

Working after retirement

If you are returning to work, these are things you need to know **before** you begin working.

You may return to work at a reporting unit — either directly or indirectly — with no effect on your pension or insurance premium subsidy if:

- You have a bona fide termination, which includes not working in the month of your retirement effective date.
- You don't earn more than \$15,100 in a calendar year as a retiree from your public school employment.

You may return to work at a reporting unit — either directly or indirectly — with no earnings limit and no effect on your pension or insurance premium subsidy if:

- You have a bona fide termination, which includes not working in the month of your retirement effective date.
- You've been retired at least six consecutive months.

These rules will be in effect until Oct. 10, 2028.

If you were employed at a reporting unit *as a retiree* on July 25, 2022, and you had a bona fide termination, you may work at a reporting unit — either directly or indirectly — with no effect on your pension or insurance premium subsidy and no earnings limit.

Retired superintendents

You may return to work at a reporting unit — either directly or indirectly — with no effect on your pension or insurance premium subsidy if:

- You have a bona fide termination.
- You return to work in a position other than superintendent.
- You don't earn more than \$15,100 in a calendar year as a retiree from your public school employment.

You may return to work in any position at a reporting unit — either directly or indirectly — with no earnings limit and no effect on your pension or insurance premium subsidy if:

- You have a bona fide termination.
- You've been retired six consecutive months.

These rules will be in effect until Oct. 10, 2028.

Temporary forfeiture of retirement benefits

If you return to work — either directly or indirectly — at a Michigan public school reporting unit you will temporarily forfeit your pension and insurance premium subsidy if any of the following are true:

- You do not have a bona fide termination.
- You've been retired for less than six consecutive months, and you earn more than \$15,100 in a calendar year as a retiree from your public school employment.

- You're a retired superintendent who returns to work as a superintendent before being retired for six consecutive months.

If your retirement benefits are temporarily forfeited, you will be responsible for paying the entire insurance premium during that time. Your pension and insurance premium subsidy will resume on the first of the month following the month you're eligible to receive your pension and insurance premium subsidy again. When your retirement benefits resume, we will not recalculate your pension or insurance premium subsidy.

If your pension and insurance premium subsidy are suspended, your six-month clock will start over once you terminate your employment with the reporting unit.

Bona fide termination

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

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 received in error. 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.

Direct or indirect employment

Working directly for a Michigan public school reporting unit means you have been hired directly by the school. Working indirectly means you are working at a Michigan public school reporting unit but were hired through a third party or as an independent contractor.

Retired six consecutive months

If you return to work before you've been retired six consecutive months and your pension and insurance premium subsidy are temporarily forfeited, the six-months clock will start over once you terminate your employment with the reporting unit. It will not resume from your retirement effective date.

For example, you have a retirement effective date of Dec. 1, 2023, and you return to work at a reporting unit in February 2024. You exceed the earnings limit so your pension and insurance premium subsidy are temporarily forfeited. You stop working June 15, 2024, and your retirement benefits are reinstated for the first of the month following your termination, July 1, 2024. You will need to be retired six consecutive months from June 15, 2024, to return to work at a reporting unit with no earnings limit and no impact on your pension and insurance premium subsidy.

If you return to work before you've been retired six consecutive months and you do not earn more than \$15,100 in a calendar year, then once you reach six months from your retirement effective date you will no longer have an earnings limit.

For example, you have a retirement effective date of Dec. 1, 2023, and you return to work at a reporting unit in February 2024. You do not exceed the earnings limit. On June 1, 2024, you will no longer have an earnings limit. You later terminate your employment with the reporting unit in July 2024. The six-month clock will not start over.

Pension recalculation

We will not recalculate your pension or insurance premium subsidy if you return to work at a reporting unit after you retire. You cannot add service credit or increase your final average compensation after your retirement effective date.

Disability pension

If you're receiving a disability pension, you must get approval from the Michigan Office of Retirement Services (ORS) before you return to work for any employer. Write a letter to ORS before you resume working. The letter should include:

- The name and contact information of your potential employer.
- The official job description from your potential employer.
- The number of hours you plan to work.

Work that won't affect your retirement benefits

There is no limit on your earnings — unless you're receiving an approved disability pension, as mentioned above — if you return to work in:

- A private sector job outside a Michigan public school reporting unit.
- A private or parochial school.
- A public school in another state.
- A university, whether in Michigan or in another state.
- A public college in Michigan that's not part of the Michigan Public School Employees' Retirement System.

In these situations, you can return to work after retirement and are not subject to earnings limitations. You can work and you'll still collect your full pension and insurance premium subsidy.

Michigan public school reporting units

Michigan public school reporting units include:

- K-12 public school districts.
- Charter schools/public school academies.*
- Intermediate school districts.
- Some public libraries and museums.
- Tax-supported community colleges.
- Central Michigan, Eastern Michigan, Northern Michigan, Western Michigan, Ferris State, Lake Superior State, and Michigan Technological universities.

*Charter/public school academies are considered reporting units even if they don't currently report any members to the Michigan Public School Employees' Retirement System.

University employment

You may return to work at any university that is a reporting unit if you have a bona fide termination of employment. You will not be subject to an earnings limitation and the work will have no effect on your pension or insurance premium subsidy.

Please see the FAQs under “Working for a university” for additional information and examples.

On Oct. 10, 2023, Public Act (PA) 147 of 2023 was enacted. To review the full and exact language of the law, see [PA 147 of 2023](#). Or you may read [ORS’ legislative summary](#).