

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **SB 2980**

January 7, 2022

SPONSOR (S): Tracy

SYSTEM(S): TRS

FISCAL IMPACT: TRS reports that there are currently 2,006 retirees who are teaching under the limited return-to-work provisions as outlined below in the Comment section. The fiscal impact of SB 2980 is not known as the number of annuitants who would return to service due to a substitute teacher shortage cannot be predicted. However, SB 2980 would have a fiscal impact to the extent that a retired teacher receives a retirement annuity that would otherwise be suspended due to exceeding the current limitations on returning to service.

SUBJECT MATTER: SB 2980 amends the TRS article of the Pension Code. The bill would waive the current hourly and daily limitations on annuitants returning to substitute teaching in a school district where a substitute teacher shortage exists. The school district would be required to receive a waiver from TRS to employ a retired teacher in a subject shortage area.

COMMENT: Under current law, TRS annuitants are allowed to return to work without impairing their retirement status, subject to certain limitations. Such service can be rendered by an annuitant with no impairment to their retirement status only if the service is limited to 120 paid days or 600 paid hours in each school year. P.A. 102-0537, which took effect on August 20th, 2021, provides that beginning on July 1, 2023, an annuitant can return to teaching with no impairment to their retirement status only if the service is limited to 100 paid days or 500 paid hours in each school year.

SB 2980 amends the TRS article of the Pension Code such that the foregoing limitations shall not apply to an annuitant who returns to teaching as a substitute teacher in a school district where a substitute teacher shortage exists. School districts that wish to avail themselves of this exemption must apply to TRS for a waiver to exceed the aforementioned return-to-work limitations, and show sufficient evidence of a substitute teacher shortage. The school district's application for the waiver must also provide an estimate of the number of paid hours in the school year that the annuitant will work.

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