

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 1472**

February 4, 2019

SPONSOR (S): Davidsmeyer

SYSTEM(S): TRS

FISCAL IMPACT: HB 1472 would allow an undetermined number of TRS annuitants to return to work in subject shortage areas while retaining their TRS pension. As explained below in the comment section, this is a continuation of a law that will expire in 2019, having last been renewed by P.A. 100-0743. TRS reports that 88 annuitants taught under the various open windows of this return-to-work law (including 7 annuitants who took advantage of the most recent open window period under P.A. 100-0743).

SUBJECT MATTER: HB 1472 extends the sunset date of 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 23, 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 26, 2008. P.A. 100-0743 (HB 0751) renewed this act and set a new sunset date of June 30, 2019.

The statute sets 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, and also retains eligibility for inclusion in a collective bargaining unit and 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.

As previously mentioned, P.A. 100-0743 re-opened the return-to-work window and set a new sunset date of June 30, 2019. HB 1472 would extend the sunset date to June 30, 2021.

LV:bj

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