

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

102<sup>nd</sup> GENERAL ASSEMBLY

BILL NO:                   **HB 2997**   February 24, 2021  
SPONSOR (S):            Severin  
SYSTEM(S):               General Provisions Article, Downstate Teachers Article

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**FISCAL IMPACT:** HB 2997 bill waives the reduction in retirement annuity in TRS due to retirement before the applicable Tier 1 or Tier 2 retirement age for members who have attained a certain age and have rendered service credit during the 2020-2021 school year. The bill also grants all TRS members one day of additional service credit for every day of in-person service rendered between March 16th, 2020 and June 30, 2021. An actuarial study would be needed to assess the fiscal impact of these changes.

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**SUBJECT MATTER:** HB 2997 amends the General Provision article and the TRS articles of the Pension Code. The bill waives the reduction in annuity for members who retire before the applicable Tier 1 or Tier 2 retirement age provided they have attained a certain age and have rendered service during the 2020-2021 school year. The bill also grants all TRS members one day of service credit for each day of in-person service rendered between March 16th, 2020 and June 30, 2021.

**COMMENT:** Currently, Tier 1 members of TRS may retire before age 60, the normal Tier 1 retirement age. However, their annuities are reduced by one-half of 1% for each month that the member is less than age 60, subject to certain exceptions. HB 2997 would waive this reduction for any Tier 1 member who has attained age 59 and has earned service credit for the 2020-2021 school year. Any Tier 1 member who has not attained age 59 and has earned service credit during the 2020-2021 school year shall be deemed to be one year older than his or her actual age.

Under current law, Tier 2 members of TRS may retire before age 67, the normal Tier 2 retirement age. However, their annuities are subject to reduction of one-half of 1% for each full month that the member's age is under 67. HB 2997 would waive this reduction for any Tier 2 TRS member who has attained age 66 and has earned service credit under TRS during the 2020-2021 school year. Any Tier 2 member who has not attained age 66 and has earned service credit during the 2020-2021 school year shall be deemed to be one year older than his or her actual age.

HB 2997 also grants all TRS members one day of additional service credit for each day of in-person instruction rendered between March 16th, 2020 and June 30, 2021.

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