

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **SB 1989**

March 16, 2021

SPONSOR (S): Joyce – Loughran Cappel

SYSTEM(S): TRS

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FISCAL IMPACT: TRS says that they do not track the number of retired teachers who return to work without impairing their retirement status. The fiscal impact is therefore unknown.

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SUBJECT MATTER: SB 1989 amends the TRS article of the Pension Code. The bill extends by two years the current provision that allows retired teachers the ability to return to work in a limited capacity without impairing their retirement status, as outlined below.

COMMENT: SB 1989 amends the TRS article of the Pension Code to allow annuitants 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 120 paid days or 600 paid hours without impairing their retirement annuities. Retirees who took advantage of this return-to-work provision were capped at no more than 100 paid days in the same classroom. The Act also made this return-to-work program permanent, such that beginning on July 1, 2021, retired teachers can work 100 paid days or 500 paid hours in each school year without impairing retirement status.

SB 1989 would extend the sunset date of the current annuitant return-to-work standard of 600 paid hours or 120 paid days in each school year from June 30, 2021 to June 30, 2023. Thereafter, beginning on July 1, 2023, the limit would be 100 paid days or 500 paid hours, and, consistent with current law, there would be no sunset date to the annuitant return-to-work program.

DH:bs

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