

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

101ST GENERAL ASSEMBLY

BILL NO: **HB 4509**

February 7, 2020

SPONSOR (S): Scherer

SYSTEM(S): Teachers' Retirement System

FISCAL IMPACT: TRS reports that 38 teachers are participating under the return-to-work provision in the 2019-2020 school year. These returning teachers can work 120 paid days or 600 paid hours in each school year without impairing their retirement statuses. HB 4509 waives these daily and hourly restrictions if a teacher returns to work as a substitute teacher if a teacher shortage exists, but only after receiving a waiver from TRS. It is unknown how many annuitants would return to substitute teaching if this exemption became law.

SUBJECT MATTER: HB 4509 amends the Downstate Teachers Article of the Pension Code. The bill would waive limitations on annuitants returning to teaching, as a substitute teacher, in a school district that has received a waiver by TRS from the current hourly and daily restrictions.

COMMENT: Under current law TRS annuitants are allowed to return to work without impairing their retirement status, subject to certain limitations. The most recent change to this program came via P.A. 100-0596, which took effect on July 1, 2018. The Act extended this limited return-to-work provision such that beginning on July 1, 2018 and extending through June 30, 2020, retired teachers could work 120 paid days or 600 paid hours without impairing their retirement annuities.

HB 4509 would amend the Downstate Teachers Article to allow annuitants to return to work as a substitute teacher without any daily or hourly restrictions. In order to do this, the annuitant must receive a waiver from TRS. School districts may apply for this waiver by providing sufficient evidence that there is a substitute teacher shortage in the district, and an estimate of the number of paid hours in the school year that annuitant will work. The bill does not require TRS to grant the waiver if this evidence has been provided.

RM:bs

LRB101 19087 RPS 68547 b