

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

102<sup>nd</sup> GENERAL ASSEMBLY

BILL NO:                   **HB 5472, as amended by HA 4**                                 February 24, 2022

SPONSOR (S):           Yang Rohr – Batinick, et al.

SYSTEM(S):              Downstate Teachers’ Retirement System (TRS) Article

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**FISCAL IMPACT:** Under HB 5472, as amended by HA 4, retired TRS members who, beginning July 1, 2021 through June 30, 2022, return to work on a temporary and non-annual or hourly basis may do so without impairing their retirement pension, provided they work less than 140 days or 700 hours in a school year, but not more than 100 paid days in the same classroom and thus will not be gaining service credit in TRS for that period of service. To the extent that a retirement pension is paid out by the fund that would otherwise be prohibited under current law for annuitants who return to service and exceed the current limitations of 120 paid days or 600 paid hours, there would be a fiscal impact to the pension fund commensurate with the number of retired members who return to work under this provision.

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**SUBJECT MATTER:** HB 5472, as amended by HA 4, amends the Downstate Teacher article of the Illinois Pension Code. The amended bill states that its aim is to assist with addressing the substitute teacher shortage that has been exacerbated by the ongoing global pandemic by allowing TRS annuitants to be re-employed as a teacher without impairing their retirement pension by expanding the current limitations on annuitant return-to-service, as described below in the Comment section.

**COMMENT:**

**TRS Annuitant Return-to Service**

Under current law, TRS allows annuitants receiving an annuity other than a disability retirement annuity to return to work as a teacher without impairment of retirement status, provided that employment is not within the school year during which service was terminated and does not exceed 120 paid days or 600 paid hours in each school year, but not more than 100 paid days in the same classroom.

HB 5472, as amended by HA 4, amends the TRS article by allowing annuitants beginning July 1, 2021 through June 30, 2022 to accept employment as a teacher without impairing their retirement status provided that the employment is not within the school year during which service was terminated and provides an additional 20 paid days or 100 paid hours

to the previously mentioned limits placed on employment for that time period. The bill specifies that this change is meant to assist with addressing the substitute teacher shortage that has been exacerbated by the global pandemic. The annuitant re-employment cap would revert to 120 paid days or 600 paid hours beginning on June 1, 2022 through June 30, 2023. Under current law, beginning July 1, 2023, the annuitant re-employment cap will be set at 100 paid days or 500 paid hours in each school year (pursuant to P.A. 102-0537, effective August 20<sup>th</sup>, 2021).

JK:bs

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