COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

100TH GENERAL ASSEMBLY

BILL NO: **HB 0751, as amended by HA 1** May 1, 2018

SPONSOR (S): Davidsmeyer – Bryant, et al. (Holmes – Aquino)

SYSTEM(S): TRS

FISCAL IMPACT: HB 0751, as amended by HA 1, would allow an undetermined number of TRS annuitants to return to work in a subject shortage area while retaining their TRS pension. As explained below in the Comment section, this is a continuation of a law that expired in 2013. TRS reports that 81 annuitants taught under the previous return-to-work law.

SUBJECT MATTER: HB 0751, as amended by HA 1, reinstitutes a law that allows TRS annuitants to return to work in subject shortage areas while still retaining their retirement annuity, subject to certain provisions as explained below.

COMMENT: P.A. 93-0320 (SB 195), which took effect on July 23rd, 2003, first established the TRS return-to-work provision in teacher subject shortage areas. The act set a sunset date of June 30, 2008, but this date was extended to June 30, 2013 via P.A. 95-0910, which took effect on August 26th, 2008. P.A. 93-0320 set forth several conditions under which a teacher subject shortage area is deemed to exist, such as a school experiencing a shortage of teachers in a specific subject area. Other conditions were added to the subject shortage return-to-work law. For example, if the annuitant retired before age 60 with less than 34 years of service, the return-to-work employment cannot begin within the year following the effective date of retirement. A teacher who returns to work under this program retains his or her TRS annuity, but shall be eligible for inclusion in a collective bargaining unit and shall retain eligibility for group health benefits. The retired teacher who returns to work must maintain compliance with laws governing the employment, regulation, certification, treatment, and conduct of teachers.

HA 1 to HB 751 renews this program until June 30, 2019.

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