

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

### 97TH GENERAL ASSEMBLY

BILL NO: **SB 3168**

February 21, 2012

SPONSOR (S): Link

SYSTEM(S): SERS

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**FISCAL IMPACT:** The fiscal impact of SB 3168 cannot be calculated as the number of SERS annuitants who earn in excess of \$30,000 while working on 75-day contracts is unknown.

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**SUBJECT MATTER:** SB 3168 amends the SERS article of the Pension Code to restrict total compensation for annuitants who return to service on 75-day contracts. The bill would impose an annual earnings limitation of \$30,000 on these individuals.

**FISCAL IMPACT:** The fiscal impact of SB 3168 cannot be calculated as the number of SERS annuitants who earn in excess of \$30,000 while working on 75-day contracts is unknown.

**COMMENT:** Currently under the SERS article of the Pension Code, retired members may return to work for a period not exceeding 75 working days in any calendar year without being classified as having made re-entry as an active participant. SB 3168 adds an additional exception to the retiree return-to-work provision such that annuitants who accept employment for less than \$30,000 during a calendar year will also not be classified as having made re-entry as an active participant.

SB 3168 also amends the School Code to stipulate that a school board is prohibited from hiring multiple people who are retired from TRS in order to fill, as a group, a teaching position that would have ordinarily been occupied by a single, full-time teacher.

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