

COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **SB 3465**

January 19, 2022

SPONSOR (S): Martwick

SYSTEM(S): Chicago Teacher

FISCAL IMPACT: Under SB 3465, retired Chicago teachers who return to work in subject shortage areas without impairing their retirement pension will not be gaining service credit in the Chicago Teachers Pension Fund for that period of service. To the extent that a retirement pension is paid out that would otherwise be prohibited under current law, there would be a fiscal impact to the pension fund commensurate with the number of retired teachers who return to work in a subject matter shortage area.

SUBJECT MATTER: SB 3465 amends the Chicago Teacher article of the Pension Code. The bill would allow annuitants to be re-employed as a teacher in a subject area shortage without impairing their retirement pension if the employer meets specific requirements, as outlined below in the Comment section.

COMMENT: Under current law, Chicago Teacher annuitants are allowed to return to work on a temporary, non-annual basis or on an hourly basis without impairing their retirement status, subject to certain limitations.

SB 3465 amends the Chicago Teacher article of the Pension Code such that until June 30, 2024 a retired teacher may be re-employed without impairment of retirement status given that the annuitant is employed in a subject shortage area and the employer of the retired annuitant meets specific requirements as follows:

- vacant positions must first be offered to any teachers legally qualified to hold positions in the subject shortage area that have been honorably dismissed in the preceding calendar year for which the employer seeks to employ a retired annuitant;
- in the 6 months prior to the beginning of the term for which the employer seeks to employ a retired annuitant, the employer must for a period of 90 days, on an ongoing basis, (i) advertise vacancies in the subject shortage area in employment bulletins published by college and university placement offices located near the school; (ii) search for legally qualified teachers through the Illinois Education Job

Bank; and (iii) post all vacancies on the employer's website and list the vacancies in an online job database.

Compliance with these requirements must be submitted by the employer to the regional superintendent, who shall certify the employer's compliance to the fund.

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