

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **HB 0021**

January 20, 2021

SPONSOR (S): Scherer

SYSTEM(S): TRS

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**FISCAL IMPACT:** TRS reports that 38 teachers participated under the annuitant return-to-work provision in the 2019-2020 school year. A retired teacher can work for 100 paid days or 500 paid hours in each school year without impairing their retirement status. HB 0021 waives these daily and hourly restrictions if a teacher returns to work as a substitute teacher in a school district where a substitute 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.

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**SUBJECT MATTER:** HB 0021 amends the Downstate Teachers Article of the Pension Code. The bill would waive the current hourly and daily limitations on annuitants returning to teaching, as a substitute teacher, in a school district that has received a waiver by TRS in cases where a substitute teacher shortage exists.

**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. 101-0645, which took effect on June 26, 2020. The Act extended this limited return-to-work provision such that beginning on July 1, 2018 and extending through June 30, 2021, retired teachers could work for 120 paid days or 600 paid hours without impairing their retirement annuities. Beginning on July 1, 2021, the return-to-work limit was changed to 100 paid days or 500 paid hours in each school year.

HB 0021 would amend the Downstate Teachers Article to allow an annuitant to return to work as a substitute teacher without any of the aforementioned 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.

DH:bs

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