

# COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

## PENSION IMPACT NOTE

102<sup>nd</sup> GENERAL ASSEMBLY

BILL NO: **SB 3201**

January 19, 2022

SPONSOR (S): Harris

SYSTEM(S): TRS

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**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 3201 is not known as TRS has not done an actuarial analysis of the impact of expanding the number of hours or days a retired teacher may work without impairing their retirement pension status. SB 3201 would have an indeterminate impact on the system's actuarial liabilities 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.

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**SUBJECT MATTER:** SB 3201 amends the TRS article of the Pension Code. The bill would revise the current hourly and daily limitations on annuitants returning to teaching without impairing their retirement pension, as outlined below in the Comment section.

**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 3201 amends the TRS article of the Pension Code such that the above mentioned limitations on service rendered without impairment of retirement status would be changed as follows:

- beginning July 1, 2021 through June 30, 2023, 150 paid days or 750 paid hours in each school year, but not more than 100 paid days in the same classroom; and
- beginning July 1, 2023, 120 paid days or 600 paid hours in each school year

JK:bs

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