COMMISSION ON GOVERNMENT FORECASTING AND ACCOUNTABILITY

PENSION IMPACT NOTE

102nd GENERAL ASSEMBLY

BILL NO: **SB 3954, as engrossed** March 10, 2022

SPONSOR (S): Syverson

SYSTEM(S): Downstate Teacher Article

FISCAL IMPACT: SB 3954, as engrossed, will have no discernible impact upon TRS. According to the system, this bill is for one employee of a Rockford area school district, and it is meant to facilitate a retroactive retirement. The employee did not retire immediately after leaving the district and had done a minimal amount of work for the district in the meantime. TRS says that the person in question had done eLearning work during COVID, and the bill is intended to allow the teacher the opportunity to attain a retroactive retirement.

SUBJECT MATTER: SB 3954, as engrossed, amends the Downstate Teacher Article of the Illinois Pension Code to allow the effective date of a retirement annuity to be after the date of official termination of employment if employment meets certain requirements as defined below.

COMMENT: Under current law, the Downstate Teacher Article of the Pension Code provides that members who meet the requisite age and service requirements are entitled to apply for a retirement annuity that shall commence on a date set forth by the member, provided that the effective date is no earlier than the day following the last day of creditable service, regardless of the date of official termination of employment.

SB 3954, as engrossed, makes an exception to the above, stating that the effective date of a retirement annuity may be after the date of official termination of employment as long as such employment is (1) less than 10 days in length and (2) less than $2,000 in compensation.

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