

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

95TH GENERAL ASSEMBLY

BILL NO: **HB 4536, as engrossed** April 29, 2008
SPONSOR (S): Flider – Smith. M (Link – Bomke)
SYSTEM(S): Teachers' Retirement System

FISCAL IMPACT: Currently, retired teachers who return to work in subject shortage areas do not accrue additional service credit in TRS, nor does their participation in the program impact their final average salaries for pension purposes.

SUBJECT MATTER: HB 4536, as engrossed, extends the sunset date for retired teachers returning to work in subject shortage areas until June 30, 2013 (currently June 30, 2008).

FISCAL IMPACT: Currently, retired teachers who return to work in subject shortage areas do not accrue additional service credit in TRS, nor does their participation in the program impact their final average salaries for pension purposes.

COMMENT: P.A. 93-320 (SB 0195), which took effect on July 3, 2003, allowed retired teachers to return to teaching in subject shortage areas on or after July 1, 2003 and ending no later than June 30, 2008, without impairing their retirement annuities, subject to the following conditions:

- The teaching service must not begin within the school year during which service was terminated;
- The teacher must not have retired under an Early Retirement Incentive;
- If the annuitant retired before age 60 with less than 34 years of service, the teaching service must not begin within the year following the effective date of retirement;
- If the annuitant retired at age 60 or above or with 34 or more years of service, the teaching service does not begin within 90 days following the date of the teacher's retirement; and
- The school district must notify TRS in writing of the retired teacher's desire to participate in the subject shortage area program.

The Act also required the school district to first offer teaching positions in subject shortage areas to qualified teachers who had been honorably dismissed during the calendar year preceding the beginning of the school term for which it seeks to employ a retired teacher. Also, the school district must advertise its vacancy in a newspaper of general circulation for a period of at least 90 days during the 6 months preceding the beginning of the school term for which it seeks to employ a retired teacher in a subject shortage area.

HB 4536, as engrossed, deletes the June 30, 2008 sunset date and allows the foregoing program to continue until June 30, 2013.

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