiree working at a Michigan public school when PA 184 of 2022 went into effect, you will be able to continue working, will have no earnings limit, and any suspended pension or insurance premium subsidy will automatically resume.
- Once you are age 60, if you have been retired for nine consecutive months before your employment with the reporting unit began, your pension and retiree insurance subsidy will not be harmed. You are not subject to earnings limitations or core services.
- If you work outside of a Michigan public school reporting unit, you're exempt from disability earnings limits.



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