

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

99TH GENERAL ASSEMBLY

BILL NO: SB 0235, as Amended by SA 1 May 20, 2016
SPONSOR (S): Bertino-Tarrant – Manar (B. Mitchell – Pritchard)
SYSTEM(S): Teachers' Retirement System (TRS)

FISCAL IMPACT: According to TRS, SB 0235, as amended by SA 1, would result in a minor increase in cost to TRS by increasing the maximum employment time due to the increased number of employees who would be expected to be affected. TRS notes that in FY 2015, there were 46 retirees who worked more than the maximum allowed number of days/hours and were therefore considered active employees; accordingly, their retirement annuities were stopped as a result of working excess hours.

SUBJECT MATTER: SB 0235, as amended by SA 1, amends the Downstate Teachers Article of the Illinois Pension Code. The bill specifies the maximum number of days/hours a retired teacher may work without impairing their retirement status.

COMMENT: Under current law, an annuitant's retirement annuity would not be impaired even while returning to work on two conditions; 1) the employment is not within the school year during which service was terminated and 2) the maximum employment time shall not exceed 100 paid days or 500 paid hours in any school year.

However, under this bill, the maximum employment time is specified depending on time periods.

- Before July 1, 2001: 100 paid days or 500 paid hours in any school year;
- Between July 1, 2001 and June 30, 2011: 120 paid days or 600 paid hours in each school year;
- Between July 1, 2011 and June 30, 2016: 100 paid days or 500 paid hours in each school year
- Beginning July 1, 2016: 120 paid days or 600 paid hours in each school year.