

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: **SB 0069**

January 16, 2015

SPONSOR (S): Cullerton, J.

SYSTEM(S): Chicago Teachers Pension Fund

FISCAL IMPACT: SB 0069 would have an extremely minor impact on the Chicago Teacher Pension Fund. Under P.A. 97-09112, annuitants who return to service on a temporary, non-annual basis and work more than 100 hours and earn more than \$30,000 during a school year would have their retirement annuities cancelled during such periods of employment. To the extent this bill exempts certain Driver's Ed instructors from these limitations, the pension fund would pay out retirement annuities that are not permitted under current law. The number of Driver's Ed instructors who are impacted is not known.

SUBJECT MATTER: SB 0069 amends the Chicago Teacher article of the Illinois Pension Code. The bill exempts certain driver education instructors from the 100-day, \$30,000 limitation for retired teachers who return to work on a temporary or non-annual basis.

FISCAL IMPACT: SB 0069 would have an extremely minor impact on the Chicago Teacher Pension Fund. Under P.A. 97-09112, annuitants who return to service on a temporary, non-annual basis and work more than 100 hours and earn more than \$30,000 during a school year would have their retirement annuities cancelled during such periods of employment. To the extent this bill exempts certain Driver's Ed instructors from these limitations, the pension fund would pay out retirement annuities that are not permitted under current law. The number of Driver's Ed instructors who are impacted is not known.

COMMENT: P.A. 97-0912 (SB 3597), which became effective on Aug. 8th, 2012, created a limited return-to-service provision for annuitants of the Chicago Teachers Pension Fund (CTPF). The Act provided that an annuitant could be re-employed as a teacher on a temporary or non-annual basis, so long as the following conditions were met: a) the annuitant cannot work more than 100 days in a school year; b) he or she cannot accept gross compensation in excess of \$30,000 during a school year. The Act also specified that such re-employment does not constitute active participation in CTPF

SB 0069 provides that the 100-day limit and \$30,000 cap will not include days that a teacher teaches only driver education courses after regular school hours and does not teach any other subject areas.

DH:dkb

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